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ASEAN Beyond Forty: Towards Political and Economic Integration

RODOLFO C. SEVERINO

ASEAN has come a long way since its founding in 1967. It has achieved a certain degree of political cohesion on some regional and international issues. It has helped keep the peace among its members. It has adopted norms for inter-state relations and managed to get others to accede to those norms. It has healed the divisions in Southeast Asia. It has served as the core of regionalism in East Asia and the Asia Pacific. ASEAN has reduced or abolished tariffs on much intra-ASEAN trade and committed its members to other measures for the integration of the regional economy. It has established modes of cooperation in dealing with regional problems. However, ASEAN has fallen short of the ambitions that it has proclaimed for itself, particularly in terms of driving regionalism and regional economic integration. A major reason for this is the fact that political cohesion and economic integration are pursued independently of each other. Here, regional institutions could help in formulating, for the member-states' adoption, a regional outlook and coordinating politics and economics as a coherent whole.

Keywords: ASEAN, regionalism, integration, ASEAN Charter, community.

In August 2007, the Association of Southeast Asian Nations (ASEAN) celebrated the 40th anniversary of its foundation. In each of the

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Association's ten member states, observances were more numerous and elaborate than usual. This was particularly so in Singapore, which held the ASEAN chairmanship at the time of the anniversary. Singapore's Prime Minister Lee Hsien Loong delivered the annual ASEAN Lecture on 7 August 2007, on the eve of the anniversary of ASEAN's founding in 1967. The ASEAN Secretariat and the Institute of Southeast Asian Studies (ISEAS) organized the lecture, which was followed by a reception hosted by Prime Minister Lee. The Ministry of Foreign Affairs placed an eight-page supplement in the *Straits Times* featuring articles devoted to the organization. With the support of Germany's Friedrich Ebert Stiftung (FES), the S. Rajaratnam School of International Studies (RSIS) at Nanyang Technological University (NTU) in Singapore organized a conference from 31 July to 1 August to commemorate the 40th anniversary of ASEAN's establishment, while on 6–7 August the Singapore Institute of International Affairs (SIIA), in collaboration with the Institute of Policy Studies (IPS) of Singapore, put together a discussion forum among regional think-tanks to exchange ideas and insights into a number of issues facing ASEAN. ISEAS published a booklet entitled *Know Your ASEAN*, made up of forty questions and answers on the basic facts about ASEAN and illustrated by Miel, the senior *Straits Times* artist and cartoonist. ISEAS has also devoted a special issue of this journal, *Contemporary Southeast Asia*, to the 40th anniversary. Similar observances have taken place in other countries in the region.

The purpose of this article is to provide a brief review of ASEAN on its 40th birthday, assess its achievements to date and suggest what it needs to do to fulfil its full promise and potential. The article begins by recalling ASEAN's unpromising beginnings, in terms of the political and security situation at the time — at both the regional and global levels — and in terms of the economic-development stage of Southeast Asian nations. It then traces how far ASEAN has evolved from those beginnings. The article turns to how ASEAN has fallen short of the grand ambitions that it subsequently proclaimed for itself from time to time. One of these ambitions is the integration of the regional economy. Another is to assume the role of the “driving force” of East Asian and Asia-Pacific regionalism. The article then examines the question of why, after having largely overcome certain fundamental difficulties encountered in its formative years, ASEAN has sputtered in its journey towards its subsequent and more ambitious goals. It argues that a major reason why ASEAN has fallen short of its declared ambitions is that the Association and its members have

treated political and economic considerations too discretely and too independently of each other. It will explain why ASEAN must achieve greater political and economic integration if it is to fulfil its aspirations and promise.

Unpromising Beginnings: A Region Divided

In order to see how far ASEAN has progressed since its foundation, one must first appreciate the political and security environment of Southeast Asia in 1967. Without question, the ASEAN project had been made possible by Indonesia's radical transformation in 1965–66 from its domestically and internationally assertive populism to a more balanced and pragmatic approach to economic and international affairs. Nevertheless, its neighbours continued to view Jakarta with a degree of wariness: after all, Indonesia had only just abandoned its aggressive policy of *konfrontasi* (confrontation) with Malaysia and Singapore. Malaysia and Singapore themselves had recently separated in bitterness and antagonism. The Philippines maintained its claim to what had become the eastern Malaysian state of Sabah, Indonesia had gone through a massive bloodletting in putting down the Indonesian Communist Party (PKI), and Thailand felt itself under threat from communist ascendancy in neighbouring Indochina. Burma and Cambodia had turned down the invitation of ASEAN's founders to join the association-in-the-making, so that after ASEAN's establishment Southeast Asia found itself divided between the five ASEAN members and the four that were not — Burma, Cambodia, Laos and Vietnam (if one considers the then North and South Vietnam as one country). Brunei Darussalam had not yet attained independence from the United Kingdom.

More broadly, the Cold War was at its height and the throes of China's Great Proletarian Cultural Revolution were spilling over into non-communist Southeast Asia. The United States was struggling with its war effort in Vietnam and other areas of Indochina, an intervention that had profound global and domestic political implications. The antagonistic relations among China, the Soviet Union and the United States and its Asian allies, including Japan, made for great instability and insecurity in East Asia.

As for ASEAN itself, China, the Soviet Union and Vietnam regarded it with deep hostility and suspicion, with Moscow looking upon it as the other side's instrument in the Cold War, Beijing regarding it as part of US-led efforts to "contain" the People's Republic of China (PRC), and Hanoi viewing it as another tool for

preventing Vietnam's unification. Many saw ASEAN as yet another attempt at regional organization by five weak and squabbling states. Conventional wisdom at the time predicted the enterprise would be short-lived.

Between ASEAN's foundation in 1967 and its first Summit meeting in Bali in February 1976, ASEAN's members devoted themselves to consolidating the new Association, making sure that it survived, and overcoming the mutual suspicions and animosities that had bedeviled the relations among its members. The first ASEAN Summit was in many ways a watershed for the region. The fact that, after nine years, it finally took place showed both the fragility of the Association in its early years and the determination of its members to move ASEAN to a new stage. The Summit adopted the Declaration of ASEAN Concord, which set the future direction of the organization. The ASEAN leaders signed the Treaty of Amity and Cooperation (TAC) in Southeast Asia, which laid down the basic norms for inter-state relations in the region — the peaceful settlement of disputes, the rejection of the use or threat of force in the relations between nations, and non-interference in others' internal affairs. ASEAN set up a central secretariat, a rudimentary one at that time. Finally, it established economic cooperation as a value in itself instead of merely serving as a cover for ASEAN's political purposes.

Halting Steps Towards Economic Cooperation

From 1976 to 1992 — between the time when ASEAN proclaimed its decision to place economic cooperation high on its agenda and the year when it agreed to pursue closer economic integration — ASEAN's idea of economic cooperation was to designate one or more large-scale industrial projects in each ASEAN country using indigenous raw materials and producing for the regional market. All ASEAN members would invest in each of the projects, and their products would enjoy a monopoly in the ASEAN market and protection from both regional and international competition. The other form of economic cooperation was the Preferential Trading Arrangements in which the products of the ASEAN Industrial Projects and negotiated lists of other goods were to be mutually accorded "margins of preference" in terms of tariffs.

Although the system was later improved somewhat, the lists of products that would enjoy the "margins of preference" were not only extremely short but were made up of goods hardly traded in the region,

exposing ASEAN to ridicule. Meanwhile, the industrial projects never took off, mainly because of clashing national interests and because they ran counter to the growing trend of economic liberalization in the ASEAN countries. Urea fertilizer plants in Aceh in Indonesia and Bintulu in Sarawak, Malaysia were the only exceptions.

From the beginning, ASEAN was determined to stay clear of the quarrels of big powers, but it was also anxious to keep Western powers and Japan engaged in Southeast Asia. While the urge to link up with the developed capitalist world had clear political motives, it was also driven by economic considerations. As ASEAN initiated its dialogue process, it became evident that the Association was bent on using it to gain access to the developed-country markets, particularly for the member-countries' commodity exports — largely rubber, tin, and coconut and palm oil — and to keep the prices of those commodities stable. ASEAN also sought to use the dialogue process, which had its beginnings in the early 1970s, to obtain development assistance from its developed partners. These economic considerations were an obvious indication of the state of the ASEAN countries' economies at that time. Four out of five of them — the exception being Singapore — were exporters of raw commodities and were in need of loans and grants for their development. This is why for a long time all of ASEAN's Dialogue Partners were developed market economies — Australia, Canada, the European Union (the European Economic Community at that time), Japan, New Zealand and the United States.

ASEAN's Accomplishments

A Region at Peace

Today, Southeast Asian countries are at peace, not only among themselves, but also with others in the region and around the world. They have adopted clear norms for inter-state relations such as the peaceful settlement of disputes, the rejection of the use or threat of force, and non-interference in one another's internal affairs. They, including ASEAN's newer members, have generally abided by those norms; not only that, they have persuaded others — 14 non-regional states so far — to accede to the TAC, in which the norms are enshrined. In practice, ASEAN members have submitted bilateral territorial disputes to the International Court of Justice and to the International Tribunal for the Law of the Sea and have complied with their rulings. It has often been noted that the High Council

provided for in the TAC, a minister-level body intended to help find peaceful ways of settling disputes, has never been used. However, the important point is that the very existence of the High Council on paper is a manifestation of the ASEAN countries' commitment to the peaceful settlement of disputes

All Southeast Asian nations that are ASEAN members are bound by treaty not to "develop, manufacture or otherwise acquire, possess or have control over nuclear weapons; station or transport nuclear weapons by any means; or test or use nuclear weapons" in Southeast Asia, a mutual reassurance that contributes to regional security and peace of mind (Treaty on the Southeast Asia Nuclear Weapon-Free Zone, 1995). All of Southeast Asia is now united in ASEAN, with the exception of the new and troubled nation of Timor-Leste.

The Promise of Economic Integration

Economically, until the 1997–98 financial crisis hit them, ASEAN's original members and, subsequently, Vietnam had grown rapidly and had become industrially competitive. In 1992, ASEAN, then with six members (Brunei had joined in 1984 on independence from the UK), made the historic decision not only to cooperate in economic matters but also to integrate the regional economy, with ambitions, articulated later, of transforming the region into "a single market and production base" (Declaration of ASEAN Concord II, 2003). The four new members — Vietnam, Myanmar and Laos, and Cambodia, which joined the organization in 1995, 1997 and 1999 respectively — had to sign on to the ASEAN Free Trade Area (AFTA) treaty and other economic agreements, albeit on somewhat delayed schedules.

Today, almost all intra-ASEAN trade is duty-free, at least on paper. However, ASEAN also recognizes that it is not enough to cut tariffs in order to achieve a single ASEAN market. Thus, ASEAN is formally committed to the removal of non-tariff barriers to trade among them. Since 1992, and especially since the financial crisis, it has concluded framework agreements and action programmes to move the regional market towards integration. These pertain to the reform and coordination of customs procedures, including the adoption of common tariff nomenclatures, the harmonization of product standards, mutual recognition arrangements to avoid the need for multiple testing of traded products, and the expansion and strengthening of transportation linkages. ASEAN has adopted a framework agreement for the liberalization of trade in services and one for the facilitation and promotion of tourism.

ASEAN has also set down the frameworks for cooperation in a number of other areas, including the environment, controlling the spread of infectious diseases, and transnational crime, with varying degrees of progress. The beginnings of a regional consciousness have set in, at least among certain government officials, some business sectors, and professional and hobby groups that choose to organize themselves along ASEAN lines.

A New Relationship with the World

Not least, ASEAN has attained such a level of strategic prominence that many countries are beating a path to its door in order to be associated with it in one way or another. The number of ASEAN Dialogue Partners has grown from six (not counting the United Nations Development Programme) to ten, with China, India and Russia following South Korea into the Dialogue process in 1996 (Seoul had been admitted as a full ASEAN Dialogue Partner in 1991). The Dialogue system continues to revolve around the annual Post-Ministerial Conferences (PMCs), in which the ASEAN ministers engage those of the Dialogue Partners collectively and one by one. During the PMCs, the burning issues of the day are discussed, the Dialogue relationship is reviewed, and future directions are mapped out. Cooperative projects of ASEAN and each Dialogue Partner are deliberated on, worked out and approved by officials during the year.

However, the focus as well as the size of the dialogue system has evolved. It has evolved in accordance with the economic progress of the ASEAN countries and the shifting strategic configurations at both the regional and global levels. From a forum that dealt mainly with the access of ASEAN products into the Dialogue Partners' markets and with aid from them, the Dialogue system has developed into a venue for threshing out political and economic issues and arranging technical and financial support for ASEAN's cooperative endeavours. Such endeavours involve matters such as regional economic integration and ASEAN cooperation in the protection of the environment, the development of energy resources and dealing with communicable diseases.

Equally important, if not more so, is the ASEAN Regional Forum (ARF), another manifestation of ASEAN's pragmatism and attractiveness. The ARF now boasts 27 participants, including the ten ASEAN members, their Dialogue Partners and Papua New Guinea (ASEAN's special observer), and Mongolia, North Korea, Pakistan, Timor-Leste, Bangladesh, and, most recently, Sri Lanka. The ARF is

the only Asia-Pacific-wide body that exists to discuss political and security issues, and provides a forum for its members to address common security challenges. On the occasion of the annual ASEAN Ministerial Meeting (AMM), the ARF foreign ministers gather to review the past work of the forum and approve programmes for cooperation in the future. They exchange views on current political and security issues affecting the Asia-Pacific region, adopt common positions on vital international issues when consensus can be reached, clarify national policies and raise questions. Senior foreign ministry and defence officials have similar but separate forums of their own at other times of the year. Throughout the year, they take turns organizing workshops and joint exercises that promote mutual understanding and confidence-building among the participants, develop networks, and build capacity to work together on common problems and issues, such as natural disasters, search and rescue, maritime security, international terrorism, transnational crime, transparency in defence policies and defence education.

Since 1997, ASEAN has made special efforts to engage its Northeast Asian neighbours through meetings with the heads of government of China, Japan and South Korea every year, together and individually. This enterprise, known as the ASEAN Plus Three (APT) and ASEAN Plus One processes, has developed into the principal overarching framework for cooperation between ASEAN and the three major countries of Northeast Asia. It now works, at various levels, on active cooperation in areas that numbered 16 — the most prominent being finance — with four additional ones having been approved recently. No less than 48 APT mechanisms manage this cooperation. The APT forum also offers an additional venue for the three Northeast Asian states to deal with political and other problems that they have among themselves.

Most recently, ASEAN has hosted two East Asia Summits that gathered the leaders of ASEAN, Australia, China, India, Japan, South Korea and New Zealand in 2005 and 2007. While it is too early to discern the eventual pace and direction of this new forum, its very existence provides a certain balance to ASEAN's relations with its immediate neighbours, and a framework for cooperation in sectors appropriate to the area beyond East Asia proper.

Falling Short

Placing inter-state relations among ASEAN member-countries on a peaceful, stable and friendly basis; laying the foundations for regional

economic integration; providing a framework for cooperation on common problems; slowly developing a regional consciousness; and, through creative diplomacy, engaging the Major Powers with a view to enhancing political stability and economic growth throughout the Asia-Pacific region are ASEAN's major achievements since 1967. However, after 40 years of existence, it may be fair to conclude that ASEAN has fallen short of its potential, particularly in terms of both regional economic integration and political influence as a regional entity. It is a potential mirrored in expectations that have risen with every step of ASEAN's progress.

While tariffs on intra-ASEAN trade have been largely removed on paper, non-tariff barriers to that trade remain firmly in place. Customs reforms and coordination, so necessary for the effective management of preferential trade, are at best uneven. Product standards vary widely across the region, less than a handful of mutual recognition arrangements have been agreed upon, intra-regional transport remains cumbersome and expensive, and communications are fragmented. The negotiations on the liberalization of intra-ASEAN trade in services are moving at a sluggish pace. The result is that international investors do not take regional market integration into account in making their investment calculations.

ASEAN exerted leadership in the diplomatic resistance to Vietnam's incursion into and occupation of Cambodia in the 1980s and in the political settlement of that problem. It stood united in dealing with the problem of Indochinese asylum-seekers in the same period. ASEAN has interacted with Beijing on South China Sea questions in solidarity. However, apart from these significant demonstrations of solidarity, two of which took place before the Association's enlargement in the late 1990s, ASEAN as a group has not really articulated a common position on many international issues, indicating a lack of political cohesion as a regional entity.

ASEAN has managed the remarkable feat of engaging the relevant powers in the affairs of the region in constructive consultations, dialogue and cooperation. However, its leadership of the process has rarely gone beyond its management; and it has not exercised leadership in terms of specific intellectual initiatives.

Politics and Economics in Tandem

Political cohesion, as expressed in common outlooks and positions and in the exercise of collective leadership, is an essential prerequisite for regional economic integration. Economic integration depends to a

large extent on political will, driven by political as well as economic considerations, and inspired by long-term political vision. Without a high degree of political cohesion, real economic integration is not possible. Conversely, regional economic integration is a necessary condition for political cohesion as well as for the competitiveness of the region. As the European experience has shown, political cohesion needs to be built on economic foundations, which gives countries an economic stake in regionalism. For this reason, these two endeavours — political cohesion and economic integration — need to be undertaken in an inter-related way. The intimate linkage between them ought to be clearly recognized and vigorously acted upon.

One problem is that in ASEAN politics and economics have become almost hermetically sealed off from each other. There was a time, early in the Association's life, when the foreign ministers took charge of both ASEAN's political and economic affairs. There was also a time when the economic ministers managed the Dialogues. That was long ago, those periods were brief, and in any case the arrangements were not very effective. Indeed, it has been observed that the very solidarity that ASEAN worked for and achieved, and for which it was internationally recognized with respect to the Cambodian problem, had the unintended effect of sidetracking ASEAN from the work of assiduously pursuing broader internal cohesion and integration.¹ To be sure, the annual ASEAN Summits are meant to bring the political and economic aspects of regionalism together in a coherent whole. But those summits take place only once a year and, in any case, few ASEAN leaders are hands-on managers with respect to ASEAN affairs.

Since 1992, ASEAN has declared itself to be in pursuit of regional economic integration. Economic efficiency, attractiveness to investments, lower costs, and competitiveness in the light of the rise of China and, further down the road, India, have been cited as the grounds for integration. Yet, beyond statutory tariff-cutting, as noted above, little progress has been made in the other measures that constitute market integration, measures to which ASEAN has made formal, but general, commitments.

If one looks for reasons why, despite the declarations, framework agreements and action plans, ASEAN economic integration has proceeded so slowly and ineffectually, one finds a general lack of commitment to the region, which in turn arises from a failure to recognize the nexus between the region's economic integration, its common prosperity and the political stability that it brings on the

one hand, and the welfare of the individual member states and their regimes on the other. With the exception of the most far-sighted among them, this is true of ASEAN governments and businesses in general, not to mention the general public. There are also mutual suspicions that are a legacy of the past and the product of clashing national interests of the present. These are essentially political matters.

In *Southeast Asia in Search of an ASEAN Community*, I highlight the following:

Among the integration measures, tariff reductions may be the most visible and dramatic; it is also the easiest. The others are much more politically or bureaucratically difficult. Non-tariff barriers are often subtle instruments of protectionism or, in some cases, rent-seeking. They are largely opaque and hard even to identify. As they assume ever-greater importance in ASEAN economies, services are becoming even more sensitive than trade in goods. Transportation is vital to trade and tourism, but liberalizing transportation services would expose national airlines, shipping lines and land transport companies, many of which are state-owned (or crony-owned), to greater competition, which, being used to protection, they may not be able to withstand.... (T)ransboundary transport arrangements can be held hostage to political disputes or pressures.... Streamlining customs operations and coordinating them regionally may require the overhaul of entire cultures at some national customs authorities. Regulatory bodies may have to give up a measure of their authority in order to harmonize product standards with other ASEAN countries....

National governments have to overcome all these largely political obstacles basically of their own accord and in recognition of the measures' benefit to themselves. ASEAN has no compliance or enforcement mechanisms, such as those in the European Union. Its agreements carry no sanctions for failures to implement them (Severino 2003, pp. 248–49).

The obstacles to regional economic integration in Southeast Asia, as elsewhere, are essentially political, rather than economic. At the same time, as the European experience demonstrates, regional economic integration promotes and supports regional political cohesion. Like ASEAN, the European enterprise had political objectives. The Europeans had to stick together to ensure that they would not engage ever again in the horrible bloodletting that had stained their history as a continent and a civilization. They also needed unity to deal with the perceived threat from the Soviet Union. But the Europeans knew that to promote and cement political cohesion they had to integrate the European economy. In a similar way, the

development of ASEAN's political solidarity has to be founded on and driven by the growing integration of the regional economy.

ASEAN's political cohesion and economic integration thus have to be pursued not in parallel but in an intertwined way. Moreover, in both cases the regional outlook and interest have to be taken into account in addition to the compromises among national outlooks and interests arrived at in inter-governmental negotiations. Economically, the case has to be made in as objective a manner as possible for the serious and more rapid implementation of the integration measures that ASEAN has already agreed upon. In 2003, McKinsey & Co. produced a study commissioned by ASEAN that analyzed the imperative of regional economic integration and called for certain specific measures to accomplish it (Schwarz and Villinger 2004). The analysis and recommendations were made in terms of ASEAN's economic efficiency, productivity and competitiveness, particularly for the purpose of attracting investments in the light of China's economic dynamism. The arguments still hold, but they need to be updated and made more emphatic. Not least, the political dimension has to be more strongly stressed in light of the need for political vision and will in implementing integrative measures. The necessity of regional economic integration has to be presented not only in terms of its economic benefits to individual nations as well as to ASEAN as a group, but also on the basis of the political interests of each nation and its government, as well as the interests of the region as a whole.

Common Positions on Regional Political Issues

At the same time, ASEAN has to take regional positions on — or at least trenchantly discuss — political issues that vitally affect the region, something that it has rarely done. (The rare instances when it has done so include the common ASEAN positions on the Cambodian problem and the asylum-seekers issue of the 1980s, which were referred to above, the political crisis in the Philippines in February 1986,² and the issue of human rights in 1993 (Joint Communiqué of the ASEAN Ministerial Meeting, 1993). Working out common positions on vital issues would not only prepare ASEAN to deal collectively with regional crises that might confront it in the future, but would also promote regional political cohesion and solidarity, enable ASEAN to exert greater influence on regional affairs, and reinforce its image as an Association that has substantial political relevance. This is vital for its own sake and not merely as a tool for engaging with the larger region of East Asia. It would strengthen

ASEAN's capacity to exert the intellectual leadership incumbent on it in the discharge of its responsibility as the only acceptable convener of the region-wide political and security forums in the Asia Pacific. As noted above, these in turn would provide the conditions and the incentives for ASEAN member-states to push regional economic integration more robustly than they have done so far.

There is no shortage of current or looming political and security issues that should engage ASEAN's leaders and ministers in adopting common positions, taking collective action, or, at the very least, conducting serious discussions. Eight major issues stand out. The first is China-Taiwan relations. The situation across the Taiwan Strait is fraught with tension and uncertainty and is thus a source of potential conflict, something that could be provoked by Taiwanese policies or actions that Beijing would interpret as moves towards *de jure* independence or a separate national identity. ASEAN would, therefore, do well to devise a common strategy for responding to any such policy or action. The second issue is the territorial disputes in the South China Sea. ASEAN and China's success in dealing with each other on this question has brought certain quiescence to a volatile region. Because each of the four ASEAN claimants (Malaysia, the Philippines, Brunei and Vietnam) has gained from ASEAN solidarity in dealing with China on this question, it would be in the interest of all member-states to maintain that solidarity, which would both make possible and be promoted by the adoption of a common position on a variety of specific issues related to the South China Sea. Apart from the fundamental issue of legal jurisdiction, these issues include: the avoidance of separate individual deals with China; managing conflicting fishing rights; the application of freedom of navigation and overflight; the exploitation of potential resources; and environmental issues. There is no evidence of any attempt to arrive at a common ASEAN position on any of these matters. The third issue is the vulnerability of sea lines of communication (SLOCs). To ensure SLOC security, the United States, India and Russia (with Japan largely depending on America) have deployed blue-water navies. China is in the process of developing an ocean-going navy. Uncoordinated naval deployments could give rise to misunderstandings, miscalculation or actual conflict. It would, therefore, serve ASEAN well to study and discuss this issue and the broader implications with a view to adopting an ASEAN policy. The fourth issue is energy and the environment. The pre-occupation with energy security on the part of ASEAN countries and their neighbours

has clear implications for the broader security and stability of the region as well as for the regional environment. Those implications should be considered from a political standpoint. The fifth issue is nuclear power. The increasing demand for energy and the anticipated insufficiency of existing fossil fuels have led some ASEAN countries to consider nuclear power. The operation of nuclear power plants has serious security and environmental implications in terms of the possible diversion of nuclear materials for military purposes, their possible acquisition by terrorist groups, the disposal of nuclear waste, the transnational impact of radioactive leakages from nuclear accidents, and the implications of all this for the Southeast Asia Nuclear Weapon-Free Zone (SEANWFZ). It is not too early for ASEAN to confront these issues head-on. The sixth issue is related to the political situation in Myanmar. For the sake of coherence and consistency, ASEAN would do well — with or without Myanmar's participation — to develop a strategic framework for dealing with the Myanmar issue on the basis of the regional interest. Such a framework should guide ASEAN's public statements, responses, and actions with respect to that issue, and its possible advice to the Myanmar leadership. The seventh issue is the changing demographics of Southeast Asia. Projections indicate changing demographic balances between and within ASEAN countries. Some countries have aging populations while others continue to have high birth rates. The resulting demand for and shortage of labour in some ASEAN countries, and the persistent surplus of manpower in others, will drive increasingly large flows of migrant workers from some ASEAN countries into others, with economic, social, political and security repercussions in both destination and source countries. Political consideration of this phenomenon ought to take place on an ASEAN basis. The final issue is regional economic integration. Since, as pointed out above, the obstacles to regional economic integration are largely political in nature, political decisions should be pursued with a view to removing those obstacles. Such decisions would cover corruption and governance, regulatory bottlenecks, special business or bureaucratic interests, policies on investments and services, and so on. In dealing with these political obstacles, greater coordination between the foreign and trade ministries has to be achieved in each ASEAN country than has been evident so far.

These are merely examples, and the list is by no means exhaustive. Clearly, the national interests of each member-state will drive ASEAN discussions on such issues. Any decisions resulting from those discussions will be the result of normal inter-governmental

compromises. However, the discussions ought to be based on facts objectively obtained and presented; they should be focused on recommendations for regional policy, position and action that derive from the ASEAN outlook and regional interests.

The Regional Outlook

The ASEAN outlook on political and regional-integration issues, and on the inter-relationship between them, can most reliably emanate from the ASEAN Secretariat based in Jakarta. As *the* regional institution, it can better articulate the regional interest than any member-state. The Secretariat, therefore, ought to be strengthened in order to enable it to study the vital issues and then make the recommendations necessary for integrated regional positions. It can do this itself, or commission the work to external entities, but always under its responsibility. Clear mechanisms and procedures should be agreed upon for the development, consideration and approval of proposed ASEAN policies, positions and actions.

Should such mechanisms and procedures be adopted, the Secretariat or perhaps the proposed ASEAN Institute (Report of the Eminent Persons Group on the ASEAN Charter 2006, pp. 5, 20–21 and 40) could, for example, draft, with advice from the International Atomic Energy Agency (IAEA), a protocol to the 1995 SEANWFZ Treaty that would lay down rules covering issues of non-proliferation, nuclear accidents, the disposal of nuclear waste, and other issues arising from the establishment of civilian nuclear power plants. The draft would then be negotiated by the ASEAN member states. Another possible example would be for the Secretariat, or the ASEAN Institute, to analyze in specific detail the precise obstacles preventing the implementation of the measures agreed upon for the integration of the regional economy, and identify the requisite national political steps necessary to dismantle those obstacles. These recommendations could then be considered by each member-state.

As it is, the Secretariat's mandate and capacity are severely restricted. To be sure, the status and authority of the Secretary-General were significantly enhanced in 1992. The independence of the Secretariat was, at the same time, strengthened to some extent. Since then, its size and capacity have expanded. Nevertheless, partly for budgetary reasons and partly as a result of deliberate policy, the Secretariat remains circumscribed in its ability to propose intellectual positions and take substantial initiatives. Demands on its staff, largely imposed by the economic and "functional" bodies, have been

rapidly expanding, but manpower and financial resources, largely under the control of the foreign ministries, have not kept up with those demands. The result is that Secretariat officers spend most of their time "servicing" meetings, with little time or resources left for analytical or creative thinking.

Moreover, the capacity of the Secretariat for strategic thinking — indeed, its mandate for it — is extremely limited. Most officers are "wedded" to their respective "constituencies" — trade and industry, transport, energy, health, environment, transnational crime, etc. There is no office or unit of substance espousing an integrated approach to regionalism. The ASEAN Charter provides for four Deputy Secretary-Generals, two more than at present. They are meant to be responsible, respectively, for political/security, economic, socio-cultural and administrative affairs. This would serve only to harden divisions within the Secretariat instead of fostering a comprehensive approach.

In the end, a comprehensive and integrated approach to regionalism — and the institutional support for it — would depend on the value that the member-states place upon it. This is not to argue for a common foreign and security policy for ASEAN; not even the EU has had much success in this endeavour. Nor is it to propose a supranational function for the ASEAN Secretariat like that of the European Commission. Indeed, meticulous account has to be taken of the ASEAN member-states' long-standing unwillingness to give the Secretariat any authoritative role in political matters. Rather, it is a proposal for the Secretariat to do the staff work for the member-states in pushing regional economic integration and formulating coherent positions on regional and international political issues on the basis of regional interests.

Needless to say, policies should be decided on, positions adopted and actions agreed upon by consensus among the member-states. No decisions should be railroaded through over the objections of one or more members. That would be divisive and, therefore, clearly counter-productive. In cases where agreement is lacking, the issues should at least be discussed. Such discussions would serve to clarify national outlooks and positions, something of value in itself.

The entire process — the Secretariat recommendations, the country positions taken and the collective decisions made — ought to be undertaken in a transparent manner. This would promote and ensure the accountability of the decision-makers to the ASEAN public. In any case, greater political cohesion and more expeditious economic integration are mutually reinforcing, even as they are invested with

values of their own. ASEAN should, therefore, pursue them in a coherent and coordinated way.

Conclusion

In sum, from its unpromising beginnings, with its members threatened by conflict and tension and saddled with economic difficulties at the time of the association's founding, ASEAN has achieved much progress in its 40 years. It has agreed on norms of inter-state behaviour and enlisted others, including some of the Great Powers, to adhere to those norms. More importantly, its members have largely complied with those norms. ASEAN has achieved a certain degree of political solidarity, become a force for stability in the region, and managed to engage external powers constructively in Southeast Asian affairs. ASEAN has committed itself to regional economic integration, virtually removing tariffs on intra-ASEAN trade from its members' books. It has adopted broad measures for the integration of the regional economy. ASEAN has established practical modes of cooperation in dealing with common regional problems. It has fostered a certain level of regional affinity among certain sectors of the region's elites.

However, ASEAN has fallen short of the ambitions that it had proclaimed for itself, particularly those related to regional economic integration and to driving East Asian and Asia-Pacific regionalism. A major reason for this failure — so far — is the tendency in ASEAN to pursue economic integration and political cohesion discretely and independently of each other, whereas the two endeavours are intimately related. Each reinforces and depends on the other; neither can be achieved without the other and without the mutual reinforcement inherent in their relationship.

It is for the ASEAN Secretariat to supply the studies and proposals from the regional standpoint as a basis for inter-state consensus. These should, of course, be subject to the approval and adoption of the member-states: but the member-states will have to allow and enable the development of common and coordinated regional positions on political and economic issues on the basis of the regional interest, which must be regarded as being also in the national interest.

NOTES

- 1 Shaun Narine, Associate Professor of Political Science at St. Thomas University in New Brunswick, Canada, brought this observation to the author's attention.

- 2 ASEAN Joint Statement on the Situation in the Philippines, Jakarta, 23 February 1986 <<http://www.aseansec.org/4997.htm>>.

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