

# COUNTRY REPORT

Konrad-Adenauer-Stiftung e.V.

Singapore

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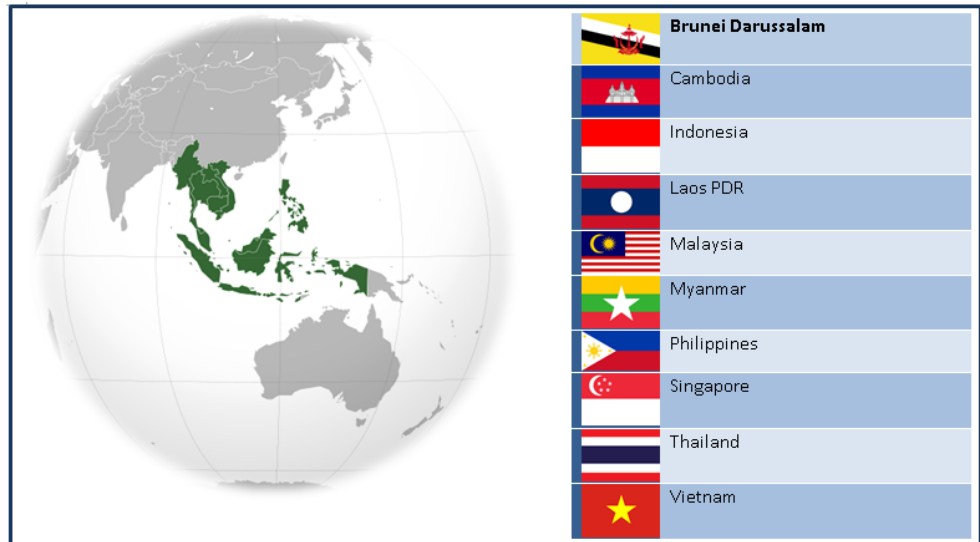
August 2017

INFOGRAPHICS  
BY MARIA HOWER

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## ASEAN@50

CELEBRATING FIVE DECADES OF REGIONAL STABILITY



In 1984, then French President Mitterrand and German Chancellor Kohl held hands on the World War I battlefields of Verdun. This great symbol of reconciliation and benevolence between two former adversaries highlighted a new found European friendship; a new peaceful European order, which culminated in the 2012 Nobel Peace Prize for the common project, the European Union (EU). The European integration process is without a doubt one of the great achievements of the 20<sup>th</sup> century; but it is not the only one.

As is the case in Europe, especially among its own members and peoples, the *Association of Southeast Asian Nations* (ASEAN) is all too often criticised for not delivering concrete outcomes, allegedly being not much more than an expensive regional “talking shop”. But as is also the case in Europe, ASEAN has achieved peace and cooperation in a region where neither can be taken for granted.

This report intends to investigate the question: *Would the region be worse off if ASEAN did not exist?*

Over the following pages, I shall make the case that, despite its many flaws, the answer is a definitive yes.

### The Limited Value of Cost-Benefit Analyses in Regional Integration

Just like Europe, Southeast Asia enjoys the most prosperous, peaceful, and stable regional order they have known in decades, perhaps centuries. The onset of stability in either region does not coincidentally overlap with their respective development of institutionalised regionalism; **stability and peace are effect, not cause of cooperation** among regional stakeholders and institutionalised integration.

Yet again as also witnessed in Europe, the broader context within which socio-economic and political development of recent decades could occur is too little publicised and should be more accentuated.

Such doubts tend to reflect simplified immediate cost-benefit analyses. Questions are: how much does ASEAN cost and how much does it contribute to national gross-domestic product (GDP); or even to the personal pocket? ASEAN expenditures are often criticised in the light of apparently limited deliverables. Every year, as the annually rotating ASEAN Chairmanship is passed on to another member, people question whether or not ASEAN is worth the

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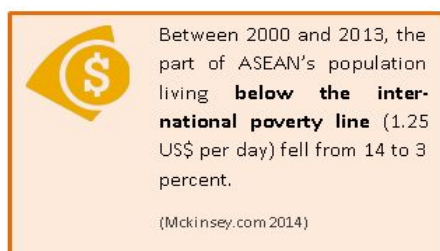
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price tag that comes with hosting a plethora of meetings and events.

Those questions are justified and indeed part of the democratic process; but they are often oblivious to the most decisive factor: the fact that regional economic growth and improvements to all spheres of life – from infrastructure to personal wealth, education, and healthcare – are facilitated by an environment of stability and regional cooperation; a necessary precondition for sustainable prosperity.

As is too often the case in Europe, cause is mistaken for effect.



This is not to suggest that the association's shortcomings – of which there are many – are negligible. On the contrary, how ASEAN confronts a myriad of present and future challenges will decide about its future relevance. Going forward, ASEAN must clearly define its own role both internally and in the wider international relations of the Asia-Pacific.

And yet, at its 50<sup>th</sup> birthday, ASEAN deserves an appreciation where appreciation is due. In order to do so, one should get the basics right and look at **ASEAN's most critical achievement: creating, maintaining, and advancing cooperative frameworks and ultimately, stability and relative peace in Southeast Asia.**

### Speaking of Diversity<sup>1</sup>

A critical point this report is trying to make is that setting in motion a successful process of sustainable regional integration is as remarkable in Southeast Asia as it is in Europe. Southeast Asia is so diverse that in comparison, the EU is as homogenous as if they were one people.

The EU is relatively cohesive and resilient and politically, economically, and socially similar. Consider that all members are liberal democracies with comparable societal and political conditions. This homogeneity is largely owed to a high degree of historic and geographic connectivity, membership

benchmarks, and similar experiences of the terrible consequences of an absence of regional governance structures.

ASEAN occupies the polar opposite end of the spectrum. Creating an institutional superstructure for regional cooperation among ten fundamentally different, proudly sovereign nation states shines bright on ASEAN. It is a remarkable achievement in its own right.

ASEAN represents a region larger than the EU in both population and area and lacks many of Europe's binding religious, socio-cultural, and political elements. ASEAN does not request any specific membership criteria, but is open to all sovereign nation states located within the geographical boundaries of Southeast Asia. With the exception of Timor-Leste, this results in a virtually completed present-day ASEAN.

Such low criteria make integration possible in the first place. If membership would require multi-party democracy and a Singaporean GDP, ASEAN would be a small club indeed. But this lack of criteria also multiplies inevitable problems of integrating new members. An existing legalised regional organisation will have to cope with new member states, which may significantly differ in political and socio-economic terms.

Precisely because of this, ASEAN is one of the most remarkable cooperative organisations in world history.

### Politics

**ASEAN members cover almost all known systems of governance.** They range from absolute monarchies and authoritarian, to semi-democratic and democratic parliamentary or presidential systems.

Indonesia is one of the few more or less functioning consolidated democracies in East Asia, where regular elections and non-violent political change takes place. On the other end of the political spectrum are countries such as the absolute Islamic monarchy Brunei, where all power rests with the Sultan. There is also the socialist one-party state Vietnam. Somewhere in between sits the city-state of Singapore; a semi-democracy in which the People's Action Party governs uninterruptedly since independence, despite being subject to regular elections.

Also interesting to note is the great deal of influence the military exercises in some member states, such as Myanmar or Thailand. As of yet, it remains unclear what medium- and long-term implications Myanmar's recent reforms will have, but it remains – if no longer junta ruled – a

<sup>1</sup> Please also see the country table in the Appendix for some more details on ASEAN.

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country where the military establishment enjoy undemocratic political privileges.

Thailand was once blessed with a wealth of capable and comparatively liberal leaders. Unfortunately, since 2001 it is in a prolonged state of varying degrees of political instability, populism, and unrest, and remains highly coup-prone – the latest of which took place in 2014. The country has since regained some stability but is governed by a military government in absolute control of all branches of government and institutions except the monarchy.

Singapore, Malaysia, or Indonesia on the other hand possesses comparatively stable civilian governments, largely free from military interference in domestic politics.

**Diversity is great in the ASEAN region - be it economic, political or religious.**

Singaporean GDP per capita, for instance, is more than 45 times higher than the Cambodian.

Political systems vary – constitutional monarchies, single party governance, Parliamentary and Presidential Republics...

Dominantly Muslim (Brunei, Indonesia, Malaysia), Christian (Philippines) or Buddhist (Cambodia, Myanmar, Thailand): religious diversity is great in the ASEAN region.

#### Religion and Ethnicity

ASEAN is also home to **a great wealth of ethnic and religious diversity**. Some states are officially secular, while others range from Islamic, to Buddhist, Taoist or Christian.

Thailand and Vietnam are ethnically homogenous, while the Philippines and Indonesia are diverse. Since Singapore gained independence, it became the only Southeast Asian state with a majority ethnic Chinese population. Indeed, most mainland states have one dominant ethnic group, while maritime states are often characterised by a large number of ethnicities, sometimes without one constituting a clear majority.

In Vietnam, the Kinh people make up almost 86 per cent of the population, of which some 81 per cent do not subscribe to any particular religion. In contrast, the Javanese are by far the largest ethnic group in Indonesia, but constitute only around 41 per cent of the population at large. A great number of various minority groups, mostly Muslim but also Buddhist and Christian occupy islands other than Java.

Indonesia is also the world's largest Muslim country, Brunei however, one of the strictest, practicing Sharia Law and even banning Christmas celebrations.

#### Economics

ASEAN has the third **largest work force** in the world, topped only by China and India.  
(Mckinsey.com 2014)

The socio-economic development gap is equally striking. **ASEAN has one of the highest regional income disparities in the world**. Per capita GDP ratio between the largest and smallest is trending around 1:45, with the EU equivalent at 1:14.

The UN lists Singapore in the top five of developed nations – higher than the U.K. – but ranks Indonesia as the world's 113<sup>th</sup>. Cambodia and Laos are even as low as 143<sup>th</sup> and 138<sup>th</sup> respectively.<sup>2</sup>

Within a few decades, tiny Singapore has turned from a poor, underdeveloped nation into the most developed industrial economy in Southeast Asia, capitalising on its reputation as a major global financial and transshipment centre in the Strait of Malacca. Per capita income is equivalent to the U.S.' and Singapore boasts a political, economic, and bureaucratic capacity as well as an infrastructure unparalleled across ASEAN. On the other end of the spectrum is the authoritarian single-party state Laos; one of the world's poorest countries.

Similar applies to bureaucratic state capacity. Corruption is endemic across ASEAN. Transparency International lists Cambodia (156<sup>th</sup>) and Myanmar (136<sup>th</sup>) as two of the most corrupt countries on earth, while Singapore (7<sup>th</sup>) has the lowest degree of public-sector corruption in all of Asia; being less corrupt than Germany.<sup>3</sup>

An unfortunate commonality across ASEAN is that Freedom House deems no member as "free" in terms of political and civil liberties. Five (Vietnam, Thailand, Cambodia, Laos, Brunei) are considered "not free" with the remaining five (Indonesia, Philippines, Malaysia, Myanmar, Singapore) "partly free".<sup>4</sup>

<sup>2</sup> UN HDI (2016): Human Development Index, available: [www.hdr.undp.org](http://www.hdr.undp.org), accessed: 13/07/2017.

<sup>3</sup> Transparency International (2016): Corruption Perception Index 2016, available: [www.transparency.org](http://www.transparency.org), accessed: 12/07/17.

<sup>4</sup> Freedom House (2017): Freedom in the World 2017, available: [www.freedomhouse.org](http://www.freedomhouse.org), accessed: 12/07/2017.

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Key ASEAN Indicators	2011	2012	2013	2014	2015
Total land area(km <sup>2</sup> )	4,435,674	4,435,617	4,435,618	4,435,618	4,488,839
Total population (x1000)	598,926	606,856	614,741	622,250	628,937.3
GDP (in US\$mil.)	2,244,292.1	2,383,402.7	2,493,421.0	2,519,415.6	2,431,969.5
GDP growth (in %)	4.9	6.0	5.3	4.7	4.7
GDP per cap. (\$US)	3,691	3,861	3,919	4,136	3,867
Export (in US\$mil.)	1,242,199	1,254,581	1,271,128	1,292,634	1,181,889
Import (in US\$mil.)	1,146,245	1,221,847	1,240,388	1,236,284	1,087,970
FDI inflow (in US\$mil.)	95,838	117,099.31	124,864.51	129,995.07	119,975
Visitor arrivals (1000)	81,229	89,225	102,199	105,084	108,904

Source: ASEANstats (2017), [www.asean.org](http://www.asean.org).

### Times do change... (you)

Adding to this structural diversity is a **regional history as a geostrategic play ball**. All members have had penetrating, traumatic experiences with outside interference; from European colonialism to Japanese imperialism and Chinese intrusions.

That Southeast Asia would be a target is no surprise. It is rich in natural resources and at a geographically important intersection, encompassing pivotal sea-lanes linking the Asia Pacific with the Indian Ocean and further on to the Middle East, Africa and Europe.

As a historical consequence, the sub-region played a significant role in colonial, World War II, and Cold War history and has often been at the centre of turf wars, power balance dynamics, and colonial subordination. To this very day, ASEAN remains of immense geostrategic significance and constitutes one of the most crucial regions for the future of great power relationships.

#### Internal Southeast Asian security threats

Combine this internal diversity and outside interference with a history of ancient, recent, and contemporary animosity.

Bilateral relations between Malaysia and Singapore for example continue to be very complex. Following a brief merger in 1963, Singapore was expelled from Malaysia on 9 August 1965. The unwanted expulsion took place in a context of racial tensions and Malay fears of an unfavourable ethnic balance. This created a situation of immense distrust and conflict between the two neighbours, remnants of which continue to this day.

Directly connected was the *Konfrontasi* military conflict; an undeclared war resulting from Indonesia's opposition to the creation of one large Malaysian state in 1963. Ever since, Indonesia has been viewed with some suspicion, as it tries to remain the region's "*primus inter pares*".

#### From Indonesia to Indochina

A decade after *Konfrontasi*, Southeast Asia was forced to shift attention northwards to the perceived threat of communist expansion in Indochina. Vietnam's intervention and subsequent occupation of Cambodia in 1978/79 seemed to confirm the anxiety felt by the region's main non-communist governments. Although Hanoi achieved the laudable goal of removing the murderous Khmer Rouge regime from power in Phnom Penh, this military campaign threatened hopes of cordial regional cooperation in the rest of Southeast Asia in a wider context.

In particular Indonesia's Suharto sought to ensure stability and security in Southeast Asia in the face of the communist threat, but without becoming the playing field of outside powers and proxy wars. Hence, the by then established **ASEAN-five for the first time sought a Southeast Asian response to a Southeast Asian security threat** with the aim to prevent Hanoi from altering the geopolitical status quo.

Accordingly, ASEAN states took the lead in mobilising other powers to support Cambodian resistance against Vietnam by for example aiming to prevent the new government in Phnom Penh from occupying Cambodia's UN seat. By doing so, ASEAN tried to make the point that the region would act against military changes to the status quo, but inexcusably backed the ousted and exiled Khmer Rouge.

#### From National resilience to regional resilience

In this light not altogether surprisingly, security, resilience, and sovereignty were to become the defining, lasting features of Southeast Asian integration and economic principles were given only rhetorical pre-eminence over security. **Development was and is regarded as dependent on regional stability; both domestically and regionally.**

This inseparability took the form of the Indonesian notion of *ketahanan nasional* or "national resilience". The concept holds that

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if the nation state is robust, administered by a strong government and buoyed by sound socio-economic conditions and a strong sense of nationalism, it is better equipped to deal with outside threats. If Southeast Asia were to consist of only such resilient but friendly nation states, the region would be strong as a consequence.

National resilience would enable the small states of Southeast Asia to withstand outside interference, but ought to develop in a spirit of regional solidarity and cooperation based on common interests.

As contradictory as it is, in ASEAN nationalism precipitated and facilitated regionalism, as leaders embraced *ketahanan nasional*, embedded it in the regional context and made "regional resilience" based on "national resilience" a lasting guiding principle of ASEAN integration.

#### From Bangkok ...

Against the backdrop of such conflicts and experiences, communist insurgencies across Southeast Asia, and in anticipation of a power vacuum, the Nixon Doctrine and the British "East of Suez" policy, the major non-communist states of Southeast Asia sought stability and security first and foremost when they decided to establish ASEAN on 8 August 1967.

*Konfrontasi* was still in fresh memory, but the collapse of the Sukarno government allowed for a rapprochement and also helped Malaysia and Singapore to realise that there are common security interests. The expulsion of Singapore from Malaysia on the other hand, helped to ease some of Jakarta's reservations and post-*Konfrontasi* Indonesia signalled increasing willingness to cooperate and engage the region.

Thus, leaders of the five founding nations Indonesia, Singapore, Thailand, Malaysia, and the Philippines signed the ASEAN Declaration in Bangkok, Thailand. It states the basic principle of ASEAN as being the creation of cooperative mechanisms, amity, and non-interference in each other's domestic affairs.

**From the outset, the formation of ASEAN was to prevent conflict; both inter- and intra-state. It has been largely successful.**

#### ... to Cambodia

For reasons such as non-completed independence or on-going civil war, subsequent membership expansion had to wait several decades. The present day ASEAN-ten were gradually completed with the admission of Brunei Darussalam in

1984, Vietnam in 1995, Laos and Myanmar in 1997, and Cambodia in 1999.

In particular the inclusion of the countries joining in the 1990s, often called **CLMV states, brought a myriad of challenges to ASEAN.**

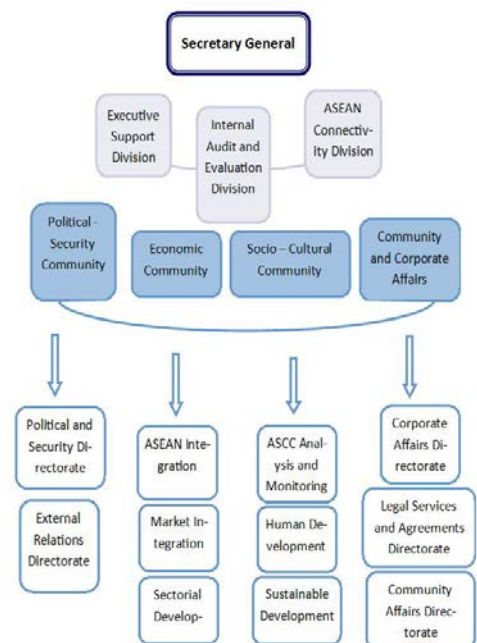
The original ASEAN had at that point reached a state of comparatively sound economic development, stable domestic governance, and internal agreement as to the *raison d'être* of ASEAN. With the arrival of the CLMV states, none of this was the case any longer and put ASEAN under great pressure. New members had recently emerged from conflict, not consolidated their respective system of governance and economy, and had very dubious human rights records.

#### Organising regionalism the "ASEAN Way"

Permitting cooperation in such diverse a region, is a unique *modus operandi*, colloquially called the "ASEAN way". The ASEAN way is a seemingly contradictory method of regional governance, consisting of core principles and practices, such as national sovereignty, equality, and mutual non-interference in internal affairs – both bilaterally and via ASEAN.

The realisation of the ASEAN way in day-to-day governance results in a strictly inter-governmental architecture. Emphasised are the Javanese practices of informal consensus building (*musyawarah*) and consultation (*mufakat*) in a non-confrontational, "face-saving" bargaining environment.

#### ASEAN Organisational Chart





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This leads to a **highly informal and personal interactional habitus**, whereby ASEAN elites aim to avoid any open confrontation. Consensus seeking takes place at a level of mutual comfort and face-saving. Particularly the often sensitive arenas of security and domestic difficulties rely on “quiet diplomacy”, meaning that communication and policy-making takes place outside the public view.

Critics would argue that the ASEAN way produces not only a highly intransparent organisation, in which decision making is almost mystically opaque to the citizens. It also limits the organisation’s effectiveness, as policy-making and agency is reduced to the lowest common denominator.

Consensus requires all members to unanimously agree – or at least not disagree – before ASEAN can move on a particular issue. Complicating matters is the absence of a common conception of the application and the precise meaning of the ASEAN way. Whereas the founding members are generally consensus oriented but more forthcoming in terms of publically highlighting even problematic issues, the CLMV states tend to put particular emphasis on the principle of non-interference in internal affairs.

#### The ASEAN Charter

As institutionalisation progressed, members realised that a firm legal foundation was required. This came in the form of the 2007 ASEAN Charter (effective as of 2008). Ratification was a significant leap towards more formal, rules-based regionalism and, most importantly, signalled the intent to clarify and codify its institutional hierarchy and decision making processes. The Charter should codify regional bureaucratic organisation, institutional targets, but also guiding norms and values. It is certainly remarkable that it took ASEAN some 40 years to ratify its basic constitutive legal framework.

#### **Governance – a people centred ASEAN?**

The most significant functional forums governing ASEAN are the ASEAN Summit, as the prime overall decision making body, and, unofficially, the ASEAN Ministers Meeting (AMM). Both are meetings among the member states’ leaders or various ministers, underlining ASEAN’s strict inter-governmentalism.

In spite of aspiration to be “people-centred”, ASEAN has no meaningful parliament representing those people on regional level. An ASEAN Inter-parliamentary Assembly (AIPA) has been set-up, but its role and influence remains marginal. The AIPA General Assembly has

no permanent members, but consists of national delegations, individually selected by respective governments.

All ASEAN institutions and meetings are organised, hosted, and led by the annually rotating ASEAN Chair (Philippines in 2017, Singapore in 2018). In practice, the Chair performs four major duties: ASEAN’s external spokesperson; hosting, chairing, and facilitating all meetings; and agenda setting. The most crucial job is the Chair’s informal role as ASEAN consensus builder under the inauspicious principle of unanimous decision making.

#### The Secretariat

Based in Jakarta, Indonesia, the ASEAN Secretariat (ASEC) is supposed to streamline ASEAN cooperation and to be the



H.E. Le Luong Minh, incumbent ASG.  
Photo: ASEAN Secretariat

Surin Pitsuwan, ASG from 2008 – 2012  
Photo: U.S. State Department

permanent “mission control” of Southeast Asian regionalism.

It is headed by the ASEAN Secretary General (ASG), selected from all members states in alphabetical order and appointed for five years. The incumbent, Le Luong Minh from Vietnam, is expected to hand over to a Bruneian successor on 31 December 2017.

In theory, the ASEC has the potential to transcend the strict inter-governmentalism of ASEAN. However, given its very limited financial and human resources and highly circumscribed mandate, **the ASEC in fact epitomises the approach of national pre-eminence over supranational sovereignty.**

#### The ASEAN Community

On 31 December 2015 ASEAN inaugurated its Community; ASEAN’s most comprehensive restructuring project. It is yet another of ASEAN’s peculiar, seemingly contradictory integrational milestones. Despite the persistent determination to prioritise national sovereignty, ASEAN had

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continuously called for a “community of Southeast Asian nations”.<sup>5</sup>

Mostly due to Indonesian initiative, the Community institutionalises ASEAN’s strategic aspiration for regional stability and security, economic prosperity, and closer engagement with civil society. Vaguely reminiscent of the pillar structure of the EU, it consists of three-pillars: ASEAN Political-Security Community (APSC), the Economic Community (AEC), and the Socio-Cultural Community (ASCC). All three are hierarchically equal and mutually reinforcing. In addition, the concept of Connectivity aims to enhance the physical, institutional, and people-to-people linkages, ostensibly necessary to achieve integrational objectives.

#### External influence on policy-making

Often unnoticed by observers is ASEAN’s high degree of diplomatic engagement beyond the officially legitimised policy-making level. Minimalist regionalism and informality is reflected in an **opaque interconnectivity between policy-making processes and the ASEAN-ISIS**; a network of national think-tanks seeking to influence policy-making.

The individual **institutes are closely linked to their respective parent states’ governments and rarely rise above national interests**. The distinction between public and private is at best blurred and the network has often represented a venue for “off-the-record” diplomacy.

A number of significant ASEAN projects can be traced back to ASEAN-ISIS drafts, including both the ASEAN Regional Forum (ARF) and the ASEAN Free-trade Agreement.

#### **Challenges Ahead**

A jubilee is a good time to reflect on the past, but also to look ahead. ASEAN is confronted with manifold challenges and how it addresses those will determine how smooth sailing Southeast Asian integration will be in the coming 50 years. A selected few challenges stand out:

##### 1. Changing geopolitical and security landscape

The greatest external threat to ASEAN going forward is **the risk of being divided**

**and/or becoming a play-ball of great power relations**, feared by ASEAN leaders since 1967.

Nowadays, the region is gradually departing from its unipolar moment. Beijing is catching up on U.S. power in the maritime domain and increasingly sets-up regional institutions so as to establish new rules and norms.

Even if China lacks both the American soft-power and willingness to provide regional common goods, in the not too distant future Beijing and Washington will be of comparable regional influence and impact, in particular in the light of China’s economic clout via the Belt and Road Initiative.

Second tier middle powers, such as India and Japan, will also play an increasingly critical role in Asia’s turn towards multipolarity.

The smaller ASEAN states will need to be strategically flexible as to their engagements and commitments. Strategic flexibility does not equal opportunism. Rather that all possible diplomatic and political effort should go into maintaining a multitude of avenues for multilateral cooperation and rule-setting. At the same time, ASEAN must define a set of core rules, values, and interests and remain committed to those.

**The only conceivable way to achieve strategic flexibility is small-country cooperation with ASEAN being the logical framework**. For this, ASEAN must find ways to remain a cohesive entity. Occasionally, individual members have sacrificed ASEAN unity in order to do the bidding of outsiders. In the light of economic and diplomatic dependencies, this is understandable. But benefits are short-term, whereas ASEAN unity is the only conceivable way to sustainable progress in Southeast Asia.

As for security, ASEAN will have to find reliable and permanent mechanisms to deal with an ever increasing number of transnational security threats that defy isolationist solutions. The ever growing threat of radical Islamist terror and insurgencies exemplifies this point, but does not exhaust it. In the same vein, increasing militarisation, ecological hazards, access to natural resources, fresh-water control, and irregular migration are among a large number of regional security threats ASEAN will have to find a way of addressing.

##### 2. Maintain rules-based order

Explicitly connected to this is the importance of maintaining and advancing a rules-based order in the region. For ASEAN,

<sup>5</sup> E.g. ASEAN Vision 2020 (1997), available: [www.asean.org](http://www.asean.org), accessed: 30/06/2017.

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the number one concern in this regard is China, whose conduct thus far suggests little respect for the regional status quo.

**ASEAN as a whole but also individual members have an interest in ensuring that regional politics follows a reliable set of mutually acceptable rules.**

Fortunately, Beijing has proven willingness to also cooperate in existing forums, most of which include ASEAN. If in concert, ASEAN states can have significant positive impact by pushing the question of a rules-based order on the agenda of all multilateral meetings and forums. The incoming ASEAN Chair Singapore (2018) is uniquely well placed to address this challenge effectively.

### 3. Institutional reform

The ASEAN way has proven a workable *modus operandi* but harbours plenty of weaknesses. The necessity of consensus makes decision making in sensitive areas difficult. **In order to be an effective body, ASEAN must consider institutional reform.**

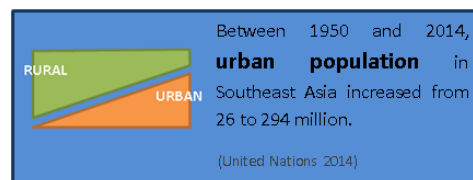
Although suggestions ASEAN should replace the consensus principle by adopting some form of majority-voting are numerous, I suggest that this, although auspicious in theory, may seriously threaten ASEAN. It is precisely because of not despite the non-binding consensus procedures of ASEAN that countries participate. If this was to be abandoned, ASEAN could fall apart.

A less consequential reform should consider extending an existing principle of economic integration. The "ASEAN Minus X" mechanism allows flexible implementation of economic commitments by allowing members to opt-out of particular schemes. If extended to political issues, it may not solve the problem of procedural hostage taking or vetoing resolutions as a result of outside interference, but may signal that ASEAN is willing to dynamically move forward, be flexible, and has the desire to be efficient.

### 4. Economic/trade progress

In terms of ASEAN economic integration and trade, opportunities are tangible, but potential pitfalls numerous. Theoretically, the AEC should be a unified market in goods, services, and labour as well as a harmonisation of regulations. However, plenty of this is illusory.

**The most severe challenge is rooted in the association's unequal economic development.** Results include disparate inflation rates and purchasing power, unequal investment and financial service regulation.



Especially in times of limited growth resulting from slowing Chinese economy and economic restructuring as many members transform into middle-income countries, economic integration must be properly managed.

ASEAN must face the need for transnational institutions for intra-regional macroeconomic management in order to address economic development gaps.

Most of all, it must invest in infrastructure, education, fight corruption and reduce internal gaps by developing rural-urban value chains in order to support entrepreneurs in rural areas, prevent unsustainable levels of urbanisation and promote a rural transformation. The AEC should also work to reduce non-tariff barriers and deregulate labour movement.

### 5. Create a people's-ASEAN

ASEAN should step-up their communication game by promoting achievements and visions to its people. The level of awareness of ASEAN is patchy and the idea of a shared regional identity remains illusory.

Primarily however, ASEAN must become a guardian of its citizens. In the light of scandalous human rights violations in some member countries or inefficient responses to natural disasters, the association must find the voice and possibilities to act on behalf of its people according to ASEAN norms and principles. Only then will ASEAN prove worthy to its people.

Moreover, in times of ever greater people connectivity, ASEAN **must move from being a top-down elitist organisation towards citizen inclusion and multi-stakeholdership.** A concerted effort is required to involve more voices into ASEAN's decision-making process, particularly those of young people and civil society. But with little ASEAN knowledge and awareness, those will find it hard to take ownership of regional integration.

**Appreciate ASEAN for what it is: The single best chance for peace the region ever had**

If one assesses the utility of an organisation, it helps to ask a minimalist question: **What would be the consequences of the organisation's absence?**



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Much ink has been spilled on the AEC and its laudable achievements. But it is political integration that makes the most compelling case for ASEAN.

Political integration led to a previously unknown frequency of high-level inter-state contact. ASEAN institutionalises peaceful, reliable, frequent, and cordial inter-elite exchange in a region where this is a value in its own right.

Appreciating ASEAN for what it is means essentially three things. Accepting ASEAN's limitations, acknowledge its strengths, and consequentially, rationally adjust the demand. There is no value in either condemning ASEAN as a useless talk shop or rejoicing in an elusive performance.

*Its limitation: Squaring the circle? – Integration versus the ASEAN way*

The ASEAN way has a mixed record. On the one hand, it inhibits affirmative action in cases of disagreement and can turn ASEAN into a "lame duck", its regimes and agreements into "paper tigers".

Effective regional governance is inhibited by institutions and regimes lacking any teeth. This is regularly exposed in cases of transnational challenges, such as in the South China Sea, the Rohingya refugee crisis, or Cyclone Nargis.

**Membership expansion while maintaining the ASEAN way has created manifold political dilemmas for ASEAN.** For instance, the inclusion of Vietnam inadvertently put territorial conflicts vis-à-vis China in the South China Sea high on ASEAN's security agenda. At the same time, the inclusion of Cambodia and Laos limited ASEAN's capacity to take ownership of those conflicts and address them effectively. In 2012 for example, a Cambodian veto, allegedly prompted by severe Chinese pressure, prevented ASEAN from issuing a joint statement, which would have condemned Chinese militarisation in the South China Sea.

Maltreatment of the Rohingya minority group highlights a similar dilemma. Inability to take decisive action continues to cause great embarrassment to ASEAN and rightly raised doubts as to its efficacy and ultimately, its relevance. Yet, the ASEAN way prevents ASEAN from taking action.

*Adjusting expectations*

In this light, one ought to conduct a sober revision of one's expectations. Only the most naïve observers would expect ASEAN to take decisive action, especially in sensitive matters of security or domestic governance.

Maintaining the ASEAN way as the regional *modus operandi* is the logical antidote to effective transnational policy-making. Yet, thus far it has shown to be the only way such heterogeneous societies can cordially cooperate.

Although desirable, **ASEAN cannot be expected to be an effective problem-solving actor of regional governance; it is and will remain a problem-management mechanism.**

But, considering the Myanmar example again, although ASEAN has thus far been unable to address serious human rights issues and has rightly been criticised for inaction, the inclusion of Myanmar into ASEAN in the first place is one of the decisive factors starting and facilitating domestic political change, which slowly but steadily moves towards democratic reforms.

As in Europe, many ASEAN citizens fall victim to unrealistic cost-benefit analyses and raise the question: What are we getting for our money? What good is an association promising big and delivering little?

*Its strength – The Westphalia of the east*

The answer is that, in spite of its many flaws, **the inter-governmental, non-committing character of ASEAN has allowed competitive nations and peoples with a long history of conflict and antagonism, to live under precisely this stability ASEAN's founders set out to achieve.**

ASEAN's inauguration set the stage for one of the most stable and peaceful periods in the region's history; just like the Peace of Westphalia did in Europe.

When those treaties were signed in 1648, Westphalia ended decades of bloodshed in Europe and created one of the most stable modes of international relations by institutionalising national egalitarianism. Equality of and respect for all attributes of independent, sovereign statehood, regardless of individual power, size, or domestic system of governance.

More than three centuries later, Singapore, Malaysia, Indonesia, Thailand, and the Philippines took their own multiplicity as a starting point for their own form of regionalism.

The ASEAN way is a distinctively soft regionalism; the embodiment of the Westphalian spirit. Nowadays, those originally European principles are perhaps nowhere quite as quintessentially obvious and as institutionalised as in Southeast Asia.

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Although Westphalia unfortunately did not manage to perpetuate peace in Europe, its essential principles have so far managed to keep it in Southeast Asia.

On a practical level, ASEAN's value-added rests with its convening power. It is the most viable provider of communication. In such forums concrete outcomes or even conflict resolution are rare, but their merit is constant dialogue. The ASEAN way enables cordial cooperation in a diverse region where otherwise there would possibly be none. There is merit in process.

It provides avenues for internal as well as external networking, auspicious to cooperation in a context of complex regional relations. This is a valuable process-oriented means to work towards precisely this stability ASEAN has initially set out to deliver.

Despite or precisely because of the non-committing nature of the ASEAN way, the association has managed to establish and maintain a dense framework of forums for policy and ideational exchange as well as confidence building. This exchange penetrates all avenues of diplomacy from official intra-regional government-to-government contacts to think-tank and civil society cooperation. Peer-to-peer networks emerge and deepen inside a procedural framework, within which all participants feel confident and comfortable with each other; not an easy feat in Southeast Asia and even more complicated in the wider Asia-Pacific region.

**ASEAN aids and accelerates such personal contact in general and at times of crises.** For example through various informal "ASEAN retreats", highly conducive to personal discussions on sensitive matters rarely discussed at formal meetings. This contributes to tension management and de-escalation, reduces the risk of misunderstanding and miscalculation, and promotes inter-elite understanding. This holds true intra-murally and extra-murally; a quality particularly important vis-à-vis China.

#### **Celebrate regional integration**

Adjusting expectations not only means lowering the bar. It also means to **celebrate ASEAN for its value-added to region**. Depending on the point of view, ASEAN can be regarded as an irreplaceable internal and external dialogue and cooperation forum. But it can also be seen as a total failure, operating in a constant atmosphere of underachievement.

The introduction had asked whether or not Southeast Asia would be a lot worse off if ASEAN did not exist. The answer at this article's end must be a resounding yes.

#### **ASEAN is the best chance of peace and stability the region ever had.**

Despite its many flaws, today on 8 August 2017, all peace loving people ought to raise their glass in honour of ASEAN's 50<sup>th</sup>.

Perhaps, after 50 years of cordial cooperation and largely peaceful integration in a heterogeneous region, beset with conflict potential and of great strategic interest to great, sometimes hostile, powers, one can reach the conclusion that **Southeast Asia minus ASEAN would be a lot less secure.**

At its 50<sup>th</sup>, ASEAN should make itself a worthy jubilee present: a little reform tweak here and there in order to live-up to its ambition to be a "people-centred" ASEAN.

# THE ASEAN APPENDIX

Singapore

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Member State	Capital	Form of Government	Population (est.) (in 1,000)	GDP (\$USbn)	GDP per Capita (\$US)	Major Ethnic Groups	Major Religions	Life Expectancy	Infant Mortality (per1000)	Educational expend. (in % of GDP)	Land used for agricult (in %)
Brunei	Bandar Seri Begawan	Constitutional Islamic Monarchy (Indep. 1984)	423.2	12.9	30,993	Malay 65.7% Chinese 10.3% other 24%	Muslim 78.8% Christian 8.7% Buddhist 7.8%	77.5	9	2.7	2.7
Cambodia	Phnom Penh	multiparty, constitutional monarchy (Indep. 1953)	15,577.9	17.8	1,144	Khmer 90% Vietnamese 5% Chinese 1%	Buddhist 97% Muslim 1.9% Christian 0.4%	68.7	25	2.0	32.9
Indonesia	Jakarta	Republic, presidential (Indep. declared 1945)	257,563.8	859.0	3,362	Javanese 40.1% Sundanese 15.5% Malay 3.7%	Muslim 87.2% Christian 7% Catholic 2.9% Hindu 1.7%	69.1	23	3.3	31.5
Laos PDR	Vientiane	Socialist, single party (Indep. 1949)	6,802.0	12.6	1,787	Lao 55% Khmer 11% Hmong 8%	Buddhist 67% Christian 1.5% other 31.5%	65.7	51	4.2	10.1
Malaysia	Kuala Lumpur	Constitutional Monarchy, federal parliamentary (Indep. 1957)	30,331.0	296.3	9,501	Malay 50.1% Chinese 22.6% Indigen. 11.8% Indian 6.7%	Muslim 61.3% Buddhist 19.8% Christian 9.2% Hindu 6.3%	75.0	6	6.1	23.9
Myanmar	Nay Pyi Taw	Republic, parliamentary (in transition), (Indep. 1948)	53,897.2	62.9	1,213	Burman 68% Shan 9% Karen 7% Rakhine 5%	Buddhist 89% Christian 4% Muslim 4%	66.6	40	1.2	19.3
Philippines	Manila	Republic, presidential (Indep. 1946)	100,699.4	292.5	2,863	Tagalog 28.1% Cebuano 13.1% Ilocano 9% other 49.8%	Catholic 82.9% Muslim 5%	68.5	22	2.7	41.7
Singapore	-	Republic, parliamentary (Indep. 1965)	5,535.0	292.7	52,888	Chinese 74.2% Malay 13.3% Indian 9.2%	Buddhist 33.9% Christian 18.7% Muslim 14.3% Taoist 11.3% Hindu 5.2%	83.1	2	2.9	0.9
Thailand	Bangkok	Constitutional Monarchy, parliamentary (unofficially Junta governed)	67,959.4	395.3	5,742	Thai 95.9% Burmese 2% other 1.3%	Buddhist 93.6% Muslim 4.9% Christian 1.2%	74.9	10	4.1	43.3
Vietnam	Hanoi	Socialist, single party (indp. 1945)	91,703.8	191.5	2,088	Kinh 85.7% Tay 1.9% Thai 1.8%	None 80.8% Buddhist 9.3% Catholic 6.7%	76.0	17	6.3	35.1

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## The Evolution of ASEAN

