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# **Southeast Asia The Way Forward**

Edited by *James H. Braxton Little, Jr.*  
and *John W. H. Green*

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1875  
The War of 1812

# **Southeast Asia The Way Forward**

**Selected papers from the Fourth Southeast Asia Forum  
Kuala Lumpur, January 15-18, 1992**

**Edited by  
Rohana Mahmood and Thangam Ramnath**



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## *Part 1:*

### *A new age in Southeast Asia*





## *Laying the foundation for a new age in Southeast Asia*

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*Abdullah Haji Ahmad Badawi*

The winds of change are blowing everywhere. After a relatively predictable four decades of the bipolar cold war we are moving into a new era. Some of the old perceptions, assumptions, prejudices and structures are giving way to the new, but their outlines are still vague, indistinct, and shifting in many instances. The transformation, I would say, is still in the making, be it in the Commonwealth of Independent States, Europe, the Middle East, or here in our own region.

The nations of Southeast Asia are individually and collectively addressing these changes which are occurring both outside and within the region. The changes are many and some of them are quite profound and far-reaching in their consequences for the region. They would include the lifting of cold war hostilities and tensions in the region and around the globe; the emerging overwhelming global supremacy of the United States with the collapse of the Soviet Union; the massive and painful transformation that is now taking place in the new and still unsteady Commonwealth; the central role played by geoeconomics in national strategic considerations; a global economy dominated by the G7 and three regional economic entities, namely the European community, the United States, as part of an emerging American community, and Japan; the prominence of North-South issues in the international agenda, with the decline of East-West confrontation; the threat to global trade posed by protectionist and exclusionary policies in emerging regional economic blocs; the potential for hegemonism by regional powers in the future; political settlement and the peace process in Cambodia; regional reconciliation and engagement in Southeast Asia; the widening chasm between the Asean countries and the other states in the region, in economic development; the declining American and (the former) Soviet

military presence in the area; and finally the emergence of the environment, human rights, population flows, drugs and disease as major international issues.

Taken together, these are quite momentous changes for the world and the region. This forum I am sure, will deliberate with considerable interest all these and other related changes, and examine their implications to the region, good, bad and mixed. There will be some differences of opinion on what some of these changes mean to us, given the differences in our geostrategic situations, historical experiences and interests, not to mention differences in personal points of view. I am equally certain, though, that there will be much meeting of the minds as well, along with a rich interchange of ideas.

It is how the countries in Southeast Asia should respond individually and collectively to these changes, though, that will be the main thrust of this conference. That we must strive to generate as much commonality of perception and response is quite clear. Together we will be better able to meet the challenges facing us and better able to influence the course of events. Alone our voices will be weak, our actions feeble. At the very least, even where we differ, appreciation of each other's positions will reduce misunderstanding and friction between us.

In considering our responses to the changing situation around us, in the region and beyond, I believe that we must first begin by looking at ourselves. Unless we are all politically viable and socio-economically resilient we will remain vulnerable to unresolved internal problems and external pressures. Unless we are each of us internally united, stable and prosperous we will not be able to act effectively in the international arena.

This is a matter of great and continuing importance for all of us, even for those who are comparatively stable and prosperous now, because none of us is without problems and because national stability and economic progress have to be constantly tended to, nurtured and fortified. Even nations and civilisations which achieved greatness in history slipped and fell when they lost their vitality and determination to constantly scale ever greater heights.

The greatest challenges facing all of us, therefore, lie in our respective domestic domains - poverty, inequity, sustainable growth, peace, stability, the environment and disease. The building of a new Southeast Asia hence begins here, in our own backyards.

If all goes well, I see the Indochinese countries finally set on the long road to economic recovery in the near future. Economic reform at home and the lifting of trade embargoes will greatly facilitate this. Cambodia will need considerable nursing, and this can only really begin with the restoration of durable peace and stability in the country. Progress

in socio-economic development in these countries will be most welcome for the region, for it contributes to regional stability, prosperity and resilience.

The next logical step in our collective endeavour to move Southeast Asia ahead in the coming years, in my view, would be to further improve our bilateral relations with respect to each other. Besides its inherent importance, an interlocking network of cordial bilateral relations is the bedrock upon which successful regional co-operation subsists. The acrimonious relations between countries formerly divided over the cold war and the Cambodian issues have improved as these issues declined. There is a great need to preserve and strengthen goodwill, amity, understanding and co-operation, to resolve old or emerging issues peacefully and amicably, and to refrain from provocative action.

In many parts of the world regionalism is getting a new lease of life. Existing regional organisations are being reviewed with a view towards strengthening them or aligning them with changing circumstances. New ones are also being proposed or contemplated, to cater to collective political, economic or security needs. The impetus comes from various factors such as the perceived success of the conference on security and co-operation in Europe or CSCE; the demonstrated benefit of the European community to its members; fears of protectionist trends in Europe and North America despite assurances to the contrary by them; the declining efficacy of the states as political, economic and security units in the international scene; and apprehensions regarding hegemonism on the part of regional or global powers.

Here in Southeast Asia, Asean has already established an enviable record in regional co-operation. It is perhaps the most successful example of collaborative endeavours in the developing world. This is no mean accomplishment given the conflicts and acute suspicions that prevailed in the area prior to its establishment, the lack of experience in regionalism until then, and the fact that Asean is now hardly two and a half decades old.

Yet Asean, responding to global as well as regional events, is now on the threshold of embarking on a new phase of even closer co-operation. At the Asean Summit in Singapore the Asean heads of government considered proposals to strengthen the organisation's institutional and structural base and to enhance political consultation and economic co-operation among its members. Full regional integration may be some way ahead, but we are almost all young nation-states, and regionalism takes times to mature. We must not force the pace.

Moving Southeast Asia forward also involves the engagement of all its states in a single regional process. This in fact was the original aspiration of Asean. Events however militated against this, and for more than two decades Asean has been a sub-regional rather than regional grouping. The regional states are no longer sharply divided and there

is a great desire to mend past rifts, join hands and forge closer co-operation. This is the time for historic reconciliation and for laying the foundation of lasting and productive regional co-operation and peaceful engagement.

What form regional engagement assumes will be for Asean and the other states of Southeast Asia to decide. But here again I think we will have to move ahead cautiously. In the last two decades the pace of developments in the Indochinese and Asean sub-regions have differed. We must ensure that regional engagement strengthens Asean rather than weakens it, builds upon past successes not undermine them, and preserves Asean cohesion instead of diluting it. These considerations are especially important since Asean operates on the principle of consensus and can only progress as fast as its slowest member. An enlarged Asean that becomes weak and fractious and an ineffectual force in regional and international affairs will not be in the interest of any Southeast Asian state.

Engagement is therefore, perhaps, best helped along and achieved in two phases: the first phase in which the non-Asean states become signatories of the Treaty of Amity and Co-operation in Southeast Asia followed by the second phase in which they become full members of Asean.

The potential for acute tension and the outbreak of hostilities in the South China Sea appears to have receded somewhat now. Relations between all claimants have improved perceptibly in recent years with the decline in ideological conflict, movement towards resolution of the Cambodian problem, preoccupation with domestic economic development, and a common appreciation of the virtues of close political and economic co-operation. Various conferences have also been held to explore options and avenues for building confidence, reducing conflict and fostering joint co-operation among littoral and other regional states.

This trend is welcome and it is hoped that it will endure until the South China Sea is no longer contentious and all issues are resolved amicably between the interested parties. Acute conflict must be averted at all costs as it will only serve to plunge the region into turmoil once again, invite possible external intervention and set back the process of regional peace, reconciliation and constructive engagement.

We have to examine the security implications of the American military withdrawal from the Philippines. The possible complete winding down of (the former) Soviet presence in Vietnam also merits some consideration. I think the best insurance for regional security in the foreseeable future lies firstly in reinforcing national and regional resilience. The major external powers can contribute to Southeast Asia's peace and stability by engaging constructively in the political and economic spheres. The physical military presence of external powers

in the region must not, however, contradict certain principles of Asean, including ZOPFAN, which we hold dear.

On the question of international peace and security, I also believe that Asean and other Southeast Asian states should join other nations in seeking to examine ways in which the United Nations can be revamped with a view to enabling it to play a larger, more effective and credible role in the maintenance of international peace and security. This, as we know, happens to be the first of the declared purposes of the organisation. If this can be achieved it will render it largely unnecessary for any single power to bear the awesome burden of maintaining peace around the world.

Strengthening the United Nations' role in this sphere, in a manner which satisfies the majority of the global community and the major powers, however, will by no means be easy. But the post-cold war situation is particularly conducive to an enhancement of the organisation's role, and if the major powers and other nations of the world can come together to accomplish this, it would indeed be a dramatic step forward for mankind, and Southeast Asian peace will be the better served by it.

There is also a manifest need, it appears to me, for the countries of the region to co-operate on the problem of the environment. This has clearly become an area of pressing importance. We ignore the destructive consequences of environmental degradation only at our own peril. Here in this region all of us have a collective, vested interest in environmental protection and sustainable development. Some of us for instance, share rivers whose pollution would be a common concern. Unsustainable development in one country could have negative consequences not only for that unfortunate country but also for a neighbouring country if, for instance, it results in a cross-border exodus of the affected local population.

There is therefore considerable need not only for concerted national action to institute sound environmental policies, but also for bilateral and multilateral co-operation to jointly address problems that are more effectively resolved through such avenues.

Countries in the region can also work together to remedy the distorted picture on global environmental degradation which industrialised countries and green movements propagate, and help foster a more correct and unbiased portrayal of the problem which is largely the consequence of widespread environmentally destructive practices in the industrial countries. Our ultimate objective should be to eliminate contention over the issue and mobilise a co-operative international effort to address this very problem on which the future of the planet is hinged.

The way forward for Southeast Asia would also involve the constructive and meaningful engagement of the region in wider economic

processes. While we strive for national and regional resilience and rightly accord priority to them, we cannot ignore the fact of global interdependence and the existing close networking of the region into the Asian, Pacific and global matrixes. Southeast Asia cannot develop and subsist in isolation, nor can it ignore or effectively insulate itself from developments in neighbouring countries and regions, or the actions of major powers.

For the present, for various reasons, it is generally only the Asean countries which are locked into the wider regional economic processes such as APEC and PBEC. It is hoped that the non-Asean states will soon be in a position to plug themselves into these processes as they progressively institute economic reforms at home, and as other factors which prevent their participation are eliminated. Only then will their true economic potential be capable of being realised.

Finally, the nations of Southeast Asia should seek to make their voices heard alongside others in the fashioning of a more peaceful, just, humane, democratic and equitable world order in the aftermath of the cold war. This task cannot be left only to the powerful nations of the world. It must be the fruit of the co-operative endeavours of all the nations of the world.

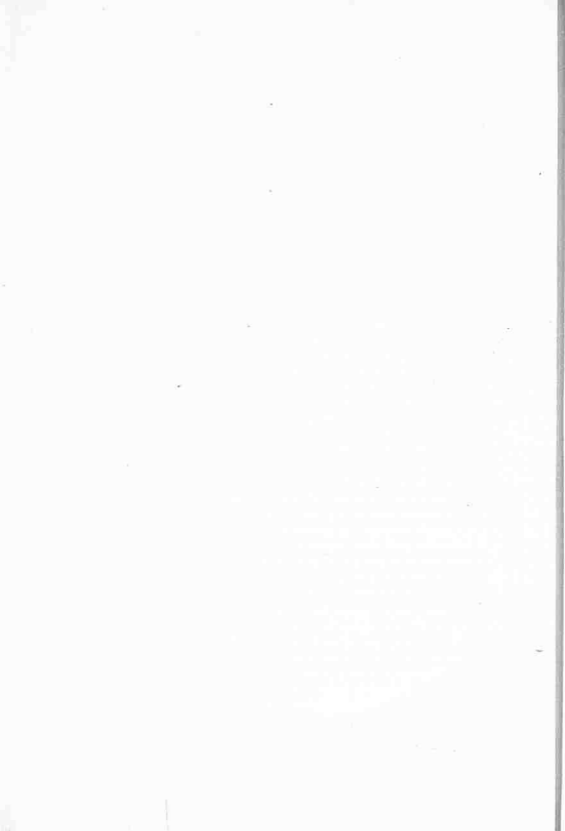
This world order must seek to better reflect the aspirations, interests and problems confronting mankind, the bulk of whom reside in the third world. Abject poverty (one person in every five of the global population lives below the poverty line) hunger, disease, fundamental socio-economic rights, the provision of adequate basic social amenities, suffocating debt burdens, restrictions on technology and capital flows to the developing world, and other similar problems, besides peace and stability, are some of the great and critical issues facing humanity. Their effective remedy and redress should now be elevated to become the single greatest concern of international organisations and the international community.

We are now at a juncture in our history where there are immense opportunities before us, to come together to lay the foundation for a new age in Southeast Asia and for Southeast Asia. Let us join hands and make this age one of peace, fraternity, shared prosperity, and dignity for all the nations of the region.

## Part 2:

### *Domestic goals and aspirations*





## *Brunei Darussalam: Key domestic goals and aspirations for the 1990s*

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Mohd Alimin Abdul Wahab

### **Political stability**

A state which aspires to develop its domestic economy, can only do so in a politically stable environment. Political stability is the *sine quo non*, not only in the pursuit of domestic growth but also in the conduct of dynamic external relations and activities. Since the resumption of its independence on Jan 1, 1984, Brunei Darussalam has secured a place among the assembly of nations at the UNO, the so-called British Commonwealth, and the OIC, besides a number of other international bodies in the world. It has been able, through the ages, to preserve its three key institutions – the monarchy or Sultanate, the popular religion, Islam, and the cultural heritage of the majority race, the Malays.

Recognised as the fundamental components of the State since time immemorial, these key institutions have since independence been reinstated and, for the sake of national identity, inaugurated as the national credo — Malay Islamic Monarchy — reflecting the essence and character of the State and its society. The national unity question of Brunei Darussalam was therefore addressed at the onset or rebirth of the nation, much as an institutional continuum of the exclusive political heirs of the State.

Brunei accepted British protection in 1888, and painstakingly distinguished this from colonialism by exercising throughout a considerable sense of autonomy in its internal affairs even before the 1959 Constitution, which provided for democratic processes, institutions and self-government. The 1962 Rebellion was a bitter lesson in political reforms and evinced the untutored level of the people's political maturity.

This had, however, not diverted the vision of the Sultan's government from the intention of the 1959 Constitution. The Independence Declaration, the most essential instrument of government in the State, pronounced that Brunei Darussalam shall always be a Malay Islamic Monarchy, independent, sovereign and democratic, on the basis of the Islamic principles of *Ahli-Sunnah Wal Jamaah*.

The democratic principles enshrined in the 1959 Constitution and the Independence Declaration were confirmed further in the ministerial form of government which ensued immediately on the resumption of Independence. A cabinet of ministers share the responsibility of government in vital functions of the State; this opens up possibilities in the development of the State towards achieving its domestic aspirations of political modernisation.

The monarchy is the epitome and embodiment of Brunei Darussalam's political institutions from the beginning of its known history. Its role, not only as the ruling power but also as the depository of its leadership and authority, is central to the workings of the government. It serves as the ultimate citadel of justice. In this respect the royal authority is traditionally served and assisted by Councils of State. These state and government power institutions provide for the position of a working monarch, whose perspicacity at governance, industry and dedication to the country and the people's well-being are the key elements in priming and nurturing the mechanisms of government. The role of the Sultan who takes upon himself the tasks and responsibility of state and government, is at the heart of the country's political stability.

The large public sector contributes to social stability. It is also an enormous responsibility in leadership, because the function of government in seeking a balanced socio-economic growth, is more than to govern and conduct public affairs. It also acknowledges and provides for the important role of the private sector. In a small state like Brunei Darussalam, however, the duality of interests of the government and the governed is almost diffused, in a manner quite similar to the attitudes and practices of the large Japanese corporations towards their employees.

Peace is and has always been a pre-requisite to economic development and social progress. Continuing prosperity and a continuously improving standard of living can only be achieved in an environment of continued stability. In a multi-racial society such as Brunei, where a major race exists, racial and religious harmony among the different races and believers is critical to a productive peace. The laws have relevant provisions to ensure social balance among the different members of the community. The 1959 Constitution, for one, while providing a place for Islam as the official religion, allows other religions to be practised in the State. Mission schools still operate

profitably, side by side and in direct competition with the State's schools.

The local laws also provide for the creation and operation of political parties. However, the activities of the political parties in Brunei Darussalam, at present, find little support from the people. While the environment is far from being apolitical, there is generally a lack of urgent social issues of political significance to serve as hotbeds for political activities. Similarly, a few labour unions exist, but they are not radically partisan in their attitude and approach to the practices of the management of their firms. There is therefore a considerable degree of industrial harmony and understanding.

The government currently invests considerably in the youth, which makes up some 40 per cent of the country's total population. Education is free at all levels, and scholarships are offered to educationally deserving students who meet the criteria within the planned objectives of future economic growth. Medical facilities and treatments are also free, while sports and games are being promoted not only to meet the objectives of general health but also to ensure that the young are not involved in anti-social activities, e.g. drug abuse. Currently, new sports objectives are being pursued, in order to prepare the participants for local and international competitions.

The other major public investment which contributes to political stability is in the area related to the defence and security of the State. While it is true that the internal situation remains calm and peaceful, no effort is spared to ensure that this situation continues, without any hiccups which could arise as a result of complacency or from unexpected threats. The strategic aspects of the State require it to undertake measures and plans which will not only make it confident in dealing with internal matters, but will also ensure its neighbours of its defensive capability. The dichotomy of this concern extends similarly to the way it regulates many other issues, e.g. the religious deviationist movement, Al-Arqam, and the killer disease, Aids. It has also instituted anti-corruption laws.

## **Economic growth**

Brunei is now approaching its sixth Five Year Development Plan; the FYDP was started well before independence, and is expected to assist in the distribution of income and spur associated industrial development. The fifth Five Year Development Plan spent B\$3.7 billion, or 59 per cent of its total value, on development-related projects. Only 29 per cent went to social services, including housing and educational projects, and 10 per cent went to public buildings and security. These of course do not include the annual allocations set aside for the annual operations of the various ministries including staff's salaries.

The over-emphasis on development projects underscores the policy of economic diversification which has been the major thrust of the FYDPs from the beginning. Brunei is currently over-dependent on the oil and gas industry for its revenue.

Since independence, however, the policy of promoting industrial and other economic development has been given special attention. The creation of the Ministry of Industry and Primary Resources signalled the earnest determination of the government to focus on these inherent problems of over-dependence. International price fluctuations in oil may have also brought home the real possibility of serious uncertainties on income generation, which in turn could affect domestic strategies in development.

Oil has been found in Seria since the late twenties, but its major contribution to the socio-economic developments of Brunei was felt primarily since the end of the Second World War. The price hikes of the sixties and seventies were bonanzas to the State. The government's judicious policies in managing the country's newly found wealth have sustained socio-economic developments to this day, without the country having to solicit foreign aid or assistance. However, when OPEC could not agree on limiting production in order to control oil prices, Brunei found it would be prudent to initiate a conservation policy of tagging oil production at 150,000 barrels per day. This has however changed since the Gulf War, which made it more meaningful and cost effective in the long run to allow a production level of around 160,000 barrels per day.

The problems encountered in widening the industrial base are in the existence of a most intractable structural anomaly — the local labour market is small, young and very often inexperienced. Education, particularly technical education, has improved tremendously since independence. But the shortage of skilled and semi-skilled labour, which may contribute to the cost of production, renders the country less amenable to the opportunities of industrialisation. Competition from neighbours not only limits exports but also foreign investment. There are however more than 30,000 immigrant workers employed in various capacities, a substantial number of them in the construction industry. This helps to reduce pressure on the local labour market.

In agriculture, the emphasis is on self-sufficiency in local produce. Various assistances and subsidies are made available to the local farmers. The higher standard of living in Brunei, however, fuels imports of low cost agricultural products from immediate neighbours and threatens to undermine some of the domestic efforts.

## Social and cultural identity

Some of Brunei's goals include measures which could project and protect the image of its national identity as a Malay Islamic Monarchy. The concept, which is both a political statement and a social reality, underlines the basis of national unity in the multi-racial and multi-religious society of Brunei, where the majority are Malay Muslims, practising the 'mazhab' of *Ahlis Sunnah Wal Jamaah*. The constitutional provisions safeguard the interests and rights of the other races and religions.

Islam guides the social practices of the Malays, and in many ways dictates their norms and mores. Social functions of any nature very often commence with a recital from the Quran and end with prayers or *doa* to seek the blessings of Allah. Islamic religious functions held at State and family levels, have the social objectives of cementing the bonds of understanding among co-religionists. These functions are not necessarily exclusive, and the emphasis on public good and community interests above self is generally accepted among non-co-religionists as the thrust of Islamic religious practices. The *Idil Fitr*, for instance, is celebrated with the other communities, and the Malay Muslim practice of 'open house' extends to the other communities' celebrations. As on several other occasions, the *Istana* or palace of the Sultan is normally open for a few days of the *Idil Fitr* to tens of thousands of well-wishers of different religions.

As in other countries in this part of the world, Brunei's traditional culture cannot escape the influence of foreign cultures. Advances in telecommunications and transport prevent Brunei from remaining in an exclusive corner of conservatism. In fact, since independence, Brunei has prepared its citizens with its time-tested philosophy, which has preserved its intrinsic social quality and characteristics to face the challenges posed by these advances. The pursuit of national unity through adherence to the concept of Malay Islamic Monarchy has a natural appeal to the majority and should consequently place the nation in a better stead before the world. Brunei spares little efforts towards this end, domestically.

## A responsible foreign and defence policy objective

A country's defence policy goals attempt to secure the survival of the country. Its objective should be to create an environment of continuous peace and stability to allow for economic activities and growth.

Brunei as a small state should not present itself as a threat to any power within the region, nor allow itself to be perceived as a potential threat for any reason whatsoever. A foreign policy so developed to promote understanding and co-operation, particularly with its imme-

diate neighbours, should provide for a good framework within which a sound defence policy objective could evolve.

Brunei considers Asean as a boon in providing it with external security. While Asean may not be a security organisation, the level of understanding and respect for each other's sovereignty, internal affairs and other sensitivities, make for the creation of a secure atmosphere in the region. This system of confidence building is enhanced by the increasing personal rapport and understanding among the Asean leaders. Efforts are being made to bring the various levels within the government and the private sector into contact with each other, to deepen this co-operation.

A security policy invariably seeks a defensible position within its strategic considerations. While the Asean network provides the general framework for confidence, Brunei may also see the vital significance in assuring its neighbours of its secure posture within the regional setting. It would not commend its unique position in the centre of the Asean region by presenting itself as a weak spot, which in effect would only draw unnecessary attention upon itself. Brunei's contribution to regional security would require it to relate to the rest of its neighbours, formally or informally, at least at the minimum level. It may still see itself, however, as nurturing these relationships at a higher level, without necessarily prejudicing its strategic posture.

As a small state building up regional confidence, its treaty links with extra-regional powers would reinforce its defence posture, and counter-balance its deep regional commitments to Asean security. A closer commonality of interest may be found with other similar states without prejudicing this strategic position, and such co-operation would therefore enhance the level of the country's defence and security in the regional context. Conversely, the defence factors would present no disadvantage at securing a balanced, albeit open policy with powers beyond the regional limits. Such a policy should only underpin the stability and security of the region as a whole, as long as it continues to observe the fundamental premise of intra-regional co-operation and understanding.

*Indonesia: Key domestic goals and aspirations  
for the 1990s*

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Mochtar Kusuma-Atmadja

I would characterise Indonesia's aspirations as long-term goals of the nation which are laid down in the preamble of our Constitution by our national leaders. And that is the attainment of a prosperous and just society, where every individual has the full ability and opportunity to realise his potential. In striving for this ultimate goal, we are guided by our state philosophy, *Pancasila*. And we are carrying this out, on the basis of a national development plan. We are now approaching the end of the first period of 25 years of the 'five times five' year development plans. And we are now assessing what we have achieved in that first period. In 1968, we drew up the first 5-year development plan and the period started in 1969 after the confrontation with Malaysia and after we put down the communist rebellion and instability in 1966-67. The period will end in 1993.

We can say that most of the goals we have set for ourselves in the first 25-year period have been reached. The economy was left in chaos by the former government and now not only has it been put in order but has stabilised and has grown continuously and uninterruptedly with an average growth rate of 4 to 5 per cent over the years which is not very bad. Not as high as our neighbours, perhaps, but sufficient for us to reach the stage we are in.

There are many problems involved. The country is huge; its population is 186 million. Greater Jakarta alone contains 11 million people. There are 17,508 islands, so communication is a problem. We have relatively little money. So, the first 25 years were used basically to invest in infrastructure. Even that is not complete.

As not all the villages have electricity, their electrification needs competes with a great need for industries, which we have tried to attract.



We have to do all these simultaneously. We have a vast area in the east which is very undeveloped. Culture-wise, the people there are still in the stone age. This is a unique situation. We have a country, culturally covering a wide spectrum from the stone age, all the way up to the iron, bronze, and computer ages. The problem is the lack of balanced growth between the cities and rural areas, between the very underdeveloped parts of the country and highly developed parts of the country. Our investment and trade policy must not lead to the creation of enclaves. Therefore if one understands our constraints, then one can say that the first 25 years have been well-spent.

What are our goals for the next 25 years? Continuing, of course, what we have done, pursuing the twin goals of opening up new areas that are undeveloped, and at the same time, trying to build up our manufacturing capabilities, to be if not equal, at least comparable to our neighbours'. This explains why in trade liberalisation schemes in Asean, we seem to be lagging behind or even reluctant. But it is not reluctance; we have our own domestic priorities. We cannot allow our country to be the playground for manufacturing nations, and become dependent. That is why we have asked for a stage-by-stage liberalisation scheme. We have asked that the Asean Free Trade Area (AFTA) be spread out over a period of 10 to 15 years. Pessimists say 15 years, optimists ten.

So, it is a huge task. If we observe the various sectors of the national economy, the political situation, administration and law, social affairs, education and culture, technology and alignment, one can say that we have made progress in all these areas. Given the scarcity of resources including human resources, you can see how daunting our task is. That is why, in Indonesia, the hardest working people are government servants, including ministers. In other countries, the hardest working people are people in business because they are after profit.

For the next 25 years, we have to continue what we have been doing, and maybe at an accelerated pace. At the same time, there is this demand for democratisation, more openness, transparency, which cannot be denied. Because as people progress and become smarter, they want to participate in the process. It is not enough for them to be told what to do. In the early years, after the Confrontation, because we were near collapse, everybody could be told because they saw it as a sacrifice on their part, to get the nation on its feet, and to pull themselves together. But as incomes increase and things become more complicated, people want to know.

This desire is strengthened by the fact that now the Indonesian government wants to finance development through domestic sources rather than continue to be dependent on foreign assistance. Therefore it wants to intensify the collection of taxes. And when you tax people, they want to know how their money is being spent. The American Revolution started because London tried to tax its subjects without consultation. I think the same principle holds for us too. That's why the President has, for two or

three years now, talked about more openness. Our public opinion and newspapers are relatively open and critical. And fortunately in Indonesia, there is this philosophy of balance – balance between the rich and the poor. For instance, in the development of companies, the big companies are told by the government to help smaller companies — the system of 'bapak angkat and anak angkat'<sup>1</sup> which is very strange to outsiders, especially in a free competition type of economy.

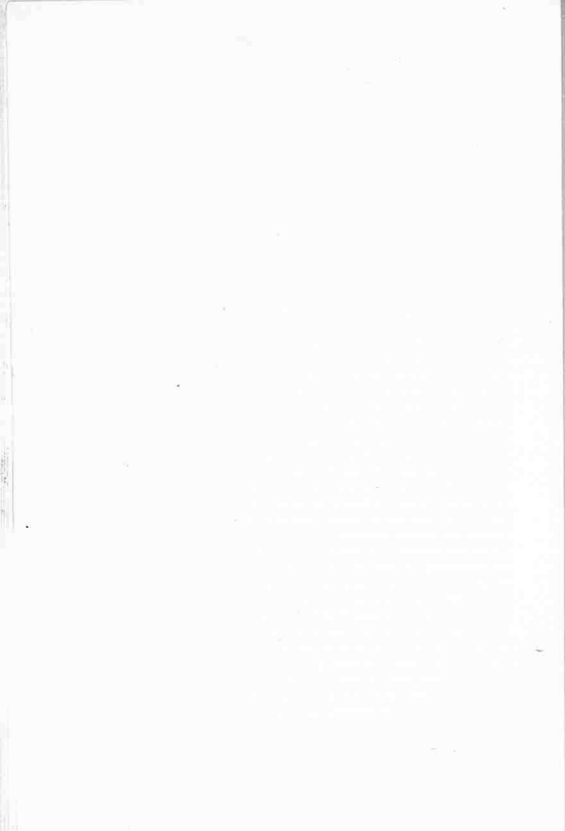
Our educational system has been criticised as one that does not prepare people for a modern society; this is true. Our educational system is basically a legacy of the colonial period. No basic changes have been made. I don't think Malaysia has the affliction that many other former colonial countries have — that of universities and schools producing people for the bureaucracy. They create intellectual proletariats. In India and Egypt for instance, government departments are full, the corridors have files stacked in them and everybody is sitting everywhere. We have to have more vocational schools, and technical training. It's fairly good that we have now this great need for cheap labour and transfer of industries. The Japanese, Koreans and Taiwanese are coming in a big way and as Thailand and Malaysia are becoming more expensive, they're moving to Indonesia. So, I believe the outlook for the future is not bad.

How do all our interests and aspirations converge with those of other Southeast Asian nations? The convergence comes in our need for peace and stability to do what we want and to endeavour to realise our goals and aspirations. And this, I think, is very good. Because everybody in turn, has been naughty. Indonesia had a Confrontation, Vietnam had its war, but we all know now that it really doesn't pay. Wars only waste resources, time and goodwill. So, since we established Asean, we have turned over a new leaf and that explains the activity of Indonesia in the Kampuchean conflict. Why? Because Indonesia has to show that it is committed against acts of this kind. If we had wavered, we would have hesitated to be firm with Vietnam. Then people would have been reminded of the past. They would think perhaps that Indonesia will go back to its old ways. The reason we were so hyperactive, perhaps, was because we not only had to convince our neighbours, we had to convince ourselves.

Now, after 25 years, we have created a new habit, a habit of peaceful co-existence which is good, and which we share with all Southeast Asian nations. I think we are all tired of fighting. That's why I'm very optimistic that Southeast Asia is looking forward to a great future, with great opportunities for co-operation. And in this system of balance, harmony and helping each other, the more advanced nations have a duty to assist those that are less fortunate, or who have just left behind a period of strife. And this gathering, I think, is symbolic of that situation.

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<sup>1</sup> Adoptive father and adopted child



*Aspirations and fundamental objectives of the  
Lao People's Democratic Republic  
for the 1990s*

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*Hiem Phommachanh*

Laos is a small land-locked country. You will be aware of its location and history. Yet, it may be worthwhile for me to recall a little of the historical reality of our nation today. Despite the fact that Laos has never declared war on any of its neighbours and has continuously lived in accordance with the principle of mutual respect for the independence and sovereignty of other nations, alas, the same respect has not been accorded to us. Between the years 1964 and 1973 Laos received four million tons of bombs from enemy aircraft. This represents one planeload of bombs every eight minutes for nine years nonstop, or put another way one ton of bombs for every man, woman and child of our population.

Some people were lucky — their ton of bombs did not explode at the moment of impact but they live with the reality of live bombs in their fields, even to this day.

The result of these happenings in our history has been massive dislocation of people, and the destruction of development efforts. Mutual recrimination among the Lao people, caught up in this essentially external war, has resulted in massive migration of the population, including many of the more skilled and trained people.

This is but one example of the many difficulties we have had to overcome in trying to develop our country. The new government which came to power in 1975 set out many objectives for the country's development. Many attempts were made to achieve these objectives, but results were limited due to many factors. Thus in 1986 the Lao government introduced its new policy called the 'New Economic Mechanism' (NEM) in a fresh attempt to tackle the problems facing our country.

This country paper sets out the new policies for the economic and social development of Laos in the 1990s, taking into account the international and regional situations which will influence our development.

## **Background**

### *Economic and social development*

Laos is a small country of 236,800 sq km. Eighty per cent of the area is covered by high mountains (200 to 3000 metres above sea level). This represents the main natural obstacle to the smooth economic development of the country. Forests cover 47 per cent of the country and consist of a wide variety of species, including an abundance of valuable hardwoods. The annual production of logging reaches an average of 600,000 cubic metres; about 100,000 hectares per year are lost due to shifting cultivation, which represents a serious threat to the conservation of this valuable national resource and to the environment.

Laos is believed to be endowed with rich mineral resources such as potash, iron ore, gypsum, tin, salt and coal. Gold panning along considerable lengths of the rivers reflects the local people's traditional and artisanal way of mining these resources. Oil exploration is now under way. However, the future of mining development relies heavily on the improvement of the communications infrastructure.

Laos has approximately 4.17 million people (1990) and its population density is 17 inhabitants per square kilometre. The population is comprised of three main ethnic groups; the Lao Loum who live in the low-lying areas and comprise 55 per cent of the population, the Lao Theung who are upland people and make up 27 per cent while the Lao Soung are hill-tribes who comprise 18 per cent. The diverse cultures and traditions of these various ethnic groups creates bottlenecks in the harmonisation needed for national development. Their integration and participation in the economic and social life of the country is deemed to be not only important but necessary.

Based upon its Human Development Index of 0.253 for 1990, Laos is ranked in the lowest quartile of development — it is 128th out of 160 countries. Its per capita income is estimated to be about US\$180 (1990), adult illiteracy 75 per cent, and life expectancy 50 years. Agriculture occupies 85 per cent of the population. Industry and service sectors contribute 40 per cent of the GDP.

### *Crucial turning point*

Since 1985, there has been a major change in order to shift from a centrally planned system into a market economy. The first step towards the

implementation of the NEM was to give autonomy in management to some existing state-owned enterprises. Following these pilot exercises the NEM was set out clearly in the report of the 4th Party's Congress in 1986.

The main aims of the NEM are as follows:

- Removing price controls and the control of the distribution of goods and services;
- Elimination of subsidies;
- Unification of the exchange rate;
- Reform of the tax system;
- Privatisation of the means of production including some state enterprises;
- Restructuring of the banking system; and
- The passing of a law on foreign investment;

In summary, the NEM aims at a market-oriented economic management system. Achievements and successes have been recorded since the implementation of this policy.

### **Economic and social development policy for the 1990s**

The policy for the economic and social development of Laos in the 1990s was set forth in the Political Report of the Fifth Party's Congress in March 1991. In pursuing the overall task of restructuring the country the following objectives were set out.

- To unite the various social and ethnic groups;
- To promote and enhance the production forces of the country;
- To convert the natural and semi-natural economy into a market-oriented one;
- To improve gradually the material and cultural living conditions of the people;
- To promote democracy in all spheres of social life;
- To ensure political stability, security and social order; and
- To widen relations and co-operation with other countries and international organisations.

To achieve these objectives a medium-term comprehensive plan called the Public Investment Programme or 'PIP' was introduced, to be funded by both domestic and foreign sources. The PIP was set up for the purpose of helping to implement the NEM policy without the direct intervention of the government in most areas of production. The government provides facilities and key social services, especially health and education.

The objectives of the PIP are to:

- a. Consolidate macro-economic reform for securing a smooth transition to a market economy;
- b. Improve the efficiency and performances of the public sector;
- c. Accelerate socio-economic development and improve living standards by providing much improved social services such as health and education; and
- d. Halt the degradation of natural resources by introducing appropriate management.

The investment budget for the PIP will be concentrated in three major areas:

- a. Strengthening of institutions and training of manpower to implement the economic reform process;
- b. Provision of economic infrastructure;
- c. Provision of social services such as health and education.

In order to successfully fulfil the PIP, it is necessary that obstacles such as the lack of domestic savings and skilled manpower be resolved. The development plan lays stress on training for upgrading public implementation of the NEM.

Political renovation must also be continuously improved in order to secure smooth economic and social development. Laos is now in the process of improving the people's democracy. This improvement aims at strengthening the organisations of the people's democratic political system, assuring the improved role and efficiency of the Party leadership, and raising the level of efficiency in the overall management and control of the economy for the benefit of all the people.

The above-mentioned renovations have to begin at the grassroots level.

## **International and regional environment**

The international situation has undergone changes and brought an end to the cold war. International co-operation has become the main concern of all peoples. The New World Order has appeared, which aspires to be just and equitable, and in which the peoples from different countries whether large or small, developed or developing, strongly hope that their legitimate interests and aspirations will be guaranteed.

Regional co-operation has become the major trend, internationally. Southeast Asian countries are increasing contact with each other and further expanding their co-operation in economic, trade, cultural, technical and scientific areas. Ideological confrontation has come

to an end and economic considerations are being given priority. In this spirit, the Malaysian initiative on the East Asian Economic Caucus responds to the regional requirement. Therefore, one of the greatest concerns of the different countries in the region, especially those which have just gone through the trials of war, is to prepare themselves to take part in this movement of co-operation. This is certainly the case for Laos today.

The Lao people are aware of the geo-political location of our country and its land-locked position. A long period of war has left the country with a low level of economic development and education. Therefore, we need to co-operate with various countries, especially our neighbours in order to achieve our social well-being, to fulfil our aspirations and to contribute to regional development and co-operation. Experience has shown us that co-operation between countries with disparities in size and levels of development usually leads to inequalities, if the co-operation is not done in the spirit of fully guaranteeing independence, democracy, territorial integrity and mutual interests. In many cases, less developed countries are in a disadvantageous position in such a co-operation. The more developed countries should help the less developed ones to advance and they should become partners in co-operation. Laos has done its utmost to prepare itself for such co-operation.

Since 1988, Laos has implemented its policy of renewal. The first Constitution of the Republic was promulgated, guaranteeing the fundamental rights and freedom of the Lao people. New laws including the civil law, the penal code, laws on labour, property and others have been adopted, leading to the legal system. Furthermore, popular democracy has been promoted in social life, ensuring political stability, order and social well-being. The Lao People's Democratic Republic will continue to implement firmly its foreign policy of peace, independence, friendship and co-operation with all countries regardless of the latter's political and social regimes and on the basis of equality, mutual respect for independence and sovereignty, and reciprocal advantage. However, Laos strongly requests friendly countries to increase assistance and co-operation in order to contribute to the development of the region and the world and to make the 1990s a true development decade.

Laos is endowed with rich natural resources which will provide a strong basis for co-operation. Its high mountains and rivers offer great potential for producing hydro electric power for export on a large scale. Mineral resources have not yet been exploited on an industrial basis. Laos needs to learn from the experience of other countries in the exploitation, processing and preservation of natural resources. The tourism sector also offers a good opportunity for regional co-operation. With a less crowded population, relatively unpolluted air and a unique traditional culture, Laos has plenty of natural sites for tourism. The construction of the Mekong Friendship Bridge between Laos and



Thailand has already been started. Other communications infrastructure will provide better facilities.

However we must learn from the lessons of our neighbours about the many problems to be faced in transforming our country into a progressively more developed one.

## Conclusion

Eighty per cent of the population of Laos practise self-subsistence agriculture and as a result the economy relies heavily on external assistance. Since 1979, Laos has shifted from a centrally planned economy to a market-oriented one. The NEM has been put into use in the management of business but performs its duty of planning the national economy at a macro-level. The objective is to convert the natural self-subsistence economy into one of commodity production, which will result in increasing domestic surpluses. In this context, the policy of the Lao government is to continue overall change during the 1990s. The implementation of this policy of renewal requires sincere and full co-operation and assistance from all countries, especially our neighbours. Certainly, a small country with a low level of development will have to face many difficulties. Therefore, based on new regional and international requirements, good preparation for co-operation is very important for Laos. In order to fulfil the objectives and aspirations of the country and its people and to assure political stability, order and well-being, Laos firmly adheres to the principles of mutual respect, independence, sovereignty and reciprocal advantage between nations.

The fact that Laos has requested to be an observer at the Fourth Asean Summit Meeting illustrates its willingness to take part in the economic co-operation and coming together of the countries in the Southeast Asian region.

## *Malaysia's key domestic goals and aspirations for the 1990s*

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*Mohamed Jawhar Hassan*

### **Introduction**

The nineties mark a watershed decade for Malaysia. It is the decade which will see the country embark upon an ambitious plan of transforming itself into what it calls a 'fully developed' country by the year 2020. This fully developed country is seen as one which is fully developed not only in the economic sphere but also in the political, social, spiritual, psychological and cultural spheres. In the words of Malaysia's Prime Minister, this involves being fully developed 'in terms of national unity and social cohesion, in terms of our economy, in terms of social justice, political stability, system of government, quality of life, social and spiritual values, national pride and confidence.'

This plan, now popularly referred to as 'Vision 2020' encompasses Malaysia's key domestic goals and aspirations not only for the nineties but also for the following two decades. Although there is no assurance of course that the nation will continue to be guided by the vision in the next thirty years, or alter it or even adopt another some years hence, it is felt that the fundamental elements of the vision will remain a strategic objective of the country throughout the period even if specific targets, priorities and emphases are adjusted.

The vision calls for Malaysia to focus on overcoming challenges in nine central areas in order to become a fully developed country by the year 2020. These challenges have been identified as follows:

1. The building of a united Malaysian nation;
2. The creation of a psychologically liberated, secure, confident and developed Malaysian society;

3. The development of a mature, consensual, community-oriented Malaysian democracy;
4. The establishment of a fully moral and ethical society which is imbued with religious and spiritual values;
5. The fostering of a mature, liberal and tolerant society;
6. The establishment of a scientific and progressive society;
7. The nurturing of a fully caring society and a caring culture;
8. The creation of an economically just society;
9. The creation of a prosperous society with a competitive and resilient economy.

So far, only the economic dimension of the vision has been articulated at some length both when the Prime Minister first spoke on the nation's goals for the next thirty years as well as in the Second Outline Perspective Plan (OPP2) which covers the period 1991-2000. While details regarding the other dimensions have yet to be enunciated, a fair idea of the government's thinking regarding them may perhaps be obtained from past policy statements dwelling on the subjects falling within the scope of these dimensions.

Owing to constraints of space this paper will focus only on two of the dimensions, namely national unity and the economic field.

## **National unity**

National unity has been the overriding objective of all national policies in the last two decades. It has again been declared the single most important challenge confronting the nation in its quest to become a fully developed country by the year 2020.

Malaysia's goal is a united nation where its people of diverse historical, ethnic, cultural and geographical origin live as an integrated entity, in peace and harmony, sharing a sense of common destiny and loyalty to the country. National unity is considered a basic prerequisite for the country's survival, its political, social and economic resilience, and its well-being.

The nineties will basically see a continuation and enhancement of existing strategies and programmes to promote national unity though a comprehensive and multidimensional approach. Measures in the political, economic, educational, social, cultural and security fields as well as the media will continue to be utilised to foster common values and identity, promote a common language, redress socio-economic inequities between ethnic groups and states, manage and resolve as far as possible conflicting interests, and preserve peace and harmony.

The economic dimension will probably receive particular interest, both because economic disparities between ethnic groups, between rural

and urban areas and between states are considered the major cause for conflict and tension and because past targets have not been adequately met for various reasons. The emphasis now is not so much on the achievement of equity targets, but rather the development of sustainable wealth among the less advantaged and the fostering of a bumiputera commercial and industrial community which is competitive and resilient. The emphasis too, is no longer on just 'external' programmes for the advancement of the bumiputeras, but also changes to their traditional psycho-cultural values and attitudes which will enable them to compete more ably in the modern industrial economy.

Nation-building is a long-term process, and the Malaysian case is no exception. The road ahead will continue to be difficult and not without problems, some of them major, induced by factors both domestic and external and over some of which little control or influence can be brought to bear. Among these problems could be a reactive hardening of ethnocentrism, religious exclusivity and narrow state sentiments even as an overarching national consciousness and a common identity cutting across ethnic, religious and state cleavages are being fostered.

But considering the enormity of the problems inherited by independent Malaysia, the country has done remarkably well compared to many others. Whatever Malaysia has achieved, particularly after May 13<sup>1</sup>, has not been at the expense of stability, democracy or growth; neither has it suppressed ethnic identity or culture. Malaysia's strengths have been its generally pragmatic and accomodative citizenry; the successful forging of a broad-based and genuine consensus regarding the goals and fundamental characteristics of the nation-state as enshrined in the constitution and *Rukunegara*; an inclusive, representative and responsive political system and government; dynamic economic growth whose benefits have been shared by all communities; and generally successful and peaceful management of the sometimes conflicting interests in the political, social and economic spheres.

## An industrialised and prosperous society

Economic development obviously occupies a central position in the country's policies, and Malaysia's goal and aspiration in this field, for the 1990s, is to achieve a level of development comparable to that of the industrialising countries, by the end of the century. Real GDP growth for the period is targetted at 7 per cent per annum; this compares with the average actual growth of 6.7 per cent per annum achieved over the last two decades. At this rate of growth the country's GDP should double between 1990 and the year 2000.

<sup>1</sup> Reference to the racial riots that erupted in the country on May 13, 1969.

Malaysia aspires for not just growth, but sustained and rapid growth with equity to promote social justice, national unity and integration, balanced growth in the major sectors of the economy, sustainable growth that is environment-sensitive, and growth that focuses not just on economic progress but also on social development and the preservation and promotion of moral and spiritual values. Malaysia seeks also to pursue economic progress in an environment of peace, security and stability, which is considered fundamental to investment and growth.

In the nineties, Malaysia's development drive as described in the National Development Policy and the OPP2, will focus on the following objectives:

- Achieving a viable balance between the aims of growth and equity;
- Balanced development of the major sectors of the economy to optimise growth;
- Reducing and eventually resolving socio-economic inequities and imbalances and promoting a more just and equitable sharing of growth benefits among all Malaysians;
- Reducing disparities in development between states and between the rural and urban sectors to enhance national integration;
- Developing a progressive society in which improvement in material welfare proceeds hand-in-hand with the inculcation of positive social and spiritual values and an increase in national consciousness and pride;
- Promoting human resource development compatible with the demands of an industrialising economy, which involves among others, the creation of a productive and disciplined labour force, as well as cultivating a culture of excellence, without compromising restructuring objectives;
- Making science and technology an integral component of socio-economic planning and development, upgrading capabilities in strategic technologies, and promoting a science and technology culture; and
- Ensuring due protection of the environment and ecology so that development remains sustainable in the longer term.

The nineties, while seeing a continuation of the post-1970 emphasis on eradicating poverty irrespective of race and restructuring society to ensure more equitable distribution of national wealth, will increase focus on the eradication of hardcore poverty (comprising about 4 per cent of total households), redressing regional disparities in development, improving the socio-economic position of certain bumiputera groups such as the Orang Asli and the indigenous groups in Sabah and Sarawak whose advancement has been lagging behind other communities, and urban poverty which is becoming a more visible phenomenon. The

incidence of poverty, it is hoped, will decline further in the future, from 17.1 per cent in 1990 to 7.2 per cent by the end of the decade.

Other economic targets for the nineties include making Malaysia a more industry-oriented economy by increasing the share of manufacturing in GDP from 27 per cent in 1990 to 37 per cent by the year 2000 and reducing the primary sector share from 28.4 per cent in 1990 to 19.1 per cent in 2000. Employment is expected to increase at 3.1 per cent per annum, with unemployment coming down to about 4 per cent by the end of the decade.

The national strategies to achieve the above objectives and targets include the following:

- The adoption of pragmatic and flexible national policies which will enable the increasingly open national economy to respond to changes in the global economy, and capitalise more effectively upon the opportunities provided by them, while building up its resilience against destabilising external economic trends.
- Close collaboration and co-operation between the public and private sectors in economic development.
- Further encouraging and promoting private sector-led growth, with private sector expenditure on investment and consumption driving the economy.
- The downsizing of the government's role in the field of economic production and business except in certain strategic industries, with the public sector playing a supportive, regulatory role to private business, ensuring adequate infrastructure, and managing sound fiscal and monetary policies. Privatisation will continue to be a major exercise at least for the next few years.
- Elimination of excessive and unproductive regulation to enhance free market forces and improve economic efficiency.
- Fostering export-led growth which will also entail improved competitiveness of Malaysian goods and services abroad, aggressive export promotion and diversification and the deepening of external markets.
- Sustaining a favourable climate for foreign investment which has been a significant factor in fuelling economic growth since the mid-eighties when policies related to foreign investment were liberalised.
- The greatest emphasis on human resources development to sustain the dynamism and long-term viability of an industrialising economy as well as to promote the goals of poverty eradication and restructuring. HRD will involve among other things the creation of a labour force with the education, skills and training in areas required by the market, inculcation of positive work ethics, attitudes and culture, and due emphasis on bumiputera involvement and development.

- An Accelerated Industrialisation Drive which will involve a widening and strengthening of the country's manufacturing sector, the development of greater value-added products, and concerted promotion of small-and-medium-scale industries.
- Keeping inflation low and maintaining price increases at moderate levels.
- Judicious management of the exchange rate to sustain the competitiveness of Malaysian exports on the one hand and check imported inflation on the other.
- Development of industrial technology to sustain growth and competitiveness. This will involve measures to promote absorption of new technologies, technology transfer from abroad, more efficient utilisation of technology, development of indigenous technology, a very substantive increase in R&D investment, and a significant increase in education in the field of science and technology.
- Modernisation, rationalisation and commercialisation of the agricultural sector, including a second rural development transformation.
- Expansion of the services sector from financial services to information technology, computer services and the tourism industry.
- Development of physical and social infrastructure to keep pace with growth needs, including transport and telecommunications, water and electricity.
- Environmental programmes which will emphasise the maintenance of a clean and healthy environment and efficient management of natural resources to ensure sustainable development and public health and security. Environmental protection and environmental impact will become integral considerations in all development programmes. Public awareness, corporate responsibility and enforcement will also be enhanced.
- Developing an information-rich society which will underpin the country's economic, social and human progress.
- Specific programmes for poverty eradication and restructuring society, implemented within the framework of a growth economy. Strategies and programmes will include the development of a Bumiputera Commercial and Industrial Community, promoting self-reliance, improved support services in existing agricultural schemes, voluntary consolidation of uneconomic and inefficient smallholdings, and restructuring of employment to reflect the ethnic composition of the country.

Unless there is a major downturn in the global economy in the nineties which impacts negatively on investment and consumption everywhere, Malaysia's economic goals and targets would appear to be generally achievable because they have been pragmatically set after

taking due and realistic consideration of the likely internal and external factors that would influence the prospects for the national economy.

## **Conclusion**

Vision 2020 and its pursuit over the next ten years and the succeeding two decades is an ambitious and comprehensive chart for the future development of the nation in all spheres. Its successful pursuit and accomplishment will depend on several key factors, including faithful adherence to the essentials of the vision despite whatever political changes over the next thirty years; a sustained, integrated and well-coordinated pursuit of all the goals and aspirations encompassed by it; consummate planning and pragmatic and judicious implementation in all areas; effective mobilisation and participation of all segments of society including government, the private sector and most of all, the people; and continued peace, security and stability in the internal and external environments. How far and in what ways that vision becomes a palpable reality will perhaps only be known when the first dawn of the year 2021 breaks upon Malaysia.





## *Myanmar: Key domestic goals and aspirations for the 1990s*

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*U Aye*

The year 1988 stands as a significant year in the recent history of Myanmar; it was the year in which the Tatmadaw (Armed Forces) were compelled by circumstances to once again assume state responsibilities, in the form of the State Law and Order Restoration Council (SLORC). The SLORC took control on Sept 18, 1988 declaring that it would establish stability, improve the living conditions of the people, and hold free and fair multi-party elections.

That the authorities could stabilise the situation to hold elections as promised in 1990 is now a matter of historical record. That the elections of 1990 were free and fair have been accepted by all interested parties. Myanmar's chief concern is to forge the way ahead for the immediate and longer term future.

This paper shall attempt to present a strategy that will make clear the broad outlines of the government's objectives.

### **The political perspectives**

The declaration of the State Law and Order Restoration Council, that set forth its intention for the future of the nation was named Declaration 1/90. This Declaration stated, in part, that the Council has been persistently carrying out the three main tasks – that of preventing disintegration of the Union, preventing disintegration of national solidarity, and of ensuring the perpetuity of the sovereignty of the State, from the time it assumed the duties and responsibilities of State. It is quite clear that the three aspects of State power – legislative power, executive power and judicial power – can only be obtained on the basis

of a constitution. The majority of the political parties which contested the multi-party democracy general election desire the drawing up of a new constitution. Today, there exist in the country many national races who have awakened politically and it is especially necessary to draw up a firm constitution after soliciting their views and wishes.

The Council has time and again reaffirmed its commitment to the establishment of a truly democratic multi-party political system in the country – a system that would be democratic not just in form but would have substantive content. Accordingly, it has abrogated previous laws that are incompatible with such a system. Furthermore, the Council has repeatedly declared that it has no intention of holding on to power any longer than is necessary, and that once a firm and enduring constitution has been adopted, and a strong government formed in accordance with the provisions of this constitution, it will transfer State power to its rightful owners, the people of Myanmar. This commitment was reiterated in July 1991 at a special press conference and this promise will be kept.

However, the political and constitutional progress in the country can proceed only as far and as fast as circumstances permit. Any outside attempt to set the momentum with which the country should move and the direction in which it should move, would be unrealistic, impracticable and counter-productive. The realities prevailing in the Union of Myanmar are such that there is no other viable alternative to the plan of action envisaged in Declaration 1/90, if the transfer of power is to be carried out smoothly and systematically, and if the national aspirations of the people are to be attained.

If we look at the domestic scene in Myanmar, we will see that the government is making headway on several fronts. The law-and-order situation in the country has improved. Efforts are being made to further consolidate it. One tangible proof of this – which is also a gesture of the trust given to the authorities by various armed groups – is the return to the legal fold, since 1990, of eight armed groups, namely:

1. The Myanmar National Democracy Alliance (MNDA);
2. The Myanmar National Solidarity Party (MNSP);
3. The National Democracy Alliance Army Military and Local Administrative Party (Eastern Shan State) (NDAA);
4. The Shan State Army (SSA);
5. The New Democratic Army (NDA);
6. The Kachin Defence Army (KDA);
7. The Pa-o National Organisation (PNO); and
8. The Palaung State Liberation Army (PSCP).

This is the first time in the history of independent Myanmar that, in such a short span of time as two years as many as eight armed groups have returned to the legal fold, to join hands with the government in

its national endeavours to ensure the political stability and economic development of the country. Hence, the border area development activities currently being undertaken are both short term and long term aspirations for the 1990s. Furthermore it may be viewed as a classic example of divergences, that former insurgents and terrorists have now given up armed confrontation and joined the mainstream of life for the development of the country in the 1990s. This initiative is closely connected with, and interlinked to, the anti-narcotics campaign being waged against drug traffickers.

The total value of drug refineries, paraphernalia, narcotic drugs and poppy plantations in four public destructions in Yangon and three special on-site destructions in poppy-growing frontier areas, during a time span of two years from 1990, amounted to US\$4.33 billion at the prevailing street prices in the United States. The contribution made by Myanmar in terms of lives saved and in terms of human misery and social problems averted in drug-affected foreign countries, by the above-mentioned activities, is indeed significant.

At the sub-regional level, Myanmar's active co-operation with neighbouring countries in drug abuse control is also making significant headway. Such co-operation has led to Myanmar signing agreements with Thailand and the United Nations Drug Control Programme (UNDCP) in March 1991, and with the PRC and the UNDCP in Beijing in 1991. It is worth noting that Myanmar's sub-regional co-operation with neighbouring countries are among the first such co-operative arrangements in which the UNDCP has been engaged.

Myanmar has just embarked on similar co-operation with another neighbouring country — the Lao People's Democratic Republic. The first round of discussions between the Myanmar and Lao delegations on matters relating to bilateral co-operation in drug abuse control was held in Yangon from Sept 5 - 10, 1991. The second round is scheduled to take place in Vientiane in the near future.

This represents a significant step forward, because the government had been concentrating its anti-drug measures and supply reduction activities on crucial areas adjoining the trijunction known as 'the Golden Triangle'. Now three countries — Myanmar, Thailand and Laos — plus the PRC have fully covered this crucial trijunction area in co-operative arrangements to collectively combat the menace of narcotic drugs.

At the international level, Myanmar's depositing with the United Nations Secretary-General the instrument of accession to the 1988 United Nations Convention Against Illicit Traffic in Narcotic Drugs and Psychotropic Substances marks an important milestone in the history of Myanmar's endeavours to combat the menace of illicit drugs as well as its participation in the international campaign against this scourge.

With all these measures and tangible results behind us and with definite future plans to effectively eradicate the drug menace, Myanmar

is confident of achieving success in its war on illicit drugs, in the near future. In so doing, it is hoped that Myanmar would be able to make a significant contribution to the success of world-wide efforts to combat the scourge of illicit drugs.

### **Border development projects**

Bearing in mind the three main tasks mentioned earlier and in order to implement the programme for the development of national races of the border areas where living standards and development levels in economy, social and educational sectors remain backward, the SLORC formed the Central Committee for the Development of the Border Areas and National Races on May 25, 1989. Working Committees and Sub-working Committees were formed on May 31, 1989 and various Regional Committees were formed on June 30, 1989.

The objectives for successful implementation of the development programmes for the border areas are as follows:

- To carry out development projects for the national races of the border areas who have been victimised from time to time by various insurgent groups that emerged with Myanmar's independence;
- Bearing in mind the objectives of non-disintegration of the Union, non-disintegration of the national solidarity and ensuring perpetuity of the sovereignty, to carry out development projects of the national races who have remained underdeveloped;
- To eradicate narcotic drugs production, to introduce crop substitution and to facilitate the development of the national races of the border regions which were opium-growing and drug-producing regions during the Burma Communist Party's days.

Under the guidance of the Committee for the Development of Border Areas, development programmes are currently being implemented in five states, one division and 40 townships.

In doing so, during the fiscal year 1989-90 due priority was given to the implementation of development projects in Kokang, Wa, Shan, Mawfa, Kungtung (East) in the Shan State and in fiscal year 1990-91 Chiphwe, Sawk Law and Wine Maw townships in Kachin State, Lashae, Lahae, Nanyown townships in the Naga Hilly regions of Sagaing Division and Buthitaung and Maungtaw townships of Rakhine State.

Moreover, during the fiscal year 1991-92 the development projects were further implemented in Kachin (North-east) Palaung and Pa-o regions in the Shan State, Mei-se township in Kayah State and Tid-dim and Tunzun townships in Chin State.

## ***Development projects being implemented in various regions***

### **Kokang Region**

Eleven state primary schools, 34 hospitals, eight dispensaries, three agricultural farms, five dams, a canal, a tractor station, a game-reserve, a sawmill, four forest nurseries, a livestock and breeding farm and a fish breeding station were built. Two areas now have electricity and two others have electricity from hydropower generators. Moreover, for the national races of this region various programmes were further implemented in the health, education, agriculture and livestock breeding sectors. Also 74 miles of earth-road, 7 miles of granite-road and 9 miles of tar-road were built and nearly 40 miles of roads were repaired and maintained. Nan-tain Bridge which is a vital link between Kokang and Wa regions was built. In the communication sector, the radio-telephone communication project between Kunglung and Lashio, the introduction of a telephone exchange system in Kunglung town, the construction of carriers in Kunglung, Hsein-wi and Lashio towns and the construction of a post office and telephone exchange system in Chin Shwe Haw town were carried out. A trunk call system between Kunglung and Chin Shwe Haw has been completed and people from Chin Shwe Haw are now able to call Yangon directly. Since the inception of development projects in Kokang region, the government has spent Kyat 39.9477 millions.

### **Wa Region**

Fifteen State primary schools, three hospitals, seven dispensaries, three agricultural farms, eleven tractor stations and one forest nursery were built. Four places now have electricity, and development projects for the national races in the region are still being carried out. The government built and maintained 130 miles of earth roads and four miles of granite roads in the region. In the communications sector, a trunk call system has been set up between Kunglung and Hopan and the telephone system was introduced by the Myanmar Post and Telecoms Enterprise. The government has spent a total of K10.8021 million in Wa Region.

### **Shan Region**

Five State middle schools, one hospital, six dispensaries, a dam, two tractor stations and two livestock breeding farms were built; twelve areas now have electricity. In the telecommunications sector, the Myanmar Post and Telecoms Enterprise is currently laying telephone lines and introducing a telephone exchange containing 50 telephones. Since the inception of the project, the government has spent in the region, a total amount of K7.24 millions.

**Maw-pha Region**

Twelve state primary schools, two hospitals, seven dispensaries, an agricultural farm, a dam, a livestock breeding farm and two fish breeding ponds were built. Six areas now have electricity. Since the inception of the project, the government has spent a total amount of K8.4 millions.

**Kengtung (East) Region**

Thirty two state primary schools, six hospitals, ten dispensaries, eight agricultural farms, eight dams, a tractor station, four livestock breeding farms, four fish breeding farms, 24 fish ponds, three game reserves, nine timber mills and four forest nurseries were built and ten areas were provided with electricity. One hundred and seventy one miles of earth roads, and 855 miles of granite roads were built in the region and about 46 miles of roads were repaired and maintained. Twenty bridges including Wanta-pin bridge were built. Since the inception of the project, the government has spent in the region, a total amount of K75.6773 millions.

**Kachin (North) Region**

Twenty two state primary schools, three hospitals, eleven dispensaries, and one agricultural farm were built and four areas were provided with electricity. Thirty five miles of earth roads were built in the region. Since the start of the project, the government has spent in the region, a total amount of K5.1255 millions.

**Rakhine Region**

Seven state primary schools, two hospitals and two dispensaries were built, and two areas were provided with electricity. In the transportation sector, 11 bridges which are required in the current road building projects are being repaired and built. Since the inception of the project, the government has spent in the region, a total amount of K3.7612 millions.

**Chin Region**

A state primary school and a hospital are being built and other development projects which were submitted as needful by the local national races were also implemented. Since inception of the projects, the government has spent in the region, a total amount of K2.2022 millions.

**Sagaing (Naga Hilly) Region**

A hospital was opened and development projects which were submitted by the local national races as needful are now being implemented. The government has spent a total amount of K1.8961 million to-date.

### **Kayah Region**

Two areas were provided with electricity and three dams, essential for agricultural purposes, were either repaired or built. The government has spent a total amount of K0.5145 million in the region to-date.

### **Kachin (North-East) Region**

Two state primary schools, three dispensaries, and 10 miles of earth roads were built. One area was also provided with electricity. Currently a forest nursery project is being implemented. The government has spent in the region, a total amount of K0.1338 million to-date.

### **Pa-O Region**

Five state primary schools, a hospital and an agricultural farm were built. Four areas were provided with electricity. The required development projects are being carried out within the allocation provided in the national budget allotment. The government has spent in the region, a total amount of K7.4 millions to-date.

### **Pa Laung Region**

Six state primary schools, four hospitals and two dispensaries were built and the requirement of the local national races in the health and education sectors are being looked into. There are also plans to fulfil other development requirements. The government has spent a total of K0.0214 million in the Palaung region to-date.

Seeing the successful and positive results of the border area development projects, the United Nations Specialised Agencies have approached the Myanmar government with proposals to assist. Not long ago, experts, technicians and consultants from eight United Nations Specialised Agencies had a chance to travel to the areas mentioned above and witness personally the projects being carried out for the development of the border areas. Realising the successful outcome of the border area development projects, IFAD, one of the United Nations Specialised Agencies, has proposed loans at reasonably low interest rates to further strengthen the projects on crop substitution and livestock breeding. Accordingly, arrangements are being made to acquire IFAD loans which are to be used in eastern and northern Shan State.

## **The internal situation**

The reopening of universities, colleges and institutions of higher learning throughout the country in July 1991 testified to the return to normalcy of the internal situation. Regrettably, due to the actions of a few



unscrupulous and irresponsible persons, the institutes of higher learning had to be closed again temporarily, and tens of thousands of students whose only wish was to pursue their studies in peace and quiet are now suffering severe interruptions to their studies.

The principal theme that permeates all the policies and programmes of the SLORC is that of the rule of law. Respect for the existing law is held paramount in whatever steps the government has taken, with a view to establishing a multi-party democratic state — be it in dealing with politicians, other citizens or individuals. The maintenance of public order in a country requires that legal action be taken against violators of the law, in the larger interests of the nation and the people. This is the case in any country in the world. Legal actions have been taken against certain individuals in Myanmar not for their political beliefs or political activities, but for their infringement of the existing law of the land.

The restraint placed on a few individuals represents the most lenient legal action possible, as much sterner action could have been taken against offenders under our existing legal system.

Questions have been raised in some quarters concerning what they term the transfer of power in Myanmar, invoking international legal instruments on human rights such as the Universal Declaration of Human Rights. Article 21 of the Universal Declaration of Human Rights provides for the right of the people in every country to express their will through genuine and periodic elections. In this respect, the SLORC has fulfilled its solemn promise to hold free and fair multi-party democratic elections; and the people of Myanmar have exercised their fundamental rights in the multi-party democratic elections. This election has been universally acknowledged to be free and fair beyond any reasonable doubt.

However, the question of the manner and time of handing over power to a strong and stable government, formed in accordance with the law, is a purely domestic circumstance, falling within the domestic jurisdiction of the country.

The government, is now taking steps, systematically and step by step, to hand over state power to a strong and stable government, formed in accordance with the new constitution that is to be adopted. All the steps for the transition period and the transfer of state power are clearly set out in the earlier-mentioned Declaration 1/90 of the SLORC.

Undoubtedly, a strong and enduring constitution is a pre-requisite for forming a strong and stable government; more so in Myanmar because of its historical experiences. The 1947 Constitution, drawn up while Myanmar was still under British colonial rule, had some flaws and shortcomings. These were taken advantage of by those with secessionist ambitions. As a result the country was brought to the brink of disintegration and the armed forces were compelled to assume state power in 1962.

The 1974 Constitution was drawn up with the full participation of the people, after Myanmar had regained her independence and was still under a one-party socialist system. The drafting process was systematic and thorough. It took two years and three months for the final text (third draft) to be finally adopted in a nation-wide referendum with an overwhelming supporting vote of 90.19 per cent. Even this thoroughly drafted constitution, approved by the people in the referendum, lasted only 14 years. It was rendered irrelevant when Myanmar adopted a multi-party system in place of a one-party socialist system.

In the light of these past historical experiences, it goes without saying that the drafting of a new strong and enduring state constitution ought not to be done in a hasty or casual manner. It must be based on national consensus and must be acceptable to the majority of the Myanmar people as well as to the races living in the Union.

To that end, the Myanmar authorities are taking firm measures, step by step. The authorities have planned to meet with the elected representatives, after submission of the final report by the elections commission. A broadly-based national convention will discuss all factors and considerations that should be taken into account in drafting the new state constitution. The SLORC will spare no effort to render all necessary assistance to them in this prime task.

## **Human rights**

On the topic of human rights, the social and cultural environment in Myanmar is congenial and conducive to the protection and promotion of human rights. In Myanmar, human rights have been observed in practice as a matter of tradition and custom. There is also a comprehensive and elaborate legal framework with 68 internal laws and acts for the protection of human rights and Myanmar is a party to a number of international conventions on human rights.

Myanmar has also been co-operating closely with the Commission on Human Rights, its subsidiary bodies and the Center for Human Rights in Geneva, providing them with all the information on the human rights situation in Myanmar. In November 1991, an Independent Expert of the Commission on Human Rights visited Myanmar and established contact and exchanges of views with the Myanmar authorities. We will continue with this co-operation.

In view of these measures and the continuing co-operation between Myanmar and the Commission on Human Rights, it would only be reasonable and realistic on the part of outsiders to let the positive developments in Myanmar progress smoothly and progressively towards the establishment of a strong and stable multi-party democratic state.

## The economy

On the economic front, Myanmar, after changing its economic system from a centrally-planned one to a market-oriented one, has been making steady advances in the implementation of its far-reaching economic reforms. Myanmar's economic growth rate, which stood at 3.6 per cent in the year 1989-90, has risen to 5.6 per cent in the year 1990-91. Exports in 1990-91 have increased by 60 per cent over those of the year 1988-89. The enactment of the Foreign Investment Law in 1988 has resulted in an improved investment climate. This has in turn induced an increased flow of foreign investment into the nation.

Formerly, foreign trade was a monopoly of the State. Since 1988/89, with the adoption of an open door economic policy, co-operatives and private entrepreneurs have also been allowed to participate in internal and external trade.

The State economic enterprises formerly procured paddy and industrial raw materials for local industries. Procurement prices of these commodities, including paddy, were controlled by the State. With the liberation measures, these controls have been lifted.

The economic and trade policy of the Union of Myanmar has been almost totally reversed from what it was in the past. The inward-looking import substitution policy has now been replaced by an outward-looking export-promotion policy. The country has opened its doors, inviting direct foreign investment in different sectors of the economy. Legal protection, together with a wide package of incentives, has been provided for investors.

High priority is accorded to export-oriented projects. This will constitute a means of diversification and generate external trade. With a view to diversification and quality improvement in the mining sector, priority will be given to joint-venture operations with foreign investors in the exploitation of mineral resources, which require heavy investment. The focus will also be on acquisition of high technology with which to widen the range of exportable products.

By giving permits to foreign fishing firms, exports of marine products have been promoted. Similarly, permission to extract timber in the border areas has been granted to foreign firms in order to increase forest produced exports. Through border trade, a larger inflow of consumer goods has been achieved.

Arrangements already exist whereby foreign firms can bring in raw materials process them in factories in Myanmar and take out the finished products, without having to bear the burden of Myanmar taxes. This arrangement could be extended or modified in appropriate cases.

There are no real administrative restrictions on imports except for those that are internationally prohibited. Distinctions, especially for the

protection of domestic industries, are generally made through different rates of tax on imports.

The investment programmes envisaged are drawn not only for the State sector but also co-operatives and the private sector, in line with the open door economic policy.

Tourism has contributed a major portion of foreign exchange through services exports in addition to merchandise exports in neighbouring countries such as Thailand and Malaysia. To develop tourism in Myanmar, seven enterprises have been permitted, under the Foreign Investment Law, to construct new hotels as well as improve and upgrade the existing hotels to international standards so as to provide efficient hotel services. There is scope to develop Myanmar's tourism industry as the country is endowed with rich cultural assets such as famous pagodas and historic cities. There is also potential to develop small scale resorts along the coastline. The Myanmar Tourism Law was endorsed in June 1990, for the systematic operation of the tourism industry.

The Myanmar Tourism Commission was formed to lay down policies and guidelines for tourism, for the systematic operation and development of the tourism industry, and to designate areas with cultural and natural heritage, as tourism zones. Thus the programme of environmental protection has been incorporated in the programme for the development of tourism.

## **The environment**

It is estimated that the population of Myanmar, with an annual growth rate of two per cent, will reach 50 million by the year 2000. Even though there is immense potential for agricultural expansion, there is a need for the rational use of land resources so as to accommodate the projected population growth and to inhibit the depletion of environmental resources.

This necessitates a proper land-use and management policy to tailor and reclaim the cultivatable waste lands. Also, appropriate surveys and research will be initiated prior to the allocation and cultivation of these lands.

Protection and conservation of the environment occupies a place of special importance amongst the national policy priorities. A strong advocate and a long-term practitioner of environmental conservation, Myanmar has had an active year in 1991, both at the national and international levels, in this area of increasing importance.

Myanmar's richness in biodiversity, both in flora and fauna, is well known. More than 50 per cent of the country is covered with forests.

These forest resources have been managed on a sustainable basis by adopting a time-tested, environmentally sound timber extraction method, known as the Myanmar Selection System. In order to maintain and further enhance this system of forest management, the Myanmar government has adopted and is implementing a series of five-year forest plans. Under the recently adopted forest policy for the Sixth Five-Year Plan covering the period 1992-96, there will be a five-fold increase in natural forest reserve areas. Moreover, the Myanmar government has recently approved the Second Phase National Parks and Protected Area Management, funded by the United Nations Development Programme. In addition, a UNDP/ESCAP/WWF/World Bank funded project for wetland conservation is already well on course. As part of its reforestation campaign, the Myanmar Forest Department is planting 80,000 acres of new forests and is distributing 450,000 saplings to local communities every year, to assist and encourage the public to grow more trees.

At the international level, Myanmar is actively participating in international fora on environmental issues.

Myanmar is rich in forest resources. It has been recorded that there are 2300 species of plants, 850 species of orchids, 108 species of bamboo, 900 varieties of climbers and epiphytes, 145 grass species, and 27 rattan species in Myanmar. In addition, the forests are home to 300 species of mammals, 360 species of reptiles and about 1,000 species of birds. The forest flora ranges from sub-alpine forest in the north through through forests in Central Myanmar to tropical rain forests in the south. The forestry sector is one of the most important contributors to the national economy. The net output of the forestry sector grew by 6.5 percent in 1987/88 at K126.5 million (US\$21 million). Exports of timber and forest products amounted to K1146.1 million, including K345.4 million from the border trade.

In order to achieve sustainable production of forest resources and conservation of biodiversity, the government has drawn up a Forest Working Plan, which is revised every ten years to sustain the forest ecosystem. The classification of eight major forest types is in line with the new, modern concept of ecological zoning and meets the Conservation Objectives for Tropical Forest Protected Areas.

The Forest Working Plan at the same time recognises the indigenous practice of conserving the environment by allocating selected sites for national races to lead their traditional way of life which is in harmony with the environment, undisturbed by modern technology.

The management of the teak and hardwood forests follows the Myanmar Selection System, first devised in 1956 and revised several times since then. According to the system, trees above a fixed girth limit are harvested in a 30-year felling cycle. Currently the girth limits are 7ft 6in in good forests and 6ft 6in in poor forests. Local supply forests are managed essentially for fuel-wood and small timber, and the collection of non-wood

forest products is regulated through a permit system.

Although Myanmar has a relatively low population density compared to most countries of Southeast Asia, the forest resources and natural environment have come under growing population pressure, resulting in deforestation and a steady decline in wildlife populations, through over-hunting and habitat destruction.

Myanmar's mangroves are of interest to conservationists because of the unusual life forms and adaptations of the mangroves themselves and the invertebrate animals that live amongst them. Most of the extensive mangroves in the Ayeyawady delta have been degraded and overexploited for fuel-wood and charcoal production, to meet the demands of an increasing population.

Myanmar depends upon forest resources to meet more than 90 per cent of its national energy needs. Few rural homes in Myanmar have gas or electricity supplies. Thus there is a heavy reliance on fuelwood.

Changes in the economic policies of the country in 1989-90 have made provisions for the involvement of foreign companies in oil exploration activities and hydroelectric projects in the energy sector *per se*. Several foreign oil companies have started exploring for oil on a production-sharing basis.

In oil exploration, the following environmental problems have been recognised:

- The oil and drilling mud disposal or spillage problem which can cause damage to flora, fauna, fisheries and portable water supplies.
- Produced formation water disposal or spillage problem which can cause damage to soil productivity (especially if saline).
- Surface erosion and landscape damage, if proper reclaiming work is not carried out.

To alleviate these problems of environmental degradation, the government has launched an extensive programme to restore forests and vegetation around its oilfields over the years. Remarkable results have been achieved resulting in an improved micro-climatic condition and the prevention of soil erosion.

In future, the industrial sector in Myanmar is likely to be the quickest growing sector. However, precautions should be taken to lessen the environmental impact of the industrial development.

At present, Myanmar's industrial sector can be divided into two — the private and public sectors. In the public sector, the Ministry of Industry 1 and 2 are responsible for heavy and light industrial production. The private sector had been allowed to undertake only a specific number of manufacturing activities until recently. The 1989 Private Enterprise Law paved the way for far-reaching involvement by the private sector in the industrial life of the country.

The industrial development trend is based on the country's new economic policy which places emphasis on participation by the private sector in the development process. Participation by transnational corporations in Myanmar industries are being planned and negotiations on joint-ventures with these foreign firms are in progress in some areas of consumer goods production.

Under these circumstances, the potential for raw materials particularly from agricultural, mineral and energy sectors would be more pronounced, once the market forces are generated.

Measures are now taken to use natural gas as a substitute for fuel oil, to reduce carbon dioxide emission and also to lessen energy costs in industries.

The Union of Myanmar is a fairly large country with an area of a few hundred thousand square miles. The ratio of vehicles per square mile is small, therefore pollution of the environment is low.

Squatter settlement schemes were also on the agenda of the Department of Human Settlement and Housing Development. There were a total of 79 big squatter settlements in the Yangon City Development Committee (YCDC) area, comprising nearly seventy thousand people. As these settlements are prone to outbreaks of fire every year, rendering thousands of people homeless, they constitute a burden, straining scarce resources. The government's desire for these people to have decent permanent homes and lives of dignity has resulted in resettlement schemes in new satellite towns such as Hlaing Thaya, North and South Dagon Myothit, Shwepyitha, etc. In fiscal year 1988-89 nearly one hundred and fifty thousand families were resettled in suburban areas with proper roads, schools, clinics, water supply systems and other infrastructural facilities. Another hundred thousand families were resettled throughout the country within the very short period of three years.

The focal point of Myanmar's development is agriculture. Varying topographic and river systems have provided a congenial environment for growing not only rice, but a great variety of fibre plants, pulses, beans, edible oil producing crops, medicinal plants, etc. However sustained productivity of these crops is hampered by the occurrence of regular monsoon cycles, which have a direct impact on Myanmar's agriculture. Though Myanmar's environment is relatively benign, it has to be constantly monitored to assist agricultural activities.

The government of Myanmar fully recognises that the environmental impact of actions in one sector are often felt in other sectors; hence, internationalisation of environmental considerations in sectoral policies and programmes and co-ordination are essential to achieve sustainable development.

The integrated rural development programmes for border areas and its national races are a microcosm in itself when viewed from macro

perspective aspects, yet the strategy launched by the government has resulted in a rapid take-off in fostering economic growth, and more importantly, meeting the basic human needs of the big population in rural and border areas. Development programmes as mentioned above are implemented through a system of checks and counter checks, to integrate environmental considerations during their active phases. For example, measures are taken during construction of roads to avoid destruction of forests. In the construction of dams, commercial mining of industrial minerals and precious gems, environmental impacts have always been taken into consideration and a balance has been struck between the cost of environmental damage and the benefits accrued from the developments.

One of the key factors in the success of these programmes is the active participation and awareness of the national races involved in this project. A series of formal and informal discussions are held and a message is imparted to them that they are the guiding components and not just a mass of people involved in integrated programmes. The national races' indigenous, ingrained environmental awareness and management knowledge were assets to the projects. Previously the people were forced to degrade their own environment under duress by the insurgents. Cultivation of poppy through the use of force is one major example which has not only depleted the soil resources and the environment, but has led to a socio-economic recession.

The integrated programmes have generated equity and massive employment in all sectors within states, enhancing all round economic growth. They have also terminated the destitute ecological migrant status of national races who previously were forced to leave their homes because they were deprived of basic human necessities.

The government of Myanmar, recognising that poverty and environmental degradation are closely interrelated, have included measures to prevent environmental degradation in these integrated development projects.

The current development activities in the forest sector include extension of areas under reserved forests; establishment of new plantations; reforestation of the dry zone to provide much needed fuelwood and timber for the rural communities, intensive conservation measures to safeguard the watersheds, and establishment of national parks.

## **Conclusion**

In conclusion, it can be seen that this presentation focuses on key domestic goals and aspirations for the immediate future, and only a few key domestic goals for the longer term. This is because the present



government has assumed responsibilities of a transitory nature; it is laying the foundations for a strong and stable government to emerge upon the eventual adoption of a firm constitution for the nation. It is for this next representative government to concentrate on the long term goals and aspirations, both in its convergent and divergent dimensions.

## *The Philippines: Key domestic goals and aspirations for the 1990s*

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*Alan T Ortiz*

### **Introduction**

To provide you with some insights on the key Philippine domestic goals and aspirations for the 1990s allow me to focus on three main points: first, we would like to achieve sustained growth and development; second, we want to maintain a free, stable and working democracy by ensuring honest, orderly, and peaceful national elections in May 1992; and third, we want to establish a viable and credible defence and security architecture.

In short, the Philippines' goals and aspirations for the 1990s can be summed up in three words: prosperity, freedom and security.

### **Growth and development**

Many internal and external factors threatened to create a situation of negative growth, but our economy held, and our people endured and prevailed. We posted a modest growth of 1.5 per cent in 1991. The Gulf War unceremoniously sent home many of our workers in Southwest Asia and reduced drastically the flow of repatriated income. Oil prices soared as our largely imported fuel supplies were constricted. Mount Pinatubo in Central Luzon erupted after lying dormant for 600 years. The devastation was extensive and expensive, costing nearly 10 billion pesos in crop, livestock and infrastructure damage. Even now, the cyclical 'El Nino' weather phenomenon is creating drought situations in Mindanao and the Visayas.

However, the prospects for recovery and growth remain bright. This year, we expect to grow by as much as 3 per cent or double our 1991 performance. Under normal conditions, we forecast an average growth of about 6 per cent in the next five years. We expect a more streamlined and efficient public sector in the next decade. Slow and painful reform actions are currently being undertaken in the following areas:

- Reducing the budget deficit by eliminating subsidies and privatising public companies;
- Increasing revenues through appropriate tax measures and tightening controls in customs and revenue collection; and
- Creating market efficiencies by raising prices of basic utilities.

Certainly, problems remain. While we have reduced the percentage of Filipinos living below the poverty line from 59 to 49 per cent in the last six years, this is still an unacceptable number. We are hopeful our policies and programmes will be effective in reducing this human suffering. To find meaningful employment, many Filipino professionals are moving to Southeast Asian capitals. We hope their positive contribution to your respective economies is appreciated and that they are treated with dignity and respect.

Overall, our economic policies and management have greatly improved. In 1991, Congress enacted a new Investments Incentives Act — considered by many to be one of the most accommodating in our region. The positive impact of these actions will be felt in this decade.

To sum up, Filipinos have absolutely no desire to remain at the tail end of our region's spectacular growth achievements. In this decade, we intend to co-operate fully with our neighbours so as to maintain and enhance the environment for growth and development. Southeast Asia cannot afford to create a situation of 'economic dualism'. In this regard, it is our responsibility to see that Vietnam, Laos, Cambodia and Myanmar can, in due time, join Asean and reap the benefits of economic and political co-operation.

Countries in other parts of the world are regrouping and forming political and economic associations and arrangements. Only a united and expanded Asean can meet this challenge and take advantage of the opportunities these new groupings create and present.

## **Freedom and democracy**

The democracy we recovered from the Marcos dictatorship in February 1986 will be severely tested in May 1992, when simultaneous national and local elections will be held. A total of 17,205 positions from President down to councilman will be contested. We expect 80,000 candidates to

vie for these positions. The May 1992 elections will clearly be a test of this restored democracy in the Philippines. It is an opportunity to elect and put in place an entire new leadership which will chart our country's course in this decade and in the next century. This election exercise poses problems because:

- The potential for widespread fraud and violence exists and the probability is higher given the sheer number of candidates.
- Huge amounts of money will be spent, raising consumer spending and resulting in higher inflation.
- There are at least five hard-core presidential candidates, raising the possibility that a minority president may be elected.

Nonetheless, we expect a record 85 per cent to 90 per cent turnout of qualified voters. Our future is clearly at stake and the people understand this and will take the opportunity to vote according to their conscience.

The military has promised to co-operate in ensuring honest, orderly, and peaceful elections. Some quarters in the military have gone so far as to say that if there is a failure of elections, they have a sworn duty to intervene. Those who say this are few in number. And we remain confident that we will have a peaceful turnover of power in July, 1992. Then the Philippines can truly claim to have restored full freedom and democracy. You will see us re-engaging actively in the concerns and activities of Asean.

In the global arena, many of us have observed the resurgence of the United Nations as an effective instrument of global diplomacy. As the East-West divide disappears from view, only the North-South axis remains. This means that ideological rivalry will be effectively replaced by economic issues and by tribal and ethnic concerns. In both cases, we fully expect the UN to play a central role. In the 1990s, Asean co-ordination on UN-related issues will be crucial.

## **Defence and security**

The most important defence/security event in 1991 was no doubt the rejection by the Philippines Senate of the 1991 RP-US Treaty of Friendship, Co-operation, and Security. A subsequent attempt to negotiate a 3-year orderly withdrawal period also failed. As one who was part of the negotiations process from the very beginning, let me say the following:

- Philippine society remains deeply divided over the issue of allowing American bases to stay on Philippine territory. As you are all aware, no colonial relationship was ever rosy. The ghosts of past hurts

and calumnies by both sides haunted and eventually undermined the positive side of nearly a century of friendship. Right now, we are trying to part as friends and learning how to go about such a process.

- The Philippine priority was to get substantial economic assistance in exchange for the US privilege of operating the bases in Clark and Subic. The Senate would no doubt have approved the treaty had this been understood.
- The US side wanted to maintain the status quo. i.e. unhampered use of the facilities, generous extra-territorial privileges and guaranteed access even after the formal period had expired; and all of this at a minimal cost.
- In the end, the RP and US priorities proved irreconcilable and both sides decided to terminate the basing relationship by Dec 31, 1992.

In the light of these developments, we detect a clear change in US strategic policy towards the region. Clearly, the US has decided to reduce substantially its manpower complement in Southeast Asia and rely mainly on a string of access arrangements with friendly countries in the region. The Philippines welcomes this new US policy and supports the initiatives of countries like Singapore to provide access privileges to US forces. This is consistent with our previous request for 'burden-sharing' on regional security arrangements. In due time, we may be able to co-operate in this string of access arrangements. But not just yet.

In the next decade therefore, the Philippines expects to participate in vigorous and regular discussions on regional security. Together with Thailand, we initiated a set of dialogues on regional security in 1991. We hope this process will be endorsed by the Asean Heads of State during their summit in Singapore in late January 1992. We welcome the agreements reached on Cambodia and the progress towards Korean reunification. But like almost any issue in geopolitics, the closure of one problem creates the dynamics for other problems to emerge.

For example in this decade, we can expect the two Koreas to reunite. Seoul will no doubt take the lead in the reconstruction and rehabilitation of the North. Eventually, a stronger, more formidable Korea will emerge to carve its niche in the crowded Northeast Asian corridor, together with China and a still-powerful Japan. Asean and the rest of Southeast Asia shall witness the evolution of a 'Northeast Triad.' In my view, only a strong, united, and expanded Asean can serve as an effective counter to this Triad.

## **Summary and conclusions**

The Philippines is on the verge of getting its economic act together. It is prepared to co-operate with all countries in the region to ensure that all countries prosper and that 'economic dualism' is avoided. We welcome the eventual membership of Vietnam, Laos, Cambodia and Myanmar in Asean. A pivotal exercise in freedom and democracy will take place in May 1992, which will put in place a new leadership, and provide impetus for the re-engagement of the Philippines in Southeast Asia, particularly in Asean. The American relationship with the region will change with the withdrawal of US forces from the Philippines. The shift to access arrangements is welcome as part of the defence and security 'burden-sharing' by Asean.

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*Singapore's key domestic goals and aspirations  
for the 1990s:  
Convergences and divergences*

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*Bilveer Singh*

## **Introduction**

Through three decades of development and growth Singapore has come to be viewed as a model of political and social stability, development, growth and competitiveness. The Swiss-based World Economic Forum ranked Singapore as number one in world competitiveness among developing countries in 1991. Singapore's success and competitiveness are attributed to the presence of a number of fundamentals. There is a strong emphasis on good infrastructure, a continuous technological in flow, a conservative monetary policy and a stable social and political environment. The emphasis on education and the values of hard work, loyalty and team spirit are also important contributing factors. Singapore's achievements as the world's leading sea and air port as well as its first-class infrastructure can all be credited to these attributes. That multiracial Singapore has developed and progressed without major social or political upheavals since 1965, is a testimony to the leadership's ability and a credit to the political managers, the People's Action Party (PAP). Singapore is today a clean, green and ordered city-state. These achievements would have been unthinkable had there not been a major degree of convergence between the government and the governed, over basics such as the political, economic and social systems.

In the same vein, Prime Minister Goh Chok Tong referred to nine pillars which had to be abided by for continuous success: good education, a healthy lifestyle, racial harmony, strong reserves, high productivity, an entrepreneurial spirit, capable armed forces, good government and communitarianism. As for the government's vision for the society, Mr Goh argued that he would like to strive for a society that would be



both prosperous and compassionate. The Prime Minister exhorted that this middle course should be preferred to extreme individualism where meritocracy and free market principles are practised to the fullest, or extreme welfarism where subsidies for services are rampant.

The government's concern with compassion and the need to level up were largely the result of criticisms which described the PAP government as being overly interested in the welfare and interests of the able and successful, to the detriment of the less able and successful. The government was accused of being elitist and of being successful in generating elitism. To cynics, Singapore had become the modern variant of Plato's Republic. The majority's interest was said to be neglected and some form of class consciousness was said to be rising. This led directly to the emergence of two trends. First, those who were left behind, becoming resentful and the government being blamed for their plight due to its over-emphasis on excellence and its over-concern with the successful. Second, some people began pressurising the government to pull back the efforts of high achievers to allow themselves or their children to catch up. In other words, since the low achievers cannot catch up, then society should slow down in order to bring about a more equal and fair society. Hence the growing divergence between the government and the governed in a new, developed Singapore, with distribution of economic spoils a major issue.

In view of these 'debates', this paper will examine the issue of convergence and divergence in the Singapore polity against the backdrop of the 1991 general elections. These elections are a good barometer of centripetal and centrifugal tendencies in Singapore as Singaporeans were allowed to openly manifest their agreements and disagreements with the political elites. While not a perfect barometer, at least, it provides some form of referendum on government policies. What needs to be borne in mind is that expressions of convergence and divergence are part of the 'rules of the game' of a political system in a Southeast Asian democracy like Singapore. While elections allow for a generally free expression of these tendencies, the norm is, however, for the existence of a more constrained political entity. First, it will be necessary to make the usage of the key terms vivid.

### **Conceptual clarification**

In politics, aspirations refer to the ardent desire of the populace for advancement and progress within a particular political entity. It is a complex concept even though simplistically it is often viewed as a linear upward progression. It usually involved the craving to realise upward mobility, be it political, social or economic. In the same context, convergence refers to the tendency to come together at a common point,

or the agreement and understanding, formal or informal, on a particular policy or a course of action. It can also refer to the act of commonly opposing particular directions or states of affairs. In politics, this usually involves supporting each other, or a common policy. It also performs the function of legitimising the political elites. In contrast, divergence refers to the act or state of moving apart or in different directions, including from each other. In politics, this involves disagreeing with or differing from the standard established by the power elites, and usually involves some form of opposition.

The convergences and divergences among the populace of a country on key domestic goals and aspirations constitute an important gauge of a country's politics. The balance between convergences and divergences would determine the degree of political stability of a country. All else being equal, a high degree of convergence would mean a high degree of stability and consensus while a high degree of divergence would mean greater instability and dissension. In general, while there can be convergences and divergences among the population, this is secondary compared to the convergences and divergences between the government and the governed. While secondary convergences and divergences will always exist, as long as they are non-antagonistic, they will be tolerable. However, if these become antagonistic, they will ascend to become primary and the government will have to respond to prevent them from undermining the polity.

### **The Singapore experience: The thirty-year transformation**

Since the PAP became the government in 1959, the country has witnessed a great transformation. Dilapidated and low-rise buildings were replaced by high-rise buildings all over the island. Many new townships were created, housing the majority of Singaporeans. While in 1959, some 9 per cent of Singaporeans lived in government-built flats, the figure for 1990 was nearly 90 per cent. While the multi-ethnic composition of the population has remained the same, the population, nevertheless, expanded from 1.5 million in 1959 to 3 million in 1990.

The greatest transformation has been in the economic arena. From 1960 to 1984, the real Gross Domestic Product grew by an average of 9.0 per cent, one of the highest in the world. At a growth rate of 7 per cent per annum, the real per capita income and the general standard of living doubled every ten years. In 1960, the per capita GDP in current prices was S\$1,215. In 1983, it was S\$12,890. In 1988, it was S\$15,235. In 1990, it went up to S\$18,437. The inflation rate for the period since 1959, including the double digit associated with the oil crisis years of 1973-74, was only an average of 3.9 per cent for 1960 - 1990. This was one of the lowest for the period for any country in the world.

Economically, the country also experienced dramatic structural changes. To the traditional entrepot trade economy has been added the industrial, tourist and financial sectors. Together with the growth in the new economic sectors there has been change in the employment of the workforce. While 7.5 per cent of the workforce was in the manufacturing sector in 1959, this increased to 30 per cent in 1990. The spectacular economic growth has been largely achieved by the large-scale inflow of foreign enterprises, especially in the manufacturing sector. Some 60 per cent of the country's workforce is believed to be employed by these enterprises.

Accompanying the great economic transformation has been major changes in the social and political landscape. Since 1959, English language has gained greater currency, while vernacular schools and languages suffered a decline. In 1980, the Nanyang University in which the medium of instruction was Chinese was closed down. Chinese schools have lost their appeal. By 1990, English had emerged as the national *lingua franca* of the country. The level of education has also risen considerably. The greatest increase has been in the number of children with secondary and tertiary education. The illiteracy rate in the country has declined dramatically. More women have joined the workforce. The traditional extended family system has given way to nuclear family structures. However, the change from low to high rise living, better education for women, the change from the vernacular to English language and the general rise in material affluence have weakened the social fabric, resulting in the rise in divorces, drug offences and crime.

It is the political area that has witnessed the greatest transformation. After the 1955 elections, the constitutional talks following them called for a self-governing Singapore with a large measure of internal sovereignty. The PAP came to power in that year and has remained in office ever since. Singapore's merger with Malaysia in 1963 lasted barely 23 months. In August 1965 Singapore became an independent state with Lee Kuan Yew as its Prime Minister. Mr Lee remained the undisputed leader of the country until he stepped down in November 1990. Singapore's great social, political and economic transformation was greatly aided by the continuity of the able and dedicated leadership under the PAP. Since 1965, seven general elections were held (1968, 1972, 1976, 1980, 1984, 1988 and 1991; see Table 1) and the PAP won all of them convincingly. While the PAP had a monopoly of political power until 1980, in 1981, the opposition in the country returned, albeit marginally, when an opposition member was elected to Parliament. In the 1984 general elections, two opposition members were elected, and in 1988, one opposition member was returned. In 1991, four were returned. Since 1980, the trend has been a decline in the PAP's popular votes.

Table 1: General elections since 1955

Date	Number of seats	Number of parties contesting	Party returned	Number of seats won	Percentage of votes won	
<b>Legislative Assembly</b>						
1955	April 2	25*	5 and 11 independents	Labour Front	10	26.74
1959	May 30	51	10 and 39 independents	PAP	43	53.40
1963	September 21	51	8 and 16 independents	PAP	37	46.46
<b>Parliament</b>						
1968	April 13	7 + (51)*	2 and 5 independents	PAP	58	84.43
1972	September 2	57 + (8)	6 and 2 independents	PAP	65	69.02
1976	December 23	53 + (16)	7 and 2 independents	PAP	69	72.40
1980	December 23	38 + (37)	8	PAP	75	75.55
1984	December 22	49 + (30)	9 and 3 independents	PAP	77	62.94
1988	September 3	70 + (11)	8 and 4 independents	PAP	80	61.76

**Note:** \* The 1955 Legislative Assembly consisted of one Speaker, three ex-officio members 25 elected members and four nominated members

• Uncontested seats in brackets

**Source:** Elections Department

While Lee Kuan Yew and the PAP depoliticised the country and ruled with an iron hand from 1965, there appears to have been a repoliticisation of the country since 1980. This coincided with the rise of a new generation of PAP leaders. In January 1985, two second-echelon leaders were promoted to the post of First and Second Deputy Prime Minister. In an apparent attempt to win back some of the lost ground and to represent a break from the authoritarian past, the new leaders introduced new measures to reflect what they claimed was their consensus-seeking and consultative style of government. A willingness to listen was evident from the introduction of the following mechanisms: Feedback Unit, Town Councils, Governments Parliamentary Committees, greater use of Select Committee Hearings, Advisory Councils and a PAP Youth and Women's Wing. The government also reversed many unpopular policies. By 1988, Mr Lee remained as the only old guard in the cabinet. In November 1990, Mr Goh Chok Tong became the country's Prime Minister with Mr Lee becoming the Senior Minister.

### **The growing divergence between the government and the governed**

Singapore's progress and success also exacerbated many gaps in the country, especially between the ruling party and the people. After 30 years of growth and progress, the country seems to be experiencing the fallouts of success: physical and psychological dislocation, 'poverty in affluence' and alienation. Political, economic, ethnic and psychological gaps exist. The cumulative consequences of these problems were clearly borne out by election results since 1980, especially in the by-election of 1981 and the general elections of 1984, 1988 and 1991. It was not just a single factor, but rather, an interplay of elements that accounted for the growth of divergences in Singapore.

Politically, the changing political culture of the population, from apathetic to somewhere in between subject and participant, have meant that many of the assumptions of the 1960s and 1970s could no longer be valid for the 1980s and 1990s. With political stability accompanying economic growth and the information explosion, the Singapore electorate has begun to demand more from the government. It is no longer satisfied with, nor does it accept as natural, the total domination of the political process and system by a single party, namely, the PAP. They crave political pluralism and diversity, and greater room for political participation and dissent, albeit constructive dissent. This also coincides with the stepping down of the charismatic first generation of political leaders and their replacement by political elites who are largely technocrats and administrators. The high convergence between the government and the governed in the 1960s and 1970s is being increasingly

replaced by growing divergences in the 1980s and 1990s, due in part, to the lack of understanding and empathy between the rulers and the ruled. In a way, the government and the governed are yet to forge a social contract in which the goals and aspirations of the people and the government would be conterminous.

The existence of a political gap between the government and the governed was clearly manifested by the general lack of a strong response by the populace to the calls by Prime Minister Goh to give him a clear mandate and endorsement as well as to vote against communalism. Many in the electorate found Mr Goh's call for support of his style too abstract, especially when there were other pressing issues. Many were also unconvinced that the opposition, especially the Workers' Party, was stoking communalism. The results were a great political setback for Prime Minister Goh to the extent that he failed to achieve his stated objectives in the general elections. It showed rather, that politically, the opposition did manage to seduce Singaporeans to their point of view and to vote against the PAP. In the end, out of the 40 seats contested, the opposition won four seats with some 40 per cent of the valid votes.

To a large extent, the growing political gap between the government and the governed is due to the widening economic gap among Singaporeans. Despite Singapore's impressive economic statistics and its newly achieved status as a developed country, there are many economic woes that need addressing. One of the greatest challenges facing the government is how to bridge the growing disparities in income distribution. In the same vein, the 1990 population census was telling. While the data showed that Singaporeans on the whole were much better off than a decade ago and with the rise of a middle class, there was a narrowing of economic differences among the ethnic groups, at the same time, there was clear evidence that class distinctions were emerging within each ethnic group. In other words, an underclass was emerging in the country; ethnicity was no longer the only stratifying factor.

According to Dr Paul Cheung<sup>1</sup>, Chief Statistician, Department of Statistics, Ministry of Trade and Industry, 'although we now have a large middle to upper class, a small portion of each ethnic group still remains in the underclass. About seven per cent of Chinese households, six per cent of Malay households and 12 per cent of Indian households live in HDB one-or two-room flats. Most of the heads of these households have low academic qualifications and hold low-skill jobs. The profiles of these groups are very similar across ethnic groups, suggesting that being in the underclass is more a function of individual circumstances rather than of ethnic backgrounds'.

Added to income inequality has been the rise in prices, which has greatly alienated and angered Singaporeans. In this regard, the problem and gap is not just between the underclass and the government but between all stratas of society from the lowest up to the upper middle

class, and the government. While the incomes of Singaporeans have risen in general, it is still useful to note that more than half, or some 53.5 per cent of Singaporeans surveyed in the 1990 census of population had a gross monthly income of less than S\$800. When the age structure is superimposed on this, the reading becomes more bleak; 13.4 per cent are over 60 and 18.9 per cent between 55 and 60. This means that more than 32 per cent of the voting populace are mainly retirees and in the fixed income group. Their plight would thus be more revealing and hence the gap with the government.

At the same time, the government's usage of the consumer price index (CPI) to defend its economic policies and the state of the country's economic health may be misleading. According to Dr Lee Yuan<sup>2</sup> while the official CPI showed that inflation in Singapore was about 3 per cent per annum, these figures did not reflect the increases in the cost of housing, rentals, transportation and medical fees which had been considerably higher over the last few years. For instance, all properties went up by 13.6 per cent. Flats and apartments were up by 16.3 per cent and shop units by 16.1 per cent. Transport and communications went up by 9.8 per cent. This would have hit some groups, such as those with fixed incomes and retirees, the hardest. The 'middle class squeeze' can also be similarly explained. According to Dr Tan Kong Yam<sup>3</sup>, 'this group (middle class), while being better off in nominal income, and in real income if deflated by prices of food, consumer goods and durables, might find themselves worse off if their incomes were deflated by rising prices of assets like private property and cars'.

The problem of low earnings and high prices are a serious source of divergence between the government and the governed. This was clearly manifested in the 1991 general elections, during which many of the complaints centred on economic issues, influencing many to describe the elections as being determined by the 'bread-and-butter' issues. These included complaints against high costs in the following areas: transportation, parking fees, rentals, diesel tax, COEs, medical fees, fines, educational costs and telephone charges. These were seen as livelihood problems and the PAP was blamed for the poor state of affairs of the general populace.

The perceived growing ethnic divide in the country was also blamed on mismanagement in government policies. While the PAP's *raison d'être* since 1965 was the creation of a Singaporean identity based on a Singaporean Singapore, some rethinking seems to have taken place since 1978. The government's greater emphasis on ethnicity, its efforts to prop up Chinese unity through the Speak Mandarin Campaign, promotion of Chinese values and Confucianism and a whole array of other measures have suggested to many, especially the ethnic minorities in the country that the government is pursuing a Chinese-first policy. This is unsettling and dangerous, and could harm and greatly polarise the different ethnic

groups and call into question the government's policy of multiracial harmony.

The growing ethnicisation of the Singapore polity, with focus on the Chinese, would tend to confirm to many that a Chinese state is being deliberately created. The government has utilised ethnicity as an instrument of control and the manner in which it played up the racial issue in the 1991 general elections was evidence of this. The attempt to explain the PAP setback in the general elections as mainly due to Chinese unhappiness over the government's neglect of the Chinese language and culture was another example of this direction.

In addition to the political, economic and ethnic gaps there exists the growing psychological and credibility divides between the government and the governed. A serious credibility gap seems to have emerged, with many of the government's actions being perceived as self-seeking, profiteering and outright insensitive and inconsiderate. Because of the elitist nature of the PAP as well as its complacency, the government is increasingly seen to be out of touch with the people and distant. The government usually blames every divergence between it and the governed on misperceptions rather than on any real issue facing the populace. All leading members of the government have, for instance, dismissed the bread and butter issue facing the electorate. The Minister for National Development, Dhanabalan, maintained that 'the government has substantially improved the standard of living of the people'. To him, 'the problem is in terms of the perception of the public, that we were not giving enough emphasis in answering their fears on bread-and-butter issues. Perhaps, what we failed to do was to present our package, what we have done for them, in a way that they can understand, and see that things are being done'. This position seems to be the standard answer of the PAP against any major criticism of government policy. Another line is that the electorate thinks short term and on a single issue, whereas the government thinks long term and on a multitude of issues, simultaneously. The government has also strongly held on to its market principle and objected to any tampering with it and to any form of welfarism to please populist demands, irrespective of the cost of such a policy.

### **Whither the Singapore polity? An analysis**

What has hitherto been referred to as divergences and gaps, though important, are in a sense, more apparent than real. In many ways, the problems the country is facing are caused more by success rather than failure. Singapore's shift from high convergence in the 1960s and 1970s to growing divergence in the 1980s and 1990s is because, although the country had successfully provided for the basic material needs of the



population, development and modernisation has brought about a new sophistication in them thus giving rise to a growing perception that the system has been unresponsive and unable to provide for the basic political participatory needs. In simple Maslowian terms, having achieved the basic needs of food and shelter, the polity is in search of higher self-esteem which are more political and psychological than material in nature. This centres around political participation and involvement, especially the need to be consulted by the government before key decisions affecting the populace are made. In short, the growing divergences in the political system are due to the changing political culture in the country, brought about by modernity and development.

While the ruling party and the government have been able to rationalise and justify their total dominance and stamp out political challenge in the system as well as encourage depoliticisation and political apathy, ironically, the changes instituted by the PAP in the 1960s and 1970s have created a new political generation which believes that political power emanates from the people. It also believes that the government can be subjected to legitimate pressure from the governed in order to achieve certain desired goals. Real and substantive political democracy would be one such goal.

This would mean that the PAP's belief that democracy is possible without a parliamentary opposition is no longer a valid and viable option, no matter how strongly the government believes in it. The various attempts by the second generation leaders since 1984 to be more open and consultative, though laudable, have so far failed to abate the growing appeal of the opposition. The latter situation is unlikely short of a massive repression.

Unfortunately, the PAP continues to believe that the opposition is irrelevant and unnecessary for the political growth and maturity of the system. This was voiced by Prime Minister Goh before and immediately after the general elections in August 1991, which indicates that the PAP government is out of touch with the political aspirations of the governed. Until these are reconciled, the divergences in this area can be expected to exacerbate: With the world, especially Eastern Europe, the Soviet Union and elsewhere, experiencing an outbreak of democracy, it is unnatural not to expect Singapore to experience spillovers. With a first class economy, educational system, financial system, information system and other trappings of development and modernity, Singaporeans' aspirations in the area of politics can only be retarded at the peril of the power-wielders.

In all fairness, as Singapore's divergences are a result of success rather than failure, it can be argued that such divergences suggesting growing political development and maturity of the populace are healthy, positive and should be encouraged. This would mean that a civil society has emerged or is fast emerging in the country. It also suggests that the

political entity has developed its own checking mechanisms and this more than any other device, would ensure that good government is maintained in the country. This would be one of the most important fruits of political, economic and social development in the country and for this, the political leaders of the PAP, who oversaw the growth, deserve full credit.

If there is any moral in the story of Singapore's government-governed convergences and divergences, it is that high convergence is attained at times of crisis, while there is a tendency towards high divergence during the good times. A common sense of threat had a binding effect and this was generally the case from 1965 to 1980. The expulsion of Singapore from Malaysia, the Confrontation, the escalation of the war in Indochina, the Chinese Cultural Revolution, the British military withdrawal from Singapore, the intensification of the Sino-Soviet rivalry, the Middle East oil crisis, the communitisation of Indochina, the Soviet and Chinese struggle for domination of Southeast Asia, Vietnam's invasion of Kampuchea and the re-escalation of superpower rivalry, created a sense of eternal crisis and brought the government and governed together. As a small resourceless state located in the volatile sea of Southeast Asia it had a permanent sense of crisis about it. The leadership was able to exploit this to the fullest and a common sense of mission, with the government leading and the governed following, with great political, economic and social sacrifices on the part of the latter, emerged.

However, since the early 1980s, except for the short interlude of the recession years from 1985 to 1987, the good years had a tendency to create an air of complacency, with many in the country taking political, social and economic stability for granted, and the ruling party paid the price for this in the 1988 and 1991 elections. The transition of political power from the old guard to the second generation leaders did not help. In this regard, if the fears of the 1992 recession are realised, then a common sense of purpose would again be forged and a high convergence between the government and governed would probably emerge.

## Notes

1. Dr Paul Cheung, 'Summary of Census Findings', in Yap Mui Teng (ed), *Report of the IPS Forum on the Census of Population 1990*, Report No. 4 (Singapore: IPS, Sept 1991), pp 6-7.
2. Dr Lee Yuan, cited in *The Sunday Times*, 8 Sept, 1991.
3. Dr Tan Kong Yam, cited in Yap Mui Teng, (ed), *op cit*, p 45.

Table 2: *PAP share of valid votes in wards contested in both the 1988 and 1991 elections*

Single seat	1991 (%)	1988 (%)
Ayer Rajah	75.2	69.6
Boon Lay	73.3	72.0
Braddell Heights	52.3	58.8
Bukit Batok	51.8	55.9
Bukit Gombak	48.6	53.5
Bukit Merah	61.9	69.8
Buona Vista	79.4	61.8
Changi	53.0	59.4
Chua Chu Kang	68.4	59.3
Hougang	47.2	59.0
Jurong	64.3	75.2
Leng Kee	76.6	65.0
Mountbatten	78.0	78.2
Nee Soon Central	49.7	57.6
Nee Soon South	52.8	64.9
Potong Pasir	30.4	36.9
Ulu Pandan	56.4	69.1
Yuhua	56.2	63.0
GRCs		
Bedok	62.0	Bedok GRC - 54.9
		Fengshan - 57.9
		Siglap - 73.7
Marine Parade	77.2	Marine Parade GRC
		- 73.8
		MacPherson - 66.0
Eunos	52.4	50.9
Tampines	59.5	61.0

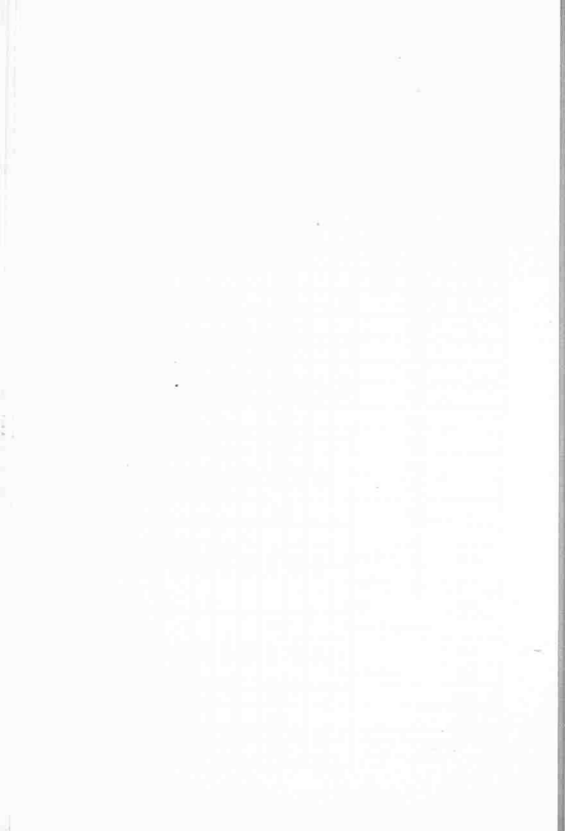
Table 3: Final score

	Total votes	Share % of total valid votes cast			Average % polled by each party inwards contested		
		1988	1991	Swing	1988	1991	Swing
PAP	477,760	63.2	61.0	-2.2	63.2	61.0	-2.2
WP	112,010	16.7	14.3	-2.4	38.5	41.1	+2.6
SDP	93,856	11.8	12.0	+0.2	39.5	48.6	+9.1
NSP	57,306	3.8	7.3	+3.5	34.6	37.9	+3.3
PKMS	12,862	1.0	1.6	+0.6	16.6	16.9	+0.3
SJP	15,222	1.1	1.9	+0.8	26.2	22.8	-3.4
IND	14,596	1.1	1.9	+0.8	22.0	14.7	-7.3
Total	783,612	100%	100%	-	-	-	-

1991 spoilt votes: 21,961 (2.7% of total votes cast)

1988 spoilt votes: 30,629 (2.2% of total votes cast)

**Note:** The figures from 1955 to 1988 are based on popular votes. However, the 1991 figure is based on valid votes.



*Thailand: Key domestic goals and aspirations  
for the 1990s*

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*Theera Nuchpiam*

The 1990s may prove to be quite crucial for the future of Southeast Asia. The decade seems to have begun with better opportunities on the one hand, and lingering fears and antagonisms between and among certain regional states, overwhelmed by the rising prospect of a new regional order of enhanced security and prosperity, on the other.

Such an order may already be taking shape. However, how far it would develop naturally depends on the regional states themselves: among other things, the convergences and divergences of their key domestic goals and aspirations will provide a vital condition for the development of the future regional order. Two broad observations will set the framework for the discussion of this question in connection with the Thai experience.

- a. A distinction may have to be made between 'official' goals and 'popular' aspirations. The two are not necessarily the same, but also not necessarily mutually incompatible.
- b. National goals increasingly tend to be defined in international terms. A nation's future seems now inextricably tied with the outside world; national prosperity, in short, depends more and more on international possibilities.

For Thailand, the immediate goal is to put its own house in order, politically and economically, after a major set-back, early last year. It is hoped that the overall situation will begin to recover after the coming general elections. The key domestic goals to be touched upon here include democracy, economic development and growth, and expansion of trade. Security, whose military aspect has been de-emphasised and which is

increasingly being embodied in other 'inner strengths' including economic prosperity and democratic progress, will not be discussed in this paper.

In politics, tension has been growing between a pro-democracy alignment consisting of students, academics, intellectuals and a number of political parties, on the one hand, and the ruling military junta and its supporters, on the other. It is difficult to assess the relative strengths of these two opposing forces<sup>1</sup>, but the face-off may be regarded as one between the 'official' political stance and the 'popular' aspiration for a democratic government.

The Anand government has set for itself the goal of 'moving towards restoring democratic institutions in a speedy manner and on a more secure footing'<sup>2</sup>. However, the pro-democracy lobby considers the newly-enacted Constitution 'undemocratic' on various counts and vows to have it amended.

The lines of battle have thus been drawn. On one side, are those who represent the 'official' mistrust of elected politicians' ability and integrity; hence the attempts by the official bureaucracy to institutionalise a kind of 'guardian's role'. On the other side are those who are canvassing for an all-out elected government. This 'official-popular' opposition may manifest itself in some other forms, including the mutual lack of respect and understanding between members of the official bureaucracy (including the military) and the 'popular' politicians, and the 'official' distrust of labour organisations, which were virtually disbanded after the military *coup d'état* in February, 1991.

The currently growing popular disillusionment with the Anand Panyarachun government, which is composed of some of Thailand's 'best and brightest' technocrats, of unquestionable competence and integrity, might indeed reflect this 'official' versus 'popular' tension.

Apart from democracy, another key domestic goal is the maintenance of economic growth. The Seventh National Development Plan, which comes into force this year, aims at 'balanced' development in all aspects of the Thai economy and society. The priority is nevertheless to maintain economic growth at an appropriate level, so that expansion will continue unabated and with stability. The Plan has been criticised, particularly by 'unofficial' economists, for this growth bias. The concern of these and other like-minded people is that rural poverty, which remains rampant even after the lapse of the predominantly rural development oriented Fifth and Sixth Plans, might possibly worsen, given the current return to growth-directed planning.

The introduction of the value-added tax in the beginning of this year has been hailed as an important financial reform. Its principal aim is apparently to boost industrial production. The population is being exhorted to endure pain today for a better gain tomorrow. Other official measures, such as the 'deregulation' of control and the 'floating' of prices

— ranging from those of oil to school-tuition fees — are all intended to spur economic expansion.

There is one area in which the clash between official policy and popular desire is becoming increasingly serious — that of resources allocation. A good example is the scramble for water resources for farming as against the maintenance of golf courses. Most critical of all is the conflict over degraded forest lands. A rising number of people, mostly in northeastern Thailand, are undergoing severe hardship and suffering because of a commercial reforestation scheme which has caused the eviction of people from land some of them claim to have cultivated for generations, and their resettlement in places usually unfit or ill-prepared for the purpose.

Some other key domestic goals, most notably the expansion of trade, may be less divisive in nature. These goals are nevertheless contingent upon international exigencies.

The military takeover in February 1991 ran counter to the international tide of the present decade — which is obviously one of expanding democracy. Perhaps, it is this external cross-current that has put additional pressure on Thailand to hasten its return to democratic rule.

On the economic front, the country is looking increasingly beyond its own borders, towards Southeast Asia and the Asia-Pacific as a whole.

The external sector of the Thai economy has contributed substantially to its impressive growth during the past decade. Its growth-maintenance goal is now attainable largely by expanding this external sector, particularly, its export market. Already in the late 1980s, Prime Minister Chatchai Choonhavan called for the transformation of the Indochina battle field into a trading market; and now the Thais are enthusiastically pushing for an Asean Free Trade Area (AFTA). At the same time, they are trying hard to wrap up collaborative ventures with the Indochinese states, especially Vietnam. Evidently, Thailand is going for enhanced regional convergences. As Prime Minister Anand Panyarachun has said:

*'... I see economic co-operation, in both trade and investment, as the principal vehicle for building a web of interlocking ties among the nations of Southeast Asia and thereby serving as a means of strengthening the fabrics of peace and security in the region'.*

Here one can see some convergence of key domestic priorities. The Indochinese states have shown their own enthusiasm for participation in the large Southeast Asian economic order, and Thailand's extension of a 150 million-baht credit to Vietnam may be regarded as an important goodwill gesture. Any further move towards strengthening economic co-operation within Asean, especially in the form of further trade liberalisation, would enhance this increasing policy convergence.



At the same time, as in the national communities, there remain huge differences and incompatibilities between Southeast Asian countries. Asean, in particular, needs to be aware of, and make every effort to bridge the socio-economic gap between Asean and non-Asean states in this region, if lasting regional peace and prosperity are to be ensured.

While Southeast Asia is clearly moving ahead towards a region-wide order of greater stability and progress, basic questions, of which only a few have been raised here, must not be ignored. Optimism should be matched with caution. In Thailand, 'official' optimism<sup>4</sup> seems to be prevailing, whereas 'popular' suffering and discontent are still simmering, if not getting more explosive. The basic caveat is that national prosperity does not necessarily mean the well-being of the majority, and it is ironical that with increasing international convergences, domestic divergences seem to be more pronounced.

## Notes

1. The pro-democracy lobby attracted one of the largest gatherings in recent times at a political rally in the heart of Bangkok and collected hundreds of thousands of signatures for a pro-democracy petition. The ruling junta, on the other hand, claims support from what it believes to be a silent majority at the grassroots level, as evidenced by the 'six-million signatures' it recently collected in a petition in its support.
2. *Bangkok Post*, Dec 18, 1991
3. *Ibid.*
4. As is evident in the view of Deputy Prime Minister, Dr Sanoh Unakul, *Bangkok Post*, Dec 28, 1991.

*The renovation process in Vietnam*

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*Nguyen Co Thach*

Forty years of destruction have left the economy of Vietnam in a long and deep crisis. Since the end of 1986, Vietnam has adopted a policy of radical and total renovation in all aspects to rebuild the country. This policy has been pursued vigorously and significant results have been achieved right from the start.

However this renovation must be carried out step by step, in good harmony, and in conformity with the characteristics of Vietnam. The foundation of this renovation policy rests on three major premises. The first and most important one is economic renovation. The old management system of centralised planning, of self sufficiency, of bureaucracy and of state subsidy should be, and are being replaced by a new management system of market economy under state guidance. Secondly, on the domestic front, Vietnam must preserve political stability, which is a pre-condition for economic development and will create favourable conditions for further step by step political renovation. Thirdly, on the foreign front, Vietnam must strongly promote the good principles of peaceful coexistence, on the basis of equality with respect to the interests of all countries.

Since the renovation was adopted some positive results were achieved in 1987 and 1988. However 1989 was indeed the turning point of the renovation. From 1981 to 1988, the average economic growth rate of Vietnam was about 5.8 per cent per year. During the three year period 1989 to 1991, the growth rate was only about 2 per cent per year, or one-third of the annual growth rate from the 1981-88 period. At the same time, the population growth was about 2.2 per cent per year. However the economic situation in Vietnam from 1989 until now has been improving significantly. The three-digit rate of inflation during the

period 1986-88 has been brought down to a two-digit level. Total food production in 1989 was 21.5 million tons of paddy (i.e. 10.75 million tons of rice), an increase of 2.5 million tons over the 1988 total production of 19 million tons. Between 1981 and 1988, Vietnam had to import about one to two million tons of paddy annually. However in 1989, Vietnam was able to export three million tons of paddy and add a million tons into its strategic reserve.

In foreign trade, between 1981 and 1988, total exports from Vietnam were about 30 per cent of its imports. This ratio has improved to 75 per cent in 1989, 85 per cent in 1990 and 95 per cent in 1991. During the five-year period from 1986 to 1990, Vietnam's external trade with the free market world had grown at an average rate of 18 per cent per year; from US\$1.6 billion in 1986 to a record of US\$3.3 billion in 1990.

The above results have clearly indicated that within a few short years, Vietnam was able to transform itself from a shortage economy which depended heavily on imports, to a more balanced economy which could satisfy its own consumption needs.

Actually, the great imbalances between domestic supply and demand, as well as between exports and imports in the past were caused by the policy of adopting a rigid state-imposed price and foreign exchange structure which did not reflect the reality of the market place. In order to maintain the state imposed price structure at an artificially low level for a long period of time, significant expenditure has been incurred by the government. It was estimated that one-third of Vietnam's total budget involved price subsidies. This is basically the main cause of the big budget deficit and the resulting 3-digit inflation rate in Vietnam during the past years.

A law for foreign investments in Vietnam was introduced in 1988. During the first 10 months of 1991, 300 projects with a total investment value of US\$2.5 billion were approved. This amount alone is equal to the total amount of investments approved during the years from 1988 to 1990.

On the domestic political front, Vietnam is in the process of renovating the state administration system by

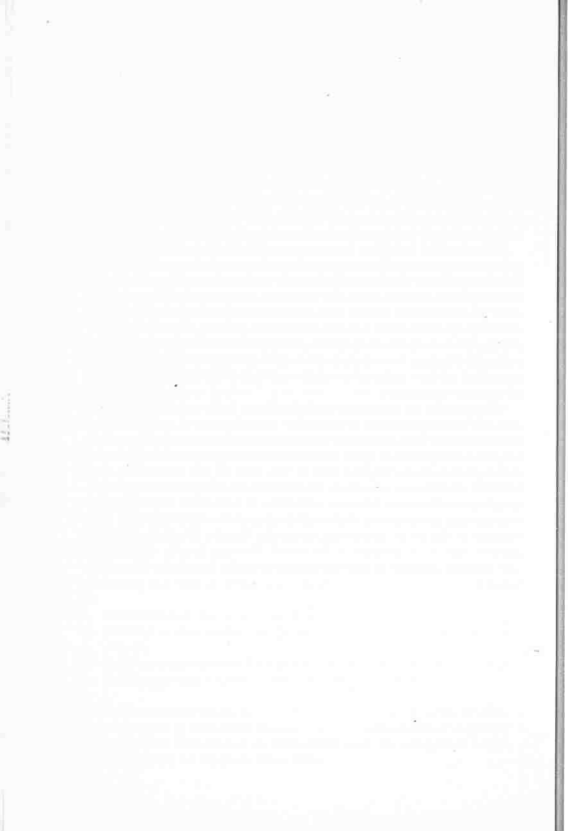
- Democratising the social and political life in the country;
- Building a state system of the people, by the people and for the people;
- Building people power through elected councils and assemblies; and
- Building people's control over the executive bodies.

The Vietnamese people are engaging in a nation-wide debate to revise the constitution of 1980 and in the first half of 1992, the National Assembly will revise the Constitution in conformity with the renovation which has taken place in Vietnam since 1986.

On its foreign policy, Vietnam has taken several important steps, beginning with the total withdrawal of its forces from Cambodia in September 1989. This withdrawal is a great contribution to the peaceful solution of the Cambodian problem and has led to the conclusion of the Paris Agreement on Cambodia in October 1991. At the same time, Vietnam has developed a good relationship with countries in the European Community, normalised relations with China, and improved relations with other Southeast Asian countries. Vietnam's policy of being friendly with all countries in the world has created a new atmosphere between Vietnam and the world community. At present, Vietnam and the United States of America are negotiating for normalisation of relations and the relations between the two countries are gradually improving.

These initial successes have encouraged Vietnam to continue its policy of renovation. The country is striving to overcome its poverty and would like to double its GNP by the end of this century. This will certainly be a turning point for Vietnam's economic development. In order to achieve this modest objective, Vietnam needs an international environment favourable for the renovation process as well as good political and economic co-operation with all countries in the world. The policy of Vietnam is to co-operate and be friendly with all countries regardless of their political or social systems, based on the principles of peaceful coexistence.

The Asia Pacific area, particularly Southeast Asia, is a very important area for Vietnam's foreign policy. After many decades of confrontation, there has never been a more favourable time and opportunity than now for the development of good relations and co-operation for economic development among the countries in this area. In this connection, the interests of Vietnam as well as the interests of other Southeast Asian countries are the same. Vietnam would like to work for a zone of peace, stability and co-operation, thus contributing to the cause of peace and stability in the Asia Pacific and the world. For the interests of Asian peoples and of the peoples of the world, Vietnam greatly appreciates and strongly supports Malaysia's initiatives on the East Asian Economic Caucus.



*Part 3:*

*Regional issues in Southeast Asia*



*The environment in Southeast Asia: Prospects  
for co-operation and conflict*

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Tommy Koh

I will divide my talk into three sections. *First*, I will update you on preparations for the 1992 UN Conference on Environment and Development to be held in Rio de Janeiro, Brazil, from June 1-12 1992. The popular media has referred to the conference as the Earth Summit because the UN General Assembly has recommended that it be attended by Heads of State and governments. *Second*, I will discuss the prospects for co-operation and conflict between and among the countries of Southeast Asia. *Third*, I will discuss the prospects for co-operation and conflict between states within the region and those outside the region.

### **Twenty years after Stockholm**

The Earth Summit will be held 20 years after the historic UN Conference on the Human Environment, which was held in Stockholm, from June 5-16, 1973. The Stockholm conference was historic for several reasons. It was the first meeting of the governments of the world to consider what actions they should take, at the national, sub-regional, regional and global levels, to preserve and enhance the human environment. The conference raised the consciousness of the peoples and governments throughout the world. In one sense, it was a success even before it was held. During the preparatory phase, many governments established, for the first time, ministries or departments on the environment, or environment protection agencies. After Stockholm, environment became a permanent item on national, regional and global agendas.



Apart from consciousness-raising, the Stockholm conference achieved three concrete results. It adopted a Declaration of Principles, a Plan of Action, and created a new UN agency, the UN Environment Programme (UNEP). The Declaration contains 26 principles which, over time, have affected the behaviour of governments as well as contributed to the evolution of customary international law on the environment. Of these, Principle No 21 is perhaps worth recalling: 'States have the responsibility to ensure that activities within their jurisdiction or control do not cause damage to the environment of other States or of areas beyond the limits of national jurisdiction'. In other words, there is no such thing as absolute sovereignty over the use of your natural resources or environment. Your sovereignty is limited by your obligation not to cause damage to the environment of other States or areas beyond your national jurisdiction, such as the global commons.

### **Differences between the Stockholm and Rio conferences**

There is a major difference between the Stockholm and Rio conferences. While the Stockholm conference had a single focus on how to preserve and enhance the human environment, the Rio Summit will have a double foci: environment and development and, specifically, how to reconcile mankind's desire for economic progress on the one hand, with the need to protect our environment on the other. Because of its double foci, the latter summit is a more complex and difficult one. Indeed, some sceptics believe that there is an inherent and irreconcilable conflict between the two objectives. I do not agree with this view. I believe that it is possible to strike a balance between environment and development. Experts call such development, which is environmentally friendly, 'sustainable development'. The experience of Singapore during the last 25 years suggests that sustainable development works; that concern for the environment does not have to impede a country's economic growth.

### **Possible output of the Earth Summit**

Two years ago, the UN General Assembly established a committee to prepare for the Earth Summit. I am the Chairman of the Preparatory Committee. The Committee has held an organisational session in New York and three substantive sessions; one in Nairobi and two in Geneva. The last session of the Committee will be held in New York in March 1992. Although the Committee has made steady progress, much remains to be done. There is still a considerable gulf between the developed and the developing countries to be bridged. Success is therefore not assured. However, if the Earth Summit succeeds, it could be one

of the most important conferences of this decade. It can achieve the following:

- An 'Earth Charter' containing the principles governing environmental and developmental relations between States, and between States and peoples to ensure our common security.
- Two new conventions on climate change and biological diversity.
- A statement of principles on the management and conservation of all types of forests.
- 'Agenda 21' which will contain the over 300 programmes which are currently being negotiated, including agreements on how the programmes will be financed and how the transfer of environmentally sound technology from developed to developing countries will be facilitated.
- Agreement on institutional reform.

### **Intra-regional co-operation and conflict**

Within Southeast Asia, the six Asean countries have been co-operating in the field of the environment, both bilaterally and multilaterally. Let me briefly refer to four aspects of their co-operation.

#### ***Asean Environment Programme (ASEP)***

The Asean Environment Programme (ASEP) was started in 1978. The objective of ASEP is to promote the proper management of the Asean environment so that it can sustain continued economic development while maintaining a high quality of life for the peoples of the Asean countries. The 4th meeting of the Asean Ministers for the Environment, held in Kuala Lumpur in June 1990, adopted an Accord on Environment and Development which reaffirmed Asean's commitment to the pursuit of sustainable development. ASEP is likely to be succeeded by an 'Asean Common Plan for Environmentally Sound and Sustainable Development by the Year 2000' (ASCEND 2000).

#### ***Asean Senior Officials on the Environment (ASOEN)***

In June 1990, a committee consisting of Asean Senior Officials on the Environment (ASOEN) was established. The Committee would report directly to the Asean Standing Committee (ASC). ASOEN has set up the following six working groups:

- a. Asean seas and marine environment, chaired by Brunei;
- b. Environmental economics, chaired by Indonesia;
- c. Nature conservation, chaired by Malaysia;

- d. Environmental management, chaired by the Philippines;
- e. Transboundary pollution, chaired by Singapore; and
- f. Environmental information, public awareness and education, chaired by Thailand.

The 2nd ASOEN meeting in June 1991 accepted a proposal by the World Wildlife Fund (WWF) to establish an Asean Sub-regional Environmental Trust (ASSET), to serve as a new, assured and sustained financial mechanism for the implementation of Asean environmental programmes. The 3rd meeting of ASOEN is scheduled to be held in the Philippines in late January 1992.

### ***Co-ordinating Body on the Seas of East Asia (COBSEA)***

Another form of regional co-operation relating to the environment is the Co-ordinating Body on the Seas of East Asia (COBSEA). Following UNEP's very successful initiative in bringing the littoral States of the Mediterranean Sea to work together for the purpose of reducing marine pollution in the Sea, UNEP has launched a series of regional seas programmes. The East Asian Seas Action Plan is one such programme. Its objective is to promote the better management and protection of the region's marine environment through projects financed by the East Asian Seas Trust Fund and the UNEP Environment Fund. The members of COBSEA are Indonesia, Malaysia, the Philippines, Singapore and Thailand. Brunei is an observer.

### **Bilateral co-operation**

Singapore has established joint committees on the environment with Malaysia and Indonesia. The Malaysia-Singapore Joint Committee on the Environment (MSJCE) was formed in 1990. Since its formation, the committee has met once in Malaysia and once in Singapore. The issues discussed at the first two meetings centred on emission standards for vehicles and control of fuel quality, improvement of the movement of hazardous chemical and toxic wastes, air quality monitoring and joint consultations on emissions from industries.

The Indonesia-Singapore Joint Committee on the Environment (ISJCE) was established in November 1991. The first meeting of the joint committee scheduled for March 1992, will discuss several joint proposal programmes and other bilateral environmental issues. The issues include joint environmental quality monitoring; standardisation of environmental quality standards; development of land-use planning and resource conservation strategies; and management of hazardous materials and co-ordination of emergency response systems.

## **More co-operation or conflict?**

Are the prospects for more co-operation or conflict among the States of Southeast Asia? I think the prospects are for more co-operation not conflict. The countries of Asean have already acquired the habit of consultation and the skill of problem-solving through mutual accommodation. I have every reason to believe that these habits and skills will be applied in the field of the environment. Two events in 1991 have reinforced the need for greater coordination and co-operation, both at the bilateral and sub-regional levels. The first was the eruption of Mount Pinatobu in the Philippines. The ashes from the eruption reached Malaysia and Singapore. The second was the forest fires in Indonesia. For several weeks the skies over Singapore and peninsular Malaysia were darkened by a haze. These two incidents also explode the myth that transboundary air pollution is unknown between developing countries.

## **Relations between intra and extra regional states**

Countries within Southeast Asia can have co-operative or conflicting relations with countries outside the region with respect to the environment. The Asean countries have worked closely with other developing countries in coordinating their positions on environmental issues in various international forums. In recent years, environmental movements in several developed countries in the West have mounted campaigns against the rapidity with which the rain forests in Southeast Asia, especially those in Indonesia and Malaysia, are being cleared. The campaigns of the environmental lobbies have had varying degrees of impact on their governments. The Prime Minister of Malaysia has reacted strongly to such campaigns and charges. In my view, it is better for the developed countries and the developing countries of Southeast Asia to work together, on the basis of mutual respect, to help the latter pursue the path of sustainable development. Indulging in finger-pointing and mutual recriminations are easy to do, but they are counter-productive. They raise temperatures but produce little light.

Let me suggest a few specific steps that developed countries can take to help in this sustainable development. They are as follows:

- Try to create a more supportive international economic environment which would reduce the burden of the developing countries as they embrace sustainable development.
- Encourage the development of environmentally sound technologies and facilitate the flow of such technologies to the countries of Southeast Asia.

- Ensure that there would be adequate financial resources and proper funding mechanisms to implement the various conventions and programmes being negotiated.
- Refrain from translating their environmental concern into new trade barriers.
- Consider expanding the concept of foreign aid to include subsidising the costs of environmental improvements by recipient countries.

## **Conclusion**

The countries of Southeast Asia, especially Asean, have a bright economic future. They are in a good position to embrace sustainable development and to show other countries in the Third World that it is possible for developing countries to reconcile environment with development. To achieve this goal, the countries in Southeast Asia should co-operate with one another and with countries outside the region. The Asean countries have made a good beginning in environmental co-operation. I am confident that such co-operation will be broadened and deepened in the coming years. I would also urge Asean and her dialogue partners to eschew confrontation in favour of co-operation over the environment. Economic progress and care for the environment should unite, not divide us.

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*Isslamet Pernomo*

Southeast Asia's strategic location has always attracted the attention of extra-regional powers. Thus political developments in this region have often been turbulent. The atmosphere of continual crisis, compounded by the struggle of power politics and ideology have contributed to the realisation that regional co-operation is the most appropriate mechanism for creating a strong and resilient Southeast Asia. Thus, the Bangkok Declaration of 1967 enjoined the five member states of Asean to set up a firm foundation to promote economic and social progress and to ensure their security and stability, free from undue external influences.

A decade later, the Bali Declaration of Asean Concord reaffirmed the Association's commitment to accelerate co-operation in the political, economic, social and cultural fields, while the Treaty of Amity and Co-operation marked the first step leading to the realisation of the Kuala Lumpur Declaration of ZOPFAN. The establishment of the Asean Secretariat was yet another landmark that solidified the institutional framework for co-operation. The growth of Asean was further bolstered by the Manila Declaration which contained agreements on a number of concrete measures and initiatives, and gave a fresh impetus to the further consolidation of the Association as a viable regional mechanism.

Thus, imbued by a spirit of unity, members of Asean have, over the years, reconciled differing national perspectives and pooled their diverse strengths in the larger interest. At various international forums, the Association has increasingly been able to speak with one voice in projecting its concerns and interests. Its response to developments in the world political arena, especially on the question of Cambodia has

contributed to the strengthening of cohesion and close co-ordination on matters of the common market.

In looking to the future, co-operation in the international political arena would be further bolstered by an increased coordination of common policies. In its relationship with other countries, Asean should endeavour to foster greater political cohesion and mutual solidarity. Simultaneously, Asean should be projected as an outward-looking entity, actively engaged in the mainstream of international development and determined to contribute its share in seeking solutions to global problems.

Since the Third Asean Summit Meeting held in Manila five years ago, rapid and fundamental changes have continued to transform the global political landscape which will inevitably influence Asean's ability to play a vital role in world affairs. There has been a significant overall improvement in East-West relations as well as in the global political and security climate. Multilateral co-operation at both the global and regional levels have become a prominent feature of interstate relations. In many regions of the world, concerted efforts are being made to resolve conflict situations.

In the Asia-Pacific region, South and North Korea signed the Treaty of Reconciliation and Non-Aggression, in November 1991. Seoul and Pyongyang have finally agreed to bury their bitterness and to turn the armistice which stopped the Korean War in 1953 into a real peace treaty. China and Vietnam ended 12 years of hostility; Li Peng made the first visit to India by a Chinese prime minister in 30 years, in a bid to resolve a long-standing border dispute. Japan began difficult talks on a similar issue with North Korea, and Beijing started working towards normal ties with Seoul. These positive developments usher in an era of peace and stability in the near future.

The progress made on the question of Cambodia with the signing of the agreements in Paris is unfortunately being threatened; this could bring the fragile peace process to a halt and plunge the country into anarchy. Observers and the four Cambodian political factions agree that the only way to prevent a decline into chaos is the rapid deployment of the full UN Contingent, both civilian and military components, (expected to be about 10,000 strong), provided under the October 23 peace accord signed in Paris. This would give the public the confidence that real political change is on the horizon, and ensure peace and stability. The UN presence would also assume authority over five key government ministries (foreign affairs, national defence, finance, public security, and information).

With the signing of the peace accord the four Cambodian factions have to undergo a complicated process of transforming themselves from authoritarian, war-oriented organisations, into democratic, political parties capable of living in a peaceful environment. Prince Sihanouk not only plays an important role in unifying the Cambodian people but also

in solving the difficulties in accomplishing the Paris agreement; however, his age raises the question of the future of Cambodia.

The announcement that the Secretary-General of the UN has appointed Yasushi Akashi (Under Secretary-General for Disarmament Affairs) as his special representative to Cambodia augurs well for the peace process and would instil stability in that country as well as build confidence among the four factions.

What is required now of the four factions is the implementation of the agreements signed in Paris. This entails a continuous process of national reconciliation and an enhanced role for the United Nations, which would enable the Cambodian people to determine their own political future through free and fair elections organised and conducted by the UN in a neutral political environment with full respect for the national sovereignty of Cambodia. In view of the recent tragic history of Cambodia, the promotion, respect for and observance of human rights and fundamental freedom should be encouraged in that country. On the other hand, to assist Cambodia in the tasks of rehabilitation and reconstruction, a concerted international effort is required and the international community should provide generous economic and financial support.

As Co-Chairman of the Paris Conference, Indonesia feels obliged to appeal to the Cambodian people and to the countries concerned to respect and adhere to the above documents correctly and sincerely.

The vast expanse of the Asia-Pacific region still contains seed beds of potential conflict, constantly threatening peace and security. The geo-political and strategic configurations in this area are more prone to develop in unpredictable directions. Further aggravating the situation is the existence of conflicting claims of sovereignty over certain islands in the South China Sea, which affect members of Asean individually as well as collectively. Another source of potential instability could be the developments in Myanmar. Intra-Pacific tensions, the source of trade disputes also complicate the matrix of interstate relations. These negative trends and developments carry interstate implications for all the countries in the region. Asean's economic well being, political stability and security are clearly linked to what is happening in the Pacific region and therefore require a much more committed Pacific orientation on the part of all its member states.

The changing strategic environment calls for effective and co-operative regional security arrangements that can address the underlying causes of insecurity and instability.

For more than two decades the Southeast Asian region has often been engulfed in turmoil and conflict and much time and attention have been given to the Cambodian problem preventing Asean from getting international recognition for ZOPFAN. At this juncture Asean should take concrete steps towards the full implementation of ZOPFAN



including its essential component of a nuclear-weapons-free-zone in Southeast Asia (SEANWFZ). The goal of a nuclear free world has always motivated Indonesia's initiatives and activities in disarmament endeavours. For that reason, Indonesia has consistently and fervently striven for the establishment of such a zone in Southeast Asia.

As regards the South China Sea, Asean and other countries of the region should endeavour for the joint development of this region, while simultaneously addressing broader questions of resource management, navigation and security. Other measures leading to more peaceful and stable relations in the Asia Pacific region would necessarily include the introduction of confidence-building measures, greater transparency in military arrangements, enhancing Asean's capabilities in maritime surveillance, ensuring security in the naval domain and security guarantees for sealanes of communications (SLOC), particularly through straits.

Another potential source of instability is Myanmar. According to the US Department of State, since the 1988 coup, the annual opium harvest in that country has more than doubled to as much as 2,500 tons. Opium from Myanmar, and its lethal derivative heroin, are now reaching the west in record quantities — this also affects China and Thailand, which lie on the main trafficking routes. AIDS according to WHO, is spreading rapidly in Myanmar and the government's refusal to confront, or even admit to the problem is accelerating its spread. As a result, AIDS is now becoming endemic in the once unspoiled hill tracts of Myanmar. Myanmar has deliberately chosen to say it cares nothing for the outside world. The ruling military junta continues its repression, ignoring the award of the Nobel Peace Prize to detained democratic leader Aung San Suu Kyi, and pleas for her release. Raul Manglapus, the Philippine foreign minister, was in Myanmar recently and raised the possibility of a government representative attending Asean meetings with observer status. Though the Asean strategy of accommodation has failed so far to bring change, this approach might at least make the Myanmar government aware of the problems that their policies have created.

Indonesia is committed to a new system of global governance and a new world of stable peace, common security and sustainable development. For such a new order to be viable, it should be based on universality and sovereign equality encompassing all nations large and small, strong and weak. It must be comprehensively conceived and dedicated to democracy both within and among states and should promote the fundamental rights of nations as well as those of the individual human being.

Indonesians, and I believe all Southeast Asians, should strive for one quintessential dividend that peace in Cambodia would bring — the dawning of a new era in Southeast Asian history. In such an era,

for the first time, Southeast Asia would be truly peaceful and truly free to deal with its problems in terms of its own aspirations rather than in terms of major-power rivalry and contention, with commensurate authenticity, and ability to arrange its internal relationships on the basis of genuine independence, equality and peaceful co-operation.

The first part of the document discusses the importance of maintaining accurate records of all transactions. It emphasizes that proper record-keeping is essential for the integrity of the financial system and for the ability to detect and prevent fraud. The text also mentions the need for regular audits and the role of independent auditors in ensuring the reliability of financial statements.

The second part of the document focuses on the role of the government in regulating financial markets. It discusses the need for a strong regulatory framework to protect investors and maintain market confidence. The text highlights the importance of transparency and the need for regulators to have the authority to enforce rules and take action against market participants who engage in illegal or unethical behavior.

The third part of the document addresses the issue of financial stability and the role of central banks. It discusses the need for central banks to monitor and manage risks to the financial system, particularly in the context of global financial integration. The text also mentions the importance of international cooperation and the need for central banks to work together to address cross-border risks and challenges.

The fourth part of the document discusses the role of financial institutions in promoting economic growth and development. It emphasizes the importance of providing access to financial services, particularly for small and medium-sized enterprises (SMEs) and in developing countries. The text also mentions the need for financial institutions to be well-capitalized and to have strong risk management practices in place.

The fifth part of the document addresses the issue of financial inclusion and the role of fintech. It discusses the potential of fintech to improve financial services and increase financial inclusion, particularly for underserved populations. The text also mentions the need for fintech companies to be regulated and to have strong security and privacy measures in place to protect users' data and funds.

The sixth part of the document discusses the role of financial markets in promoting innovation and entrepreneurship. It emphasizes the importance of providing access to capital for start-ups and small businesses, particularly in the technology sector. The text also mentions the need for financial markets to be well-regulated and to have strong investor protection measures in place to maintain confidence and attract investment.

The seventh part of the document addresses the issue of financial literacy and the role of financial education. It discusses the importance of providing financial education to all citizens, particularly in developing countries, to help them make informed financial decisions and improve their financial well-being. The text also mentions the need for financial education to be tailored to the needs and circumstances of different groups of people.

The eighth part of the document discusses the role of financial markets in promoting sustainable development. It emphasizes the importance of integrating environmental, social, and governance (ESG) factors into financial decision-making and investment decisions. The text also mentions the need for financial markets to be well-regulated and to have strong disclosure requirements in place to ensure that investors have access to relevant information.

*Indonesia's perspective on ZOPFAN as an approach to  
resolving regional conflicts*

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*Isslamet Pernomo*

Over the past year, we have witnessed changes in the global political climate. New patterns in international relationships are emerging, foreshadowing new opportunities as well as challenges, in mankind's constant search for a better and more peaceful world. The continuing trend towards conciliation and concordance among states, especially between the major powers, has led to the tendency to resolve regional conflicts through negotiation rather than confrontation.

Moreover, these changes are occurring amidst the emergence of certain fundamental trends in international politics and in the global economy, which cannot but have far-reaching implications for world developments in the decade ahead.

The positive transformations in the political domain have yet to find their corresponding reflection in the economic sphere, where unacceptable inequities and disparities continue to aggravate North-South relations. Moreover, advances in industrial technology coupled with the formation of powerful economic groupings among developed countries are posing additional dilemmas to the developing countries, including Asean.

It is clear that in facing an external environment of such sweeping change, inherent flux, and trends of globalisation in science and technology, Asean has to maintain a high degree of vigilance and, at all times, a clear sense of purpose and direction. Meeting the challenges and uncertainties of the 1990s will require a capacity for both dynamic adaptation as well as creative response. Institutionally, Asean will be called upon to enhance the efficacy of its external actions as well as

the efficiency of its internal functions.

The changing patterns of relationship between states, especially the major powers, will inevitably lead to a new, global, strategic environment and will sooner or later also make their impact felt on the political, economic and security configurations in the Asia-Pacific region.

In Indonesia's view, the realistic way of achieving pan-Asian security is by taking steps such as:

- The speedy resolution of existing conflicts and the defusion of tensions such as those in Cambodia and on the Korean peninsula, and the prevention of potential conflict-situations in such areas as the South China Sea;
- Ensuring the continuous improvement in relations among the regional countries, among the major powers, and between these two groups of countries;
- Embarking on confidence-building measures, including the introduction of greater transparency in military arrangements in the region, and the expansion of some existing bilateral agreements, such as those covering incidents at sea, into multilateral arrangements.

Indonesia firmly believes that in all these endeavours Asean's approach, as reflected in the Treaty of Amity and Co-operation and the proposed Zone of Peace, Freedom and Neutrality (ZOPFAN), remains of central validity and relevance. Indeed, in the light of the rapid transformations of the global and regional landscape, its realisation now assumes added urgency.

The legitimate aspirations of any regional group of states to become an independent, prosperous, peaceful and secure community of nations, based on commonality of interests should be recognised. Regional security should be sought within the framework of regional resilience, which in turn is achieved through the national resilience of its member states, as embodied in the interlinked processes of security and prosperity. Differing from the conventional concept that equates security with a nation's military capability, security according to the concept of national resilience is a condition which brings about a feeling of safety and certainty in pursuing individual, collective and national aspirations, of which prosperity or well-being is an integral part. Optimum security can only exist in a prosperous environment, free from persistent injustices and inequalities and where everyone has equal opportunities to attain his legitimate objectives. But the converse is also true: prosperity can only be attained in a secure and stable environment.

In an intra-regional context, where geographic location places nations in permanent proximity to each other, prosperity and security are interwoven and inseparable and form the two macro aspects of regional resilience. Hence, security questions between and among regional states

as well as between them and external powers should be addressed through regional organisations and/or permanent co-operative fora of the region. Endeavours of such organisations must also necessarily include modes of co-operation in matters of common interests and aspirations. The comprehensive political settlement worked out within the context of the Paris Conference, which we all agree offers a viable basis for a just and durable peace in Cambodia, is a key element in the establishment of ZOPFAN.

Indonesia considers the prosperity approach as the primary means to assess the threat towards stability and security in the region. The Asean states see their primary security problems as internal to each society, requiring a combination of policies to overcome them, and to achieve economic growth, a more equitable distribution of income, political participation, and the integration of diverse ethnic groups. External threats have not been completely discounted, primarily the threat of major power intervention in the Southeast Asia region and the overlapping claims in the South China Sea.

Now with the signing of the peace agreements on Cambodia in Paris, we hope that the vision of Southeast Asia at peace with itself and with its neighbouring powers, and its constituent countries co-operating harmoniously with one another for common progress and prosperity, can finally be realised as well.

Indonesia is of the view that the realisation of ZOPFAN would create a regional environment conducive to development efforts, would serve as a regional contribution to efforts in achieving a general and complete disarmament, as well as an effective measure for promoting peace and security in Southeast Asia. The success of individual countries' development efforts in this region would give an impetus to the establishment of national resilience, which in turn would assist in creating regional resilience.

In the face of the new realities and challenges, there will be a compelling need for Asean to enhance the efficacy of its co-operative endeavours as well as the efficiency of its internal functioning. Asean will be called upon to assess critically the actual progress as well as the shortcomings in intra-Asean co-operation and to explore new directions and alternative modalities for its further intensification and acceleration.

Much effort has been expended to enhance intra-Asean economic co-operation, especially in the fields of trade and industrial co-operation. Yet, despite these efforts, tangible progress in the past quarter of a century has admittedly been below our collective expectations. Indonesia has therefore wholeheartedly welcomed innovative measures such as the Common Effective Preferential Tariffs (CEPT) on selected industrial products as a new scheme to facilitate a freer flow of goods with Asean, and to substantially increase intra-Asean trade and investments.

Indonesia is also looking forward to the results of the various studies which have been commissioned in the context of further strengthening Asean co-operation. Indonesia especially values the decision of Asean to produce its own annual macro-economic outlook, which will enable the assessment of the evolving regional and international developments, in the Asean context.

In this regard Indonesia should play an active role in intensifying intra-Asean co-operation, in order to strengthen Asean as an effective and efficient regional co-operation body in the future, and bolster the realisation of ZOPFAN as an impetus towards regional stability.

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*Nguyen Co Thach*

There are two aspects to the Cambodian issue — international and internal. In 1991 a comprehensive solution to the Cambodian issue was reached through 2 forums:

- The Paris International Conference on Cambodia
- The negotiations between Cambodian parties.

The two above-mentioned forums led to the signing in October 1991 of the Paris Agreement on Cambodia which strongly demonstrates the wish of the countries concerned and of the Cambodian parties to put an end to the conflict in Cambodia. In particular the Cambodian parties have agreed to solve Cambodia's international problem through free and democratic general elections.

At the same time the Paris Agreement on Cambodia is in line with the common world trend towards the political settlement of regional conflicts.

Vietnam is confident that all concerned countries hope for the effective implementation of the Paris Agreement on Cambodia and the emergence of a peaceful, independent, neutral Cambodia, on friendly terms with all countries. This is in the interest of all countries concerned and of the Cambodian people.

States signatory to the Paris Agreement on Cambodia are duty-bound to strictly fulfil their commitments of non-interference in Cambodia and of full respect for Cambodia's sovereignty. It is also incumbent upon them to create such international conditions as are conducive to the Cambodian parties' implementation of provisions of the Agreement relating to the internal affairs of Cambodia. The complete termination



of all foreign interferences is a factor of decisive significance for the Cambodian parties to put an end to the war and peacefully settle their internal issues.

Vietnam holds the view that those United Nations bodies set up in accordance with the Paris Agreement on Cambodia should effectively discharge their responsibilities under the Paris Agreement and on the basis of respect for the UN Charter as well as for the sovereignty of Cambodia.

A peaceful, independent, neutral and non-aligned Cambodia that maintains friendly relations with all its neighbouring countries is a decisive factor for peace and co-operation in Southeast Asia. At the same time relations of friendship and co-operation among Southeast Asian countries constitute an important factor in reaching a peaceful settlement of Cambodia's internal problems by the Cambodian parties themselves. Conversely the continuation of confrontation among Southeast Asian countries and of foreign interference in Southeast Asia as in the past 40 years and more would adversely effect the situation inside Cambodia. Proceeding from such an approach Vietnam supports the Asean countries' initiative on the setting up of ZOPFAN in Southeast Asia.

For the sake of world peace, of peace and stability in Southeast Asia, as well as for the sake of its own peace and development, Vietnam pursues a policy of peace, independence and friendship with all countries in the world.

*The promise of the Asean Summit*

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Mochtar Kusuma-Atmadja

The coming Asean Summit has to be put in a larger framework of what is our vision of Asean's future. Before we talk about the coming Summit, I would like to say something about my vision of the future of Asean, in other words, where do we go from here in the next 25 years.

When Indonesians talk about the future, they don't say the year 2000 or 2010; they talk about the next 25 years. That's more or less the effective time for a generation, because, before that, you're too young. It so happens that we have completed 25 years of Asean.

So, it is timely to look back and to look forward. Because, in order to achieve anything, we must have a vision. First, we must maintain and strengthen Asean. I'm saying this because in the last few years, we have seen that some member countries seem to consider their respective countries more important than Asean; that Asean is not important. But we have to maintain our *modus operandi* - that of consultations leading to consensus - which makes Asean strong.

Indonesia has always been committed to this approach. Asean could not have faced, or solved the Kampuchean problem without consensus. We could not have come out with a statement condemning the Chinese invasion of Vietnam if we had not reached the decision by consultation.

So maintain and strengthen Asean. Because the alternative would be to forget about it and go our own ways, as some people seem to prefer; I don't think that's wise.

There is a two-way function here. Maintain and strengthen Asean amongst the existing six members because, we have to face the world outside Asean. At the same time, we must be ready to admit new members, countries in Southeast Asia. So, the second thing that we have

to do in the next 25 years is to enlarge Asean so as to include all countries of Southeast Asia.

Therefore, to strengthen and make Asean more effective, we have to streamline it. We must at the same time not go so fast that we are unable to accommodate and absorb the new members. This is the problem; I'm not calling it a dilemma.

Some of us want to move forward very fast. I am not advocating that, because Indonesia is the slowest amongst us and I think we may be the link between the advanced countries in Asean and the least developed, and the new members. We have to keep those principles of Asean that have been found to be of enduring value. I'm saying this because, when people talk about Asean, they talk about the Bangkok Declaration, the Kuala Lumpur ZOPFAN Declaration, the Bali Summit, and the Manila Summit. Some Asean members say, for example, that the Bangkok Declaration is outmoded. But the Thais don't agree simply because it was made in Bangkok; the same goes for ZOPFAN. The lesson we have to learn from the British is that when you modernise, you don't necessarily discard the old; you keep it because it has symbolic and emotional value.

The Bangkok Declaration makes the Thais want to stay part of Asean. So too with ZOPFAN. The younger generation of Asean members think ZOPFAN is no longer relevant and want to do away with it. But that would perhaps make the Malaysians unhappy and the Indonesians too, because they believe in it. We just have to modify these agreements to the changed circumstances.

We have to be clear about what we mean by Southeast Asia. Sri Lanka and Papua New Guinea were keen on joining Asean, but most of my colleagues in the 1980s, were not very keen on this. So we started talking about devising a criteria for what we mean by Southeast Asia. The Sri Lankans and the Papua New Guineans are adversarial, they tend to fight about something. Southeast Asians are different. They will give and take. Even in the hardest moments that I had experienced with the Vietnamese there was this basic spirit of give and take. Of course, because of their Marxist system, they have become harder. But the basic trait of Southeast Asia is there, and I'm sure it can be revived, and if needs be, revised, if Vietnam wants to become a member of this greater Southeast Asia entity.

So, that is the vision. And in this greater Southeast Asia, everyone has a function. The countries on the periphery, like Burma, Thailand, Vietnam and Laos are linked. I use the word link and not buffer because buffer is a concept of power politics. Now, what is this link? It is geographical and functional. The Thais and the Burmese are linked to China, because one day China will reassert. Therefore it is very good to have in Asean, people with links to communicate through. It is also good for the Thais and Burmese to have Asean as a group to belong

to, when facing this big power that has a certain tendency to assert itself. If Vietnam becomes part of Asean, then it won't be alone. So too with the Thais and the Burmese.

Yet another link is functional. The Malaysians and Singaporeans will be a link to the Commonwealth (that is why we were able to mobilise so many votes) Brunei to the British, because they have a Churchill museum there, and Indonesians to the Asia-Africans because of the Asia-Africa Conference.

Together, as a Southeast Asian entity, we will become very strong and people will hesitate to be nasty to us.

I don't envisage us becoming as efficient as the European Community; even they are getting into difficulties now. Consultations will be still important, I agree. It has worked and there is no reason why we should discard them. But if we proceed to a higher level of integration we start to institutionalise things.

For instance, after having had experienced the ministerial council, we may establish the Cambodian commission, to work things out on a bureaucratic level, as in the EC. I say, we may, because the EC has shown also the disadvantages of the Commission. So, we need not necessarily take the EC as a model. We should proceed step by step with this wish to institutionalise. We should retain the most important principles of Asean that have proven to be effective so far. It would be unwise to discard them.

If we did not have the problem of attending to new members, perhaps, we could have gone further faster. That is the price we have to pay for enlarging Asean, but I think it is a price worth paying. It is not good for us to remain the Six with these other Southeast Asian countries remaining outside. Because, perhaps, they will be persuaded to make alliances with the bigger neighbours. It would be better for these countries to be members of Asean than to ally themselves with the bigger powers, because there's no such thing as a working alliance with a bigger power. The smaller one is always subordinated.

That's why Indonesia has always refused to have alliances. We always told the Americans that it would be better for us to be friends than allies. I would advise those in Southeast Asia who are not yet in Asean to join Asean because we treat members as equals. We value every member's contributions and treat them as very valuable members in a big family. Not a small ally who will be told what to do and sometimes taken for granted.

So, this is the vision. To summarise the above, the *modus operandi* of Asean is equality of our partners regardless of their size, and decisions backed by consultations. The alternative would be to abandon all these things, and for each to go its own way. But Asean was established in 1967 precisely to put an end to that kind of situation in Southeast Asia.

Now, on the coming Summit. Asean member countries have all agreed to make economics the focus of this Summit and I'm told that they're going to have two agreements signed during the Summit. One is the framework agreement on enhancing Asean economic co-operation which will be an 'umbrella-type' of agreement. The first agreement under the umbrella will be an agreement on a Common Effective Preferential Tariff (CEPT) Scheme which will lead to an Asean Free Trade Area (AFTA).

Now, here is a good example of how the others could persuade reluctant Indonesia to go towards a free trade area. We are notorious for dragging our feet — not because we're unwilling or protectionist, but because we have other priorities. If you have a country the size of ours which covers three time zones, 17,508 islands, more than 300 ethnic groups, so many languages and some people practically living in the stone age, you cannot talk about free trade without first bringing the people up to a certain level.

The alternative would be an Indonesia modern only in certain parts. We have to come to a common level, as a nation. Because the Thais were very keen on having this free trade, they went round, consulted, and persuaded, because they have the same way of operating. It worked and the Thais and the Indonesians were persuaded because the way it was done was the right way. So, in Southeast Asia, it is not what you do that is important, but also how you do it.

But it would not be wise to expect only some of us to reach agreement on economic and trade matters. Because we're not economic animals like the Japanese used to be. There are many things we have to discuss and we have to agree on what we have to strengthen. We should talk about security rather than the military because when you talk about security, the scope is wider. All sources of instability, perhaps, in the early stages, may be part of the security committee in the Asean Secretariat.

Asean is perceived to be very cohesive in such matters as immigration, narcotics, environment, health, NGOs and also tourism. We have the 'Visit Asean Year', because it makes better sense to lure tourists from Europe, for instance, to visit Asean, and offer them a special rate. When you say 'Visit Asean', you offer much greater variety. It will take time but we have to work on it. And later perhaps, we can include all the four other countries who have not joined. It will be a paradise for tourists.

Then we have the concept of ZOPFAN and Southeast Asia's Nuclear Weapons Free Zone. I think that we should retain ZOPFAN. Politics is the manipulation of symbols and you cannot just say something is no longer relevant, so let's forget about it. The thing is to adjust the notion to the new realities. So, it's not putting old wine in new bottles,

but putting new wine in old bottles. ZOPFAN needs the Asean genius and I'm sure we can find a way to adapt certain principles. The world has become multipolar in economic power. China, in five to ten years, will become a real power. Tiananmen, has just given us a respite. India will take longer because of the tendency of Indians to argue with each other, more than anything else. So we still need this nuclear weapons free zone and I think the time has come for us to discuss it. The Americans will welcome it because they are happy when we take care of our own security. And they will be happy as long as they can sell arms, because that's the game being played.

On Asean's external relations we have various concepts. In 1984, I tried to devise a mechanism which was a minimalist one, which I saw that over time could grow into something formidable. Because it was a mechanism, more than anything else. In the past there was a time when people talked about Pacific Co-operation but never got anywhere, because they started first of all, to talk about membership. So, let's not talk about that. Just turn the Post-Ministerial dialogue into an Asean-Pacific Pact, to begin with. And leaders would be happy because here we have the concept that they have been looking for, and that would work. We proposed a two-tier thing. One was symbolic - Human Resource Development. The other one was a dialogue on anything - politics, economics. The fear, however, was that we would be dominated by the big powers in the Pacific.

But now we have the Post Ministerial Conference (PMC) which I think has been turned into a caucus. People assure me it is not a grouping. The only difference is that in the PMC, from the beginning, some big guys are included. Whereas, in the old concept, we called the shots, and if the big guys wanted to come in, we would say, 'you must show proof of being worthy of being admitted in the dialogue.' There are six of us but others can come in on a selected basis. In the present world, you don't count unless you are part of the bigger groupings.

That is my rationale for what I call the vision of the future of Asean. What we hope to achieve at the next Summit should not be limited to economics; we should also make decisions on things in such a manner that makes it clear to the outside world that we are a cohesive, regional organisation, going up and up and not going down.

On the structuring of Asean's mechanism, in one sentence, Asean should adopt the recommendations of the reports of eminent persons and it would be great if the Summit sat after reading this, or perhaps after not reading this, depending on the head of state. Because I think it is based on a lot of experience; the Chairman is a very experienced statesman. We would be getting somewhere if we make decisions not only on economics and trade but also on ZOPFAN, the Nuclear Weapons Free Zone and strengthen our commitment on the environment, on

cultural co-operation, youth co-operation and so on. That means that we have to revise the number of committees and perhaps rename the committees, to reflect these. I hope I have presented a coherent picture of the direction Asean should take. A vision which we should all share; both those who are already members of Asean and prospective members. And I hope that what I have said here has not scared off the prospective members but on the contrary, made them want to join.

*Part 4:*

*Southeast Asia and the New World Order*





*Meeting the challenge of the post-Cold War world:  
Some reflections on the  
making of a new Southeast Asia*

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*Sukhumbhand Paribatra*

## Introduction

'There are periods of history,' declared Stanley Hoffman in a 1989 article, 'when profound changes occur all of a sudden, and the acceleration of events is such that much of what the experts write is obsolete before it gets into print. We are now in one of those periods.'<sup>1</sup>

Now, at the dawning of the 1990s this observation has never been more correct. Since the beginning of this decade, one has already witnessed:

- the reunification of Germany, after many a wise analyst had expected a number of crucial obstacles to cause considerable delay in the achievement thereof;
- a major war in the Persian Gulf, fought with astounding success against an aspiring regional hegemon by a coalition of forces led by one superpower with the expressed consent of the other, after many a learned scholar and knowledgeable layman had opined that, with the diminution of conflict a clear global phenomenon, the use of force would have little or no relevance in the conduct of relations among states and that with the rapid diffusion of power within the international system and the trend towards military retrenchment in the US, the USSR, the PRC and Europe, individual great powers' capacity to exercise their own influence, and their willingness to let others exercise theirs in third world regions, through the projection of armed strength or otherwise, would become increasingly circumscribed; and last but not least;

- the apocalyptic developments in the USSR, which led to the overthrow of communism and the revolutionary transformation of the politico-economic structure of the Soviet state.

In the present world of rapid changes, all too often the scholarly science of analysing and predicting domestic and international phenomena is reduced to being an art of presenting, in a more or less coherent fashion, the fruits of one's guesswork, and the challenge of making recommendations in the light of these changes becomes a test of one's imagination, with all the problems that this inevitably entails.

With these *caveats* in mind, allow me to briefly outline the prevailing global and regional trends, as well as the implications thereof, before turning to the task of offering some of my thoughts on what Southeast Asia should strive for.

### Global trends and their implications

Certain global trends have been in evidence since the latter part of the 1980s. One is the accelerated growth of interdependence in the international system, with the rapid expansion of socio-cultural, economic, informational and technological linkages across political and ideological boundaries.

Another is increased priority being attached to economies and economic matters in relations among states and in the governance of nations.

To be sure, the manifestations and consequences of these two trends have been, and in all probability will remain, unevenly distributed, with the more controlled societies being generally less affected than the more open ones. But at this juncture they seem to be irreversible, and the political, social and economic dynamics they generate, both within and across national boundaries, are likely to be increasingly all-encompassing in the longer term.

The third is increased social and political awakening, particularly in many societies which were or remain closely controlled. With this has come greater awareness of the need for and the need to mobilise for the following:

- (a) Better livelihood,
- (b) Increased fulfilment of certain human values and personal or community needs that transcend those of the state, and
- (c) More meaningful participation in decisions regarding all aspects of one's life.

This was most evident in and a major cause of far-reaching political, social and economic transformations in the eastern stretches of Europe and the USSR. Where the Asia-Pacific region is concerned, the communist regimes seem to be more successful in their efforts to contain both this process of awakening and the political consequences emanating therefrom, but perhaps with the exception of North Korea, are not likely to remain immune to this transnational trend in the longer term.

The fourth is the diminution and the apparent ending of geostrategic and ideological rivalries among great powers.

This was, in particular, manifested in the winding down and finally, the demise of the Cold War between the East and West. Until the break-up of the USSR and the birth of the Commonwealth of Independent States (CIS), the Cold War was characterised by:-

- (a) Regular dialogues between the two sides, including frequent superpower summits, and wide-ranging arms reduction negotiations and agreements,
- (b) Increasingly significant great power co-operation in controlling or settling regional problems, and
- (c) The reduction of the superpowers' global military presence and roles, the Gulf War notwithstanding.

After the breakup of the USSR, although there has been a great deal of confusion regarding the control and command of the former Soviet forces, the status of arms control agreements entered into by the USSR, and the multiplicity of CIS representation in the conduct of relations with the west, the transformations in that country put the final nail in the coffin of the Cold War and strengthened the trend towards great power military retrenchment.

In the Asia-Pacific region, although there have been no arms control or reduction agreements as in Europe, partly because the US has been reluctant to negotiate away her military superiority in the region, the trend towards the reduction of superpower military presence and roles was also clear before the changes in the USSR; for a period of time the USSR has been winding down her use of Cam Ranh Bay, and the agreements reached with the Philippines mean that US forces are unlikely to remain in that country beyond the middle of this decade. With the break-up of the USSR, it seems to be only a question of time before the Pacific fleets are reduced and Cam Ranh Bay vacated.

The fifth is what might be termed a transition to multipolarity. The decline and break-up of the USSR, in juxtaposition with the triumphant US intervention in the Persian Gulf, suggests that the international system may have become unipolar. It may be true that there is now only one great power which has the capacity to project massive military might into the far-flung corners of the globe effectively, and that there is now

only one great power whose counsel, good or bad, is listened to in all regions. But constraints against the reassertion of US primacy are seen in the continued economic decline, at least in relative terms, of the US in a world where economics is becoming increasingly important, the existence of numerous domestic pressures for retrenchment and against decisive foreign policy actions in complex or ambiguous issues, and the increased roles and influence of European and Japanese allies. The trend towards multipolarity is likely to continue. The Gulf War was significant for the successful display of American military power; but equally significant, if not more, were the efforts on the part of the US to get friends and allies, not only to pay for the war, but also to become involved in the decision-making processes and in combat operations as a part of a UN-sponsored and -blessed international coalition against Iraq. These efforts clearly pointed out the limits of US capacity for unilateral action in today's world. It is also of some significance that not many have enthusiastically greeted President Bush's announcement of the emergence of 'a new international order ... a new era — freer from the threat of terror, stronger in the pursuit of justice, and more secure in the quest for peace. An era in which nations of the world, East and West, North and South, can prosper and live in harmony.'<sup>2</sup>

What are the implications?

These global trends contain seeds of uncertainty in a number of areas. One is the global and regional impact of trade and trade-related conflicts, as geostrategic and ideological rivalries decline and economics becomes increasingly important. In this connection, perhaps the greatest uncertainty lies in the future direction of US-Japanese relations. With the disappearance of the Soviet threat as a 'glue' for the alliance, economic tensions are likely to prove more divisive, and a failure to manage these tensions in the shorter term and to remove the structural causes thereof in the longer term may have a detrimental impact upon the alliance. Should this relationship end or become moribund, what would the geostrategic and economic repercussions be, not only for the Asia-Pacific region, but also for the world at large?

The second area is the stability of the new regimes in eastern Europe and the CIS. The collapse of communism, both as an ideology and a system of governance, has left a void in the political life of these countries. The question is whether this void will be filled, in certain cases by national or ethnic chauvinism, memories of historic animosities or religious fundamentalism, and if so, how much chaos and violence will ensue and with what consequences for the politics among nations.

The third area is the balance of power in Europe. The domestic weaknesses of the US and the break-up of the Soviet empire have left reunified Germany in an immensely powerful strategic position. The rehabilitation of the former East Germany is likely to absorb her attention

for some time, and the increasingly unified EEC will continue to act as an institutional restraint upon Germany's primacy in Europe. But in the longer term it may not be possible to deny her 'a place in the sun,' and should there be a resurgence of Germany as a complete great power, there will be a far-reaching transformation of the international system, with all the uncertainty that this kind of process would entail.

The fourth area is the possible emergence of regional 'power vacuums' as a result of great power military retrenchment. Should a 'power vacuum' eventuate in a strategically important region, certain regional and extraregional powers' attempts to 'fill' it may create a great deal of uncertainty and tension both within and outside that region.

However, these trends, while bringing in their train a great deal of uncertainty in the politics both among and within nations, also create unprecedented opportunities for the global community to create a better world for succeeding generations to live in.

The relentless growth of interdependence; the rapidly increasing recognition of the importance of economic imperatives; the collapse of totalitarian regimes in eastern Europe and the USSR, which for long have led the crusade to impose, both through violent means and otherwise, the security, political, economic and ideological requirements of the state upon individuals, communities, and nationalities under their sovereign control; and vastly improved great power relations, and with it the propensity towards great power military retrenchment — these mean that for the first time ever the global community could be on the threshold of a new era, an era of diminishing nuclear weapons and global peace; an era of expanding prosperity, democracy and freedom; an era of growing respect for the rights, aspirations and felt needs of man, his family and his community; and an era of growing recognition that these rights, aspirations and felt needs may differ from, and indeed transcend, the reason of state.

Given the myriad problems in politics both within and among nations, there is no certainty whatsoever that the global community will be able to cross this threshold into a new era. However, the prevailing trends and their implications do mean that, with a greater sense of realism than might have been the case a few years ago, one can start exploring or formulating bolder, more innovative ideas, which collectively may help nudge the global community along in that direction.

### **Common security**

One idea, which might be usefully explored at this juncture of history, not as a formula to be applied immediately, but as a possible sign-post pointing in the direction of a better world, is what can be called 'common security'.

Most states recognised long ago that their security cannot be absolute and that they cannot seek absolute security, for absolute security to one is absolute insecurity to others. But in the past their respective quests for relative security often assumed the form of establishing, through unilateral or multilateral means, and through the use of force or diplomacy, geostrategic and military superiority over others, which in themselves brought about endless chains of insecurity, tension, conflicts and wars.

There has never been a situation where all, or at least an overwhelming majority of members of the global community have had, or perceived they had, a common stake in creating structures of relationships and of shared values, enabling them to live in peace, to engage in constructive co-operative endeavours, and to develop the potentials of their own human and material resources to the fullest possible extent, not at the expense of but for the benefit of one another.

In such a situation, conflicts and wars can occur, for such is the nature of contemporary international politics, but whenever they take place, their scope and severity would be circumscribed.

Prosperity cannot be shared equally, for as the history of socialism has shown, efforts to create equal prosperity for everyone all too often lead to prosperity for none, or worse, for only a few. However all members of the global community can have increasingly unimpeded access to markets, supplies of raw materials, and sources of capital, investment, services, technology and information that lie beyond their borders. There will not be democracy and freedom everywhere, for the world cannot become a utopia, but all peoples would have increasing opportunities to have a life of plenty and quality. And where dictatorships and authoritarian tendencies still prevail, the disregard for the rights, aspirations and felt needs of man, his family, and his community, would also be circumscribed in scope and severity. This, in essence, is what may be termed 'common security'.

The members of the global community if they want to establish such a 'common security' must, of course, work out and come to an agreement on the best ways and means of doing this over the longer term. But to be truly effective, the endeavours to create common security must be multi-dimensional and comprehensive in nature, for security can neither be defined nor conceived solely in geostrategic and military terms. It is proposed here that 'common security' has the following components:

### *The military component*

Where the major powers are concerned, common security means not only reductions (through negotiations or reciprocal unilateral measures) of their nuclear and non-nuclear arsenals, but also more effective management of the flows of conventional and non-conventional weapons

to Third World countries. Where the latter are concerned, common security means far-reaching reassessments of real defence needs and equally far-reaching efforts to establish new frameworks, formal or informal, for confidence-building and conflict management among themselves.

It is still an undeniable fact of life that 'swords' are necessary to preserve peace. But to enable man to sow the seeds of security so that he can reap and enjoy the harvests of peace, 'swords' must be turned into 'ploughshares' whenever and wherever possible.

### *The political component*

To bring about 'common security', the efficacy of international organisations, particularly the UN, must be enhanced, and the framework of regional peace and order established, or strengthened and expanded. Moreover, as a necessary corollary of these efforts at the global and regional levels, at the nation-state level, the recognition that ultimately the most basic building block of peace is the existence of a good, efficient government, responsive and responsible to the will of the people, must be encouraged.

### *The economic component*

To strengthen the fabric of peace, we must keep open opportunities for all nations to improve their standards of living through forging ever deepening and expanding trade, investment, informational and technological ties. This means curbing individual nations' propensities towards unilateralism in economic policies and protectionism in foreign trade postures. It also means that one should encourage a revival in the world economic system of multilateralism which is truly internationalist in nature, and not excuses or a means to create trade blocs. Because the international and domestic economic domains have become increasingly intertwined, as a necessary corollary, opportunities and incentives must be provided by governments to allow and encourage all the people, whom they govern, to improve the standards of their livelihood.

### *The environmental component*

True 'common security' also means the protection of the common heritage of mankind, particularly the planet earth's sea, water, air, forests and wildlife. To this end, international, regional, sub-regional, and issue-specific frameworks for preserving and enhancing environmental security must be promoted.



### *The human component*

In the most fundamental sense, 'common security' means man's ability to safeguard and enhance the quality of his life as a human being. The establishment of peace, opportunities for economic advancement, and environmental security, are necessary for this quality of life. So are other more specific measures of international co-operation against such forces of death and destruction as drugs, diseases and terrorism.

But, most importantly, the notion that man has certain personal, familial and community rights, aspirations and felt needs, which are not identical with, and indeed in some ways should transcend those of the nation-state he lives in, should be actively promoted.

Let us now turn our attention to Southeast Asia.

### **Southeast Asia**

For Southeast Asia, as for the rest of the international system, the prevailing global trends also contain seeds of uncertainty in a number of areas.

One area is the global and regional impact of trade and trade-related conflicts, a matter of crucial concern for the non-communist regional states whose economies are closely integrated with the world economic system and are to an increasing degree reliant upon external markets and external sources of capital, investment, technology and raw materials.

Another is the impact of the political and socio-economic transformations which have taken place and are continuing to take place in Europe, and in Russia and the CIS. The emergence of an increasingly unified and economically strong EEC, in juxtaposition with the creation of new weak regimes to the Community's east, raises the possibility that much of the world's developmental resources may be 'diverted' from the Asia-Pacific region to Europe.

The third area is the possibility of greater, more sustained western interventions in issues of human rights and democracy. Expressions of disapprobation by the US and the EEC countries of some Southeast Asian governments' policies and behaviour in these matters are, of course, not new. But their 'successes' in the breaking up and 'democratisation' of both the Soviet bloc and the USSR may encourage them to assume a harder line against perceived violators of human rights and democratic principles than before, as indicated by their postures in the Burma and Timor questions.

The fourth area is the possible emergence in Southeast Asia of a regional 'power vacuum'. The impending military withdrawal of the US from the Philippines and of the USSR/CIS/Russian Republic from Vietnam creates uncertainty as to which extraregional power would be

'tempted' to try to fill this 'vacuum'. Among Southeast Asian states, Singapore and Thailand ostensibly are most concerned with the possibility of a precipitate US military withdrawal from the region. Singapore has invited the US to use her facilities in a more extensive and systematic manner, and after a return to domestic political 'normalcy', Thailand may be predisposed to do likewise. While the consensus in most Asean countries — though not always publicly acknowledged — seems to be that the US military presence has served and continues to serve a stabilising function, there is no clear consensus regarding, firstly, what the regional organisation should do, or should not do, in terms of security co-operation, and secondly, the extent to which extraregional powers should be encouraged or discouraged from playing a role in the promotion of regional peace and security. Suspicions of Japan and the PRC remain, though they are diminishing, while in some quarters there also appears to be concern over India's naval expansion.

But, these areas of uncertainty notwithstanding, the prevailing global trends on the whole have been benign for Southeast Asia.

Like many countries in the dynamic Asia-Pacific region, Southeast Asian states have been and continue to be major beneficiaries of the global economic developmental process, with Asean being the 'growth centre' within the 'growth centre' of the global economic system.

Partly as a consequence of improved relations among great powers, certain traditional rivalries, which not too long ago had threatened to engulf the region in major armed conflagrations have diminished, most notably Sino-Vietnamese, Thai-Vietnamese and Thai-Lao conflicts. Although the road to a complete political, economic, social and psychological rehabilitation of Cambodia stills seems long and bumpy, the signing of the Paris Peace Agreement means that for the first time since the Second World War there are real prospects of bringing about region-wide peace and order in Southeast Asia.

Also partly as a consequence of the prevailing global trends, Myanmar and the Indochinese countries have opened themselves up to the world, with the latter becoming increasingly pragmatic in domestic, economic and foreign policies. The changes in Indochina have further diminished the likelihood of a revival of communist-led insurgencies in the region, with the Philippines and Myanmar remaining the only non-communist countries faced with significant problems of domestic armed communism. Moreover, the changes in Indochina have also opened up the prospects of bilateral and multilateral co-operation between the non-communist and communist states in the region in a variety of fields, ranging from finance, investment, trade, manufacturing, technical assistance and tourism, to fishery and maritime navigation, as indicated by the recent joint communique between Vietnam and

Thailand on the occasion of Vietnamese premier Vo Van Kiet's visit to Thailand.

The foregoing suggests that in many ways developments in Southeast Asia are microcosms of the developments taking place elsewhere in the international system. But this would be misleading. For there are certain regional trends which seem to be running against the 'global tide'.

For one thing, regional differences and conflicts still abound and in some ways may be on the increase.

Some of these are 'traditional' conflicts which refuse to go away: the Cambodian conflict, where the signing of the peace agreement does not necessarily signify the irreversibility of the peace process; the civil war inside Myanmar, which is a continuing source of friction in Myanmar-Thai relations; the Islamic minority problem in Southern Thailand, which is a continuing problem for Thai-Malaysian relations; the Sabah issue between Malaysia and the Philippines; and Indonesia's Aceh problem, which may create strains in Indonesian-Malaysian relations.

Others are 'non-traditional' conflict issue areas, such as:

- Overlapping territorial claims in the South China Sea, a problem involving not only Southeast Asian states, but also the PRC;
- Resources and environmental problems such as timber which has caused frictions in Thai-Myanmar and Thai-Lao relations,
- Fisheries which has done the same for Thai-Vietnamese and Thai-Malaysian relations,
- Water which has at times strained Thai-Lao relations;
- Narcotics, involving Thailand, Myanmar and Laos;
- Migration of labour, which has affected Thai-Singaporean relations and continues to affect Malaysia's relations with a number of neighbouring states; and
- Economic competition among the Asean countries for markets and investment opportunities in Indochina.

The existing differences and conflicts are likely to remain at relatively low levels; at worst, there would be minor border clashes which can be resolved or managed within 'reasonable' bounds without 'spill-over' effects in the various arenas of co-operation.

Secondly, in Southeast Asia, 'swords' are not being turned into 'ploughshares'. While great powers have striven to reduce their arsenals, both through unilateral retrenchment measures and through negotiated arms control agreements, most of the Asean countries which hitherto seemed unaffected by the changes in the global threat environment, have embarked upon major armed forces modernisation programmes. Many of these programmes focused on the enhancement of air and maritime capabilities, not only in terms of the quantity and quality of the hardware,

but also scope of functions. This urge to modernise is particularly evident in the case of Thailand, where since the withdrawal of Vietnamese combat units from Cambodia and the draw-down of Soviet military presence at Cam Ranh Bay, the armed forces have begun to engage in the largest arms procurement programmes in the kingdom's history. Some 480 tanks, including M-60A1s, another full squadron of F-16 aircraft and two of AMX, five to six frigates, one or two submarines and a helicopter carrier have either been ordered or are under serious consideration. If carried out in their entirety, and in the absence of countervailing responses from economically weak Vietnam, these programmes would make Bangkok the foremost military power in mainland Southeast Asia.

Past evidence tends to suggest that Asean countries' arms procurement programmes are imitative rather than competitive in nature. This, together with the fact that their leaderships have generally been pragmatic in most policy issue-areas, defence included, limits the possibility of unbridled arms races in the region. Nevertheless, because decisions on matters related to the military are partly determined by complex admixtures of domestic political and bureaucratic factors, there is very little prospect of a reversal of the trend towards military modernisation, as long as the Asean countries' economies can maintain their impressive performances. Continued large arms procurement programmes in the Asean countries may ultimately transform the trend into an increasingly competitive one for the member states and bring about uncertainty in their relations with non-member countries, particularly Vietnam and Myanmar. Indeed, it is significant that Myanmar has entered into a series of weapons purchase agreements with the PRC. While this move is no doubt a result of continued preoccupations with domestic problems, and made possible by the increased revenue gained from the opening up of the country's economy, this arms transfer relationship may affect and in turn be affected by Thailand's defence policy, which could serve to heighten tension in the ties between two states with a long history of enmity.

Thirdly, the ruling communist parties in Indochina, like their counterparts in other Asian countries, may be prepared to undertake certain reforms, especially in the economic arena, but (with the exception of the Phnom Penh regime) are still willing, and probably also able, to cling to the reins of power. Thus, parallels with eastern Europe and the USSR are not valid.

Improved great power relations and increasing pragmatism on the part of the Indochinese governments make it unlikely that the Cold War will return to Southeast Asia. But the continued existence of communism in Southeast Asia means that ideological cleavages are still present in the region and may become more pronounced, should income and wealth disparities between the Asean countries and the rest of the region widen in the next few years.

Fourthly, after years of independence, exercises in political participation, economic growth, nation-building, democracy, wealth and societal cohesion are still sometimes rare and always highly unevenly distributed commodities in the Asean countries. The age-old dilemma between stability and participation has not been resolved.

On the one hand, while the importance of and the need for political participation is widely recognised and accepted by most of the Asean political elite, concern for political stability is still harboured by many powerful groups, for example the Indonesian, Philippine and Thai military, and political party members in Malaysia and Singapore, for whom control, in one measure or another, over the political participatory processes, is perceived to be a *sine qua non* of stable political development. On the other hand, the processes of social and economic development have increased the level of political awareness and, along with it, the popularity of the notion that voluntary participation is both a right and a desirable end in itself.

Nor has the age-old dilemma between growth and equity been resolved. While small minorities have been able to reap the fruits of economic development and prosperity and hence tend to continue to emphasise the necessity for maintaining growth as the objective of policy, the vast majority have either not seen marked improvements in their standard of living or perceive that the gap between the 'rich' and themselves has considerably widened. For the latter, distribution, not growth *per se*, is the preferred policy objective.

Then there is the continuing dilemma of nation-building. On the one hand, the existence of ethnic differences is seen to pose problems, real or imagined, for the national governments, whose propensity often is to assimilate or integrate, by force or peaceful means, all ethno-religious groups into a societal whole. On the other hand, the ethnic minorities, all too often the less privileged classes in terms of accessibility to meaningful political participatory processes and/or distribution of the fruits of economic growth, continue to show unwillingness to consent to the loss of their identity by being so assimilated or integrated. This dilemma is likely to be accentuated by the recent developments in the eastern stretches of Europe and the USSR.

Furthermore, the process of rapid economic growth has created two problems, which tend to add to the gravity of these age-old dilemmas. One is tension between modernism and traditionalism, which in most cases has assumed the form of religious revivalism; this tension is often exacerbated in cases where it becomes related to problems of participation, equity or ethno-religious minorities, as in the southern part of Thailand. The other is the depletion or degradation of key natural resources, especially land and water; in the context where this has become both an economic constraint and an environmental concern, the segments

of the population most adversely affected are the less privileged ones, often those belonging to ethnic minority groups.

The existence of these dilemmas of development does not mean that the present Asean regimes are likely to be overthrown by popular revolutions involving the discontented masses. It simply means that tension and conflict continue to be a 'natural' part of the Asean states' domestic political landscape, and given the potentiality or actuality of this tension and conflict, political stability cannot always be taken for granted. It also means that, despite good relations among the Asean states, the possibility of domestic tension and conflict in one country 'spilling over' into another country remains ever present.

The prevailing global and regional trends discussed above present Southeast Asia with both challenges and opportunities: challenges, which make it incumbent upon the regional states to find ways and means of co-operating to manage the conflicts and tensions, actual and potential, and lay the groundwork for longer-term stability, peace and prosperity; and opportunities for them to move ahead with the existing schemes of co-operation and to explore new avenues of co-operative endeavours, without having to face clear and present dangers from one another and from outside the region.

The question is: What should Southeast Asia strive for?

### **Towards common security in Southeast Asia**

It is proposed for the purposes of discussion here that, as a long-term goal, Southeast Asia should strive to play its part in the establishment of 'common security', as defined and elaborated earlier in this paper. To be sure, this goal may never be comprehensively achieved in practice, because many obstacles, especially those related to the human component of this 'common security' may never be overcome. But it can still usefully serve both as a sign-post and a conceptual framework for a series of measures, which together could enhance the region's stability, peace and prosperity in the post-Cold War world.

There are undoubtedly many possible ways and means of striving to establish 'common security', but at this juncture it seems that the necessary measures should include the following:

#### ***Strengthening the peace process in Cambodia***

Given Vietnam's internal weaknesses and the collapse of the USSR, the Cambodian problem no longer poses a threat to Southeast Asia's peace and stability in the way that it did in the late seventies and the early eighties. However, the success or failure of the Cambodian peace process is still of crucial importance for the region. If Cambodia is not at peace,

then peace in the region is still partial and the last vestiges of the Cold War will remain. And the Cambodian peace process is a litmus test of the post-Cold War international community's ability to co-operate in the management and resolution of complex regional conflicts: failure to achieve peace here would cast doubts upon the UN's and the UN Security Council's credibility and efficacy in this regard for many years to come.

The peace process is still fragile. After years of enmity and war, the Cambodian factions have difficulty in developing the habit of interacting with one another in a peaceful and constructive manner. The UN machinery has its own rhythms and constraints, and thus UNTAC may become fully operational with far too little, and far too late.

Cambodia's neighbours must help to strengthen the peace process. Thailand is playing her role in this regard, by hosting SNC (Supreme National Council) meetings when it becomes impossible to hold such meetings in Phnom Penh, assisting in mine-sweeping operations, and promising to reconstruct the road between Poipet and Sisophon. But measured against the enormity of Cambodia's needs, these efforts are no more than a drop in the ocean, and given Thailand's past partisanship, may prove to be politically counter-productive in the longer term.

The Asean countries collectively could play an invaluable role in the peace process, not only through diplomacy, but also through immediately committing themselves to involvement in the task of the economic reconstruction of Cambodia, particularly where infrastructure-building and technical assistance are concerned.

### *Expanding regional order*

Since 1967 Asean has had considerable success in forging a sub-regional order in relations among the member-states, and thus the organisation must be used as the base for the creation of a region-wide order in Southeast Asia.

What should be done?

Firstly, peace in Cambodia is a *sine qua non* of regional order. Thus, Asean's greater and more sustained involvement in the peace process is necessary.

Secondly, the scope and efficacy of the existing regional mechanisms for conflict-management and promoting co-operation must be increased. Non-Asean states should be encouraged to accede to the 1976 Treaty of Amity and Co-operation, and processes of constructive dialogues among all the signatory states in all issue-areas of common concern established. Particular attention should be paid to 'non-traditional' security issues, such as resources, the environment, piracy and transnational flows of population and illicit goods. In the longer term,

once the habit of dialogue and consultation between the Asean countries and their non-Asean neighbours has been successfully cultivated, the question of expanding Asean memberships should be seriously considered and positively decided upon.

Thirdly, efforts to establish region-wide order should include attempts to promote co-operation with the Indochinese countries in economics and technology, as greater economic links and diminishing income and wealth disparities between the two sides constitute an important underpinning of peace and order in the region.

Fourthly, efforts to establish region-wide order in Southeast Asia must be related to the larger Asia-Pacific framework of conflict-reduction and co-operation, not only because one needs to recognise the geographical and economic continuity and interdependence that exist in this area, but also because one needs to find ways and means of ensuring that extra-regional, that is non-Southeast Asian, powers' involvements in this region continue to be 'constructive engagements'. One such way is to use the Asean-PMC as a mechanism for wide-ranging dialogues on security issues, for example the question of the South China Sea.

### *Promoting economic co-operation*

As discussed above, economics is an important component of common security. As the more economically advanced part of Southeast Asia, Asean should take the lead in promoting economic co-operation and enhancing prosperity within the region in the following ways.

Firstly, intra-Asean economic co-operation must be considerably 'deepened' in the next ten years as a crucial building block for the region's future prosperity and as a means of strengthening the region's voice in international economic affairs. At the 'macro' level, this means going ahead with the formation of an Asean Free Trade Area. At the 'micro' level, this necessitates the promotion of the growth triangle concept, which has been successfully (thus far) introduced by Singapore, Malaysia and Indonesia in the case of the Singapore-Johore-Batam scheme. At both levels, the role of the private sector, the most dynamic actor in the Asean economies, should be encouraged with all possible types of incentives.

Secondly, to help ensure that the various multilateral arrangements in the world economic system benefit the region, Asean should play an increasingly active role in such organisations and meetings as GATT and APEC.

Thirdly, the Asean countries should collectively endeavour to promote economic co-operation with the Indochinese countries, not only as a means of strengthening the fabric of peace in the region, but also as a way (however imperfect it may be) of managing the increasing



competition among themselves for markets and investment opportunities in those countries. The expansion of trade, investment, finance and communications ties should be encouraged. So should technical assistance, which should be provided on behalf of Asean as a group, as a means of helping to develop Indochina's human resources. Co-operation in specific schemes should also be looked at. One obvious case is the question of joint ventures in fishery with Vietnam. The latter recently demonstrated reluctance to enter into a bilateral arrangement with Thailand, perhaps out of fear of being taken advantage of by her economically powerful neighbour.

### *Initiating co-operation in resources and environmental issues*

Rapid depletion of natural resources and degradation of the environment have become key regional issues. The Southeast Asian countries should begin to create mechanisms — bilateral, trilateral or multilateral, as deemed appropriate for the issues concerned — for conducting dialogues on problems of mutual concern and, if possible, for formulating the necessary measures to resolve or alleviate those problems. Because of the severity and the extent of the challenge, and because for good reasons or otherwise governments may not be able to tackle these problems effectively, NGOs should be encouraged to pinpoint areas of concern and suggest solutions.

### *Creating a regional maritime surveillance and safety regime*

Maritime areas are of crucial importance to Southeast Asia. Not only are they a vital source of raw materials and indispensable avenues for communications and transportation, they are also the physical context where many problems arise such as shipping accidents, pollution, illegal fishing, piracy, smuggling and illicit movements of people.

Given the crucial importance of maritime regions, co-operation in this area would serve many purposes. It would help in the task of controlling and managing the numerous problems that are likely to arise. It would also symbolise Southeast Asia's commitment to working together to cope with challenges which are obviously of mutual concern, and this in turn would help cultivate the habit of co-operation in other fields. Moreover, given that the direction of most Asean countries' arms procurement programmes is towards the transformation of their naval capabilities from patrolling and limited coastal defence forces to more modern navies with a broad range of firepower and functions, regional maritime co-operation would also serve as a valuable confidence-building measure.

To this end, a regional maritime surveillance and safety regime should be set up along the lines proposed by ISIS Malaysia, in 1990.<sup>3</sup>

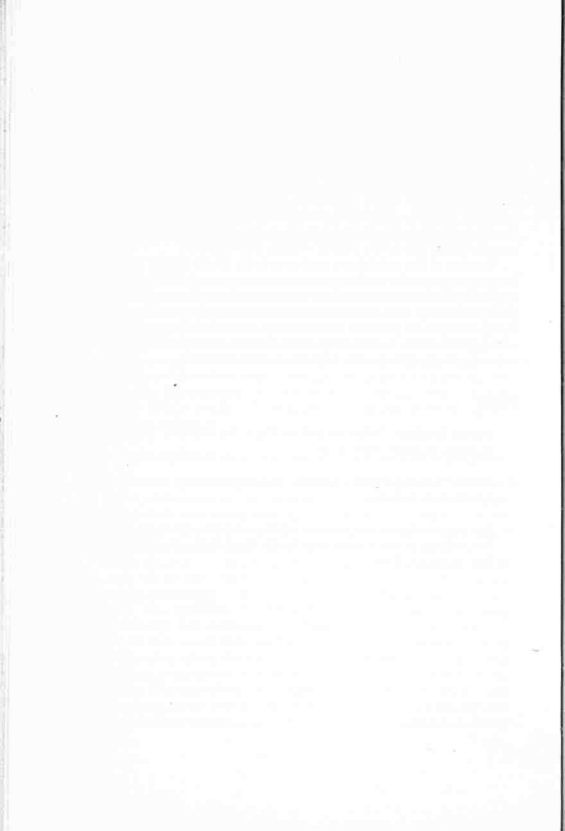
### ***Promoting transparency among the armed forces***

In Southeast Asia, arms procurement programmes are influenced by a combination of possible factors: threat perceptions, real or contrived; political considerations; bureaucratic constraints and momentums; the armed forces' propensity to wish for the best and the latest in hardware, especially in cases where neighbours already have or have ordered a particular hardware and they themselves have not; uncertainty regarding the roles of extra-regional actors in the region; and continued economic growth which allows for higher defence expenditures.

Because of the multiplicity and complexity of the factors involved, western concepts of and experiences in arms control may not be applicable. Thus, apart from control or abstinence on the suppliers' side, perhaps the only way to reduce the possibility of a regional arms race in the future is to promote 'transparency' through frequent meetings, exchanges of visits, and sharing of information among military chiefs, and where appropriate, the conduct of joint exercises.

### **Notes**

1. Stanley Hoffman, 'What Should We Do in the World?', *The Atlantic Monthly*, October 1989, p 84.
2. President George Bush, address to Congress, Sept 11 1990 (US Information Service).
3. See Jawhar Hassan and Rohana Mahmood (eds), *Quest for Security*, Proceedings of the Fourth Asia-Pacific Roundtable, Kuala Lumpur: ISIS Malaysia, 1991.



*The New World Order*  
*What Southeast Asia should strive for*

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Noordin Sopiee

Let me begin by apologising for not having a text, and by going back 1000 years. It is interesting that exactly 1000 years ago, the learned *clerics* of Europe looked at the biblical scriptures and found in them definite truth that there would be a second coming of Christ before the year 1000 AD which would result in the end of the world. There descended on Europe a tremendous sense of gloom. As we enter the last decade of the second millinieu, instead of the pessimistic *clerics* who predicted the doom, there are a lot of people, the optimistic *euphorics* of our time, who believe that we are seeing not the end of the world, but a new beginning.

My own view is that there is no reason for great expectations and grand illusions. The future, of course, is always a compromise between novelty and repetition. In reality, international relations in the years ahead will continue to borrow more from the cynicism of Niccolo Machiavelli than from the idealism or morality of Emmanuel Kant. Since some of the things I will say later may sound 'idealistic', (and of course 'idealistic' is a term of abuse for a lot of people), I think it is useful for me to remind myself and to remind you that international relations will continue to bend to the dictates of realism rather than the demands of morality, idealism or justice. I must admit to being a realist.

Southeast Asians, in my opinion, must view the world from our own perspective. The thinkers of our own region must respond with our own analyses, and not be dictated to, intentionally or unintentionally, by the intellectual analyses and baggage of our brothers in the West. The process of intellectual decolonisation has, I think, still a long way to go.

It cannot be denied that in many ways, the old world order is dead. We have no choice but to seek to contribute to the building of a new world order. But this world order must not only be new, we must insist that it be much better. Now, would it not be a tragedy if in the new world that is emerging we see a situation characterised by nothing more than 'realpolitik' and immorality, and national selfishness brought to new heights. I think, it would be a tragedy if a decade from now, at the end of it all, historians will look back and say, to quote a famous French saying, '*Plus ça change, plus ça reste la même*' or '*The more things change, the more they remain the same*'. It would be an even greater tragedy if long before we reach the edge of the 21st century, we were to forget all the injustices and negative aspects of the Cold War era and look back upon these years as the 'good old days'. By no means can we be assured that the emerging new world order will be any better than the old one and there are signs that in some ways it would definitely be worse.

Next, in discussing the *new* and *better* world order, it would seem to me that we must be multidimensional and not unidimensional. The totality that is the world order can be broken down into its various components:

- A world political order;
- A world military order;
- A world ideological order;
- A world economic order;
- A world cultural and information order; and
- A world technological order.

You can add religious order to that. There are many dimensions to any world order. We should, of course, aspire to improve the world order along as many dimensions as we possibly can.

Along these dimensions, there will be much that is novel. But all we have read about the great changes that have taken place in the world, I think, remind us of the unchanging fundamentals of international relations and the unchanging facts of life of the global system; the unchanging hard facts of life. Let me list a few of them:

First, the global system remains one in which there is no central or governing authority. Some people have characterised that as a community in a state of anarchy. They may be overstating it but there is no central authority and whatever we do to the UN, there is no hope that the UN will be a meaningful, central authority on most issues.

Second, international law will continue to remain weak where vital interests are concerned. When interests are not very great, I am sure we all adhere to international law but when our vital interests are concerned, I think international law is likely to be the first casualty.

Third, the state will remain the primary actor in international relations regardless of the fact that multinational corporations, non-governmental organisations and international organisations will all increase their roles.

Fourth, State action will continue to be primarily determined by governmental definitions of 'national interests'. States will continue to act on the basis of selfish interests and self-serving considerations. 'Realpolitik', I am afraid, will now be complemented by 'Realekonomik'; hard headed realism that pushes not only political objectives but also economic objectives.

Fifth, 'power politics' will not go away. The central role of power in international relations will continue to prevail.

Sixth, power and its expansion, the impulse for aggression, self-extension and imperialism, will remain a very important objective of states. There is no expectation that we are somehow moving into a different political system.

Seventh, ethnocentrism based on the state's community and egocentrism based on the state will remain a central characteristic of international relations. All nations are likely to see the world and interests of the world in terms of their own definition and their own values.

Eighth, double standards, hypocrisy and opportunism will continue to abound in international relations. This is not to say that morality, lack of hypocrisy and doing things for good or unselfish reasons will disappear; they never have.

Ninth, foreign policy will continue to be greatly influenced by domestic considerations and domestic politics, and in some societies, of course, presidents and governments have much less control than they used to have.

Tenth, conflict will remain a central feature of the affairs of nations. We have not moved into a period of nirvana where peace will be a predominant pattern of relations. I do not know whether you can say Lenin was right or wrong because Lenin thought that war is an outcome of conflicts of capitalist states. I think conflicts, short of war, will at least be a feature that we will see in the stage of late capitalism. The clashes between the US, Japan, and the EC can be seen as examples of contradiction and conflicts of superpower capitalist states at advanced stages of development. At the same time, many conflicts are going to arise as a result of the development of early capitalism and early democracy coming from the Second World, that characterised the former Socialist countries.

Eleventh, at the same time, of course, fortunately, co-operation, in the form of alliances and co-operative endeavours will also remain a central feature of international relations and here, let me say that there might be a shift in some areas from geopolitics to geoeconomics. In geopolitics you tend to want impenetrable borders, complete security

of your borders with nobody crossing it. You tend to regard your neighbour as your enemy and your neighbour's neighbour as your friend. But geoeconomics turns things around. We can expect, under geoeconomics, substantial cross-border movements of capital, labour, trade and so on.

Now let me go to the first question:

### **What should Southeast Asia strive for with regard to a new and better world political order?**

Here I am, of course, indebted to the good intellectual work that has been done by Malaysia's Finance Minister. Recently, he made an outstanding speech in Paris in which he stressed the importance of 'liberte, egalite and fraternite'. Let me elaborate on those aspects. Perhaps those of us who are hard core realists who condemn the idealists, should be reminded that 200 years ago in the streets of Paris, a new and absolutely revolutionary idea came forth: that within the nation state and amongst its citizens, there should be liberty, equality and fraternity. For many this was scandalously unacceptable. It was a strange idea, a travesty, foolish and dangerous idealism, unimaginable in the world of reality. Yet reality it eventually became and this new idea did set new norms that took human civilisation, within the nation state at least, to a different level. If mankind regards liberty and freedom as sacred as Ho Chi Minh did, if we regard liberty and freedom as sacred within our national boundaries, and if we are prepared to fight for these values within our respective states, should we not be prepared to fight for them also within the global community of nations? If we proclaim the Voltaire Commitment, 'I disapprove of what you say but I shall defend to the death your right to say it', in the governance of our citizenry, how can we deny it in the context of the governance of our world?

Perhaps some of these questions are not addressed to those in this room. Yet there are more than a handful in this very assembly who have tested the Voltaire Commitment and who have the scars to show for it. Liberty cannot mean the freedom to nod in agreement and to say what the strong and powerful wish us to say. On the part of the strong, it must mean tolerance for the dissenting view. On the part of the weak it must mean summoning up the courage to say what needs to be said; and the time has come for the weak to be heard as never before.

Liberty must also mean self-determination. I would dare to suggest that no people however advanced, enlightened or self-righteous, have the right to ram down our throats their beliefs, policies and values — however backward, unenlightened, savage, uncivilised and humble we may be. It would be a tragedy if, in a situation where we have the

opportunity to make a better world of free nations, we see in the years ahead, a new era of colonialism, whatever its name, and whatever it is based on — military strength, political clout, economic power or social and cultural hegemonism. Imperialism on the part of the most democratic of states is no more justifiable than imperialism on the part of the most totalitarian. Incidentally, imperialism on the part of developing countries of the South is also no more tolerable than imperialism on the part of advanced countries of the North.

With regard to our own region, Southeast Asia, we now have a unique opportunity to construct a system free from Big Power or Great Power interference, perhaps for the first time since the Second World War. We in East Asia and the wider Pacific, should not be prepared to accept hegemonism from any quarter.

Let me turn to *egalite*. If the threat to the liberty of nations is clear, the chances of creating a more egalitarian world order looks extremely bleak. Yet this is the world order that almost all nations should work for, including those in Southeast Asia. Again, there is the urgent need for all weak nations to maximise their leverage, to make their just demands not only heard but also felt and heeded. This is not a call for the South to confront the North. That would be foolish because the South will lose. It is a call for productive co-operation between the South and the North and between the South and South and if we can, for the enlightened co-operation between the North and the North. It is a call for greater multilateralism; nations acting singly and in concert. We must find a way to deny the Thucydides Conclusion — that in the affairs of states, the strong will demand what they will and the weak must yield what they must.

Let me now turn to the third fundamental; the principle of *fraternite*. The world has been divided enough between Communist and anti-Communist, and between the political East and the political West. We now have, I think, a historic opportunity to move towards a single global community and a single global consciousness. There is obviously new thinking on the part of many nations; perhaps, on the part of all nations. At the level of action there has to be a greater commitment to the global public good, to a new community spirit, to thinking not only of national glory but also of the welfare and the glory of mankind as a whole. I know this all sounds extremely idealistic. This commitment is important, and should be forthcoming not only from the rich and the thriving but also from the developing countries.

With regard to *fraternite*, the end of the Cold War and a rigidly divided world provides opportunities. We in Southeast Asia should contribute to the creation of a single global community wherever we can, in our own modest, humble way, and at the same time, we must act urgently with all the commitment we can muster to create a single Southeast Asian community.



Let me now turn to another factor which I think is quite important, and that we should strive for — the idea of democracy. Let me highlight the importance of the principle of democracy in the affairs of nations. Again it is extremely idealistic but if realism is not to be guided by idealism at all, then what is its use? We all know that democracy cannot mean an equal voice, an equal persuasiveness and an equal say. But we must mean at least participation by all or the right to participation by all. The iron law that power corrupts, and absolute power corrupts absolutely is not somehow suspended once it is taken onto the international plane. On the international plane too it must be true that power corrupts. Of course we all are democrats now; we all despise totalitarianism and dictatorship. What is unacceptable within the nation must surely be intolerable within the community of nations. International dictatorship and totalitarianism are the denial of international democracy. It is clear that the power of persuasion will continue to be limited in the affairs of the world but it would be a tragedy if, in the new world order that is to emerge, we are going to see a world order based so little on the power of persuasion, and so much on the persuasion of power.

Let me turn to the issue of peace and merely say that we do also have the opportunity for peace and we should strive for a more peaceful world.

Let me proceed apace by going to the second question:

### **What should Southeast Asia strive for with regard to the creation of a better world military order?**

I think that the Southeast Asian nations should play whatever role they can with regard to the doctrine of military sufficiency and the process of nuclear and conventional disarmament. This should be done with an even hand. I agree that Iraq should not be allowed to develop nuclear weapons. However we should not at the same time, turn a deaf ear or a blind eye to the allegations that have been made, and that appear to be quite reasonable and well placed, that Israel has for some time accumulated a large nuclear arsenal of nuclear warheads and bombs. We do not hear much about this. The reason is, partly, that if the US acknowledges that Israel has nuclear weapons, then aid to Israel would be a criminal act under US law.

The efforts of the United Nations to monitor and ensure transparency with regard to the transfer of armaments should be strongly supported, especially in the implementation phase. Since we have all agreed to a resolution, we have to agree to ensure the strictest implementation of what we have agreed to. We should play a central role in establishing processes for conflict reduction and confidence building in the Asia-Pacific region. We must also make a direct contribution and ensure that a competitive arms build-up does not occur amongst us in Southeast Asia.

## What should Southeast Asia strive for with regard to the creation of a better world ideological order?

Of course, the struggle between Communism and anti-Communism is over. In whatever way we can, we should contribute to ensure that no new ideological conflict takes its place. But I do not know whether this can be done, because clear new lines of ideological conflict are already drawn and there are some clear emerging issues:

The first ideological conflict is over the environment; the second ideological conflict is over Islam. I do sincerely worry about the big divide that may break out between Muslims and anti-Muslims. The third conflict is on whether there is going to be a new divide on human rights and democracy. And lastly, could we be seeing the emergence of a new ideological divide and conflict based on fears of the 'Yellow Peril', similar to the one we saw at the turn of the century?

Are my fears correct, or are they premature? What can be done to ensure that new ideological conflicts do not arise over issues such as the environment, Islam, human rights, democracy and possibly the 'Yellow Peril'?

## What should Southeast Asia strive for with regard to the creation of a better world economic order?

This is an old story of course. History and records of past experiences give us no reason for any optimism. The main task, perhaps immediately, is to make sure the Uruguay Round achieves some level of success. I think a high level of success is out of the question.

It is clear enough that the system of agricultural subsidies extended to the farmers of the European Community and the United States is damaging to their economies. They are a most serious obstacle to efforts of the countries of the developing world to work their way out of their pits of poverty. A recent study conducted by the OECD came to the conclusion that if the agricultural subsidies in the OECD countries are eradicated, the developing countries of the South would be able to earn an extra US\$150 billion each year from the exports of agricultural produce, a sum many times the net financial flows to the developing countries.

There would be a better world economic order if the United States succeeds with domestic economic reforms; in particular if it can reduce its savings gap and its awesome budget deficit which, amongst other things, generates enormous upward pressure on global interest rates and of course, on us. Those who have goodwill towards the US must pray that the US has the courage to launch its own *perestroika*, which it badly needs, and which would result in success. We just have to wait and see.

On Jan 3, 1992 President Bush said in Kansas City, 'We won the Cold War and we will win the competitive war. We are the undisputed, respected leader of the world.' 'Sooner or later,' President Bush said, 'the European Community must stop hiding behind its own "iron curtain" of protectionism.' It is quite clear that over the last 15 years, whilst East Asia has been reducing its high level of protectionism, there has been a marked increase in both European and American protectionism. Southeast Asia, I believe, must add its voice to the struggle against protectionism, and must urge, in the strongest terms, the creation of open systems of economic regionalism, whether they be in North America, Europe or other parts of the world. But there are several other questions that perhaps I should pose, which this conference might find useful to discuss.

We would see a very interesting phenomenon if we look at the South in terms of countries which need resource flows, assistance, access and so on. We have seen an enormous expansion of the South in the last two to three years because it is clear that the countries that used to be in the Socialist bloc have now become countries of the South. Are there opportunities for a new alliance in the South without it being in any way in confrontation with the North? Confrontation is not good because we happen to be in the South and we would lose.

Let me now talk about the new North. Three new power centres have emerged. One is centred on Washington, DC, one on Bonn, perhaps later on Berlin — certainly around the EC. Another new power centre is based on Tokyo which, of course, spreads through the entire growth centres of East Asia. Is there a new pattern of alliance that we should consider between us and some of these configurations of power centres of the North?

Let me now turn to another question:

### **What should Southeast Asia strive for with regard to the creation of a better cultural and information world order?**

Let me argue that for many hundreds of years, Judeo-Christianism has dominated world culture and the Western media has dictated the world information order. Perhaps Southeast Asia can contribute to the creation of a better regional information order, with the exchange of information and media co-operation amongst us.

But there is a wider global issue — that of the dominance of Judeo-Christian culture. Its dominance has been so profound that many Asians and East Asians have regarded their own cultural values as inferior or second-class. But I do believe that a culture shift is now taking place, the result not only of political but also intellectual decolonisation. This resurgence in pride and respect for our own culture cannot but gain momentum as East Asian countries continue

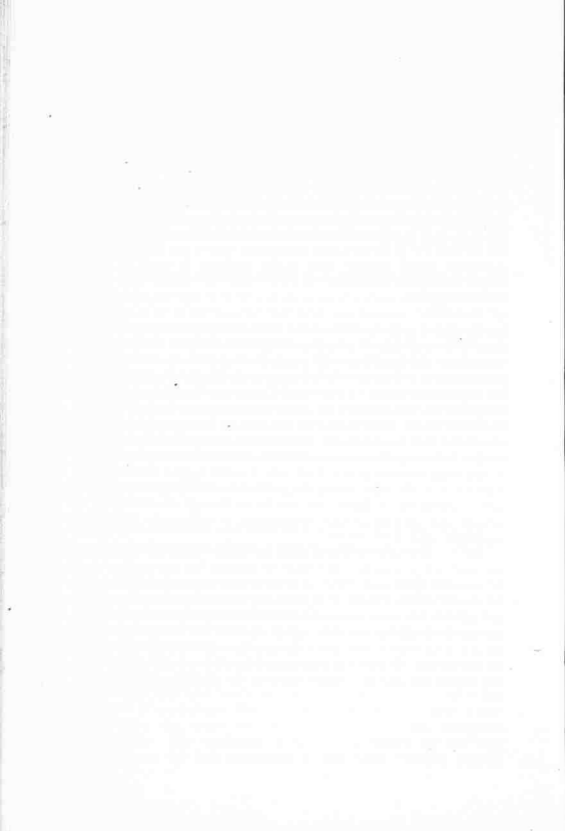
their progress as successful nations, and countries in the West decline or continue to decline.

Whilst accepting the best in Judeo-Christian culture, we must no longer look down upon our own values and cultures. We must increasingly assert the rightful role of our own values and cultures, without trying to impose it upon others outside our cultural system. We must increasingly believe in our right to our own way of life, free from imposition by others, however well meaning and civilised they may be. We will need to act to increase the respect of the champions of Judeo-Christian culture for our own culture, and we must secure their understanding for our wish to cultural self-determination, our right to live according to our own values rather than theirs.

### **What should Southeast Asia strive for with regard to technology?**

Let me state a single fact. It took the United Kingdom 58 years, starting from 1780 to double its output per capita. The United States took 47 years from 1839, and Japan 34 years, starting from the 1880s. In the post-World War Two period, Indonesia took 17 years to do the same, the Republic of Korea 11 years and China, ten. In every case, at the very core was technology. I am afraid that we are moving into a period in history where there would be, not only an increasing globalisation of science, but an increasing technological nationalism, resulting in conflict and competition over technology, because the latter has become so important to development of all sorts. I would suggest that Southeast Asia avoid, in the years ahead, the problem of technology dependence; even dependence on Japan. We can do so through diversification of sources and through massive investments in indigenous technology adaptation and development.

Let me conclude by saying there are many things we can do and we must not be idealistic. We must be realistic but our realism must be founded upon some ideas of what is this better world order that we should create. I think, it is absolutely clear that we must enhance our national resilience, regional resilience and regional solidarity. There are many things that we have agreed upon in the last few years and we are in agreement over many things at present. On this foundation, we can actually advance and contribute not only to a better order within our region but also to a better order in the global community.



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