

The future of ASEAN after the financial and economic crisis in the region

Colonel Wahjudi Widajanto, Indonesia – Navy

The Association of Southeast Asian Nations (ASEAN) was established on 8 August 1967 in Bangkok by the five original Member Countries, namely Indonesia, Malaysia, the Philippines, Singapore, and Thailand. Brunei Darussalam joined on 8 January 1984, Vietnam on 28 July 1995, Laos and Myanmar on 23 July 1997, and Cambodia on 30 April 1999. The ASEAN region has a population of about 500 million, a total area of 4.5 million square kilometres.¹ This is a remarkably divergent group of states. Not only do they differ in their physical size, ethnic composition, socio-cultural heritage and identity, colonial experience and post-colonial politics, but they also lacked any significant previous experience in multilateral cooperation.

Among some of the objectives stated by the ASEAN Declaration in Bangkok, 8 August 1967, economic growth was given significant progress until the economic crisis occurred in 1997. In early 1997 analysts were still confident that the ASEAN economies would grow unabated into the 21st century. The sound macroeconomic policies and financial management were widely praised. ASEAN politicians had become familiar with this praise and it helped them enhance the process of strengthening ASEAN's resilience and comprehensive security.²

Furthermore, the Zone of Peace, Freedom and Neutrality (ZOPFAN) of 1971, The Treaty of Amity and Cooperation in Southeast Asia (TAC) of 1976, and the Southeast Asia Nuclear Weapon Free Zone (SEANWFZ) of 1995 have been remarkable examples of ASEAN's resilience and achievements in comprehensive security. Through these instruments ASEAN succeeded in pushing the major powers in the region as far back as possible behind ASEAN's security perimeters.

Then the 1997 crisis shattered such economic euphoria. The economic crisis has had severe social and security implications for the ASEAN governments domestically. They were severely blamed for the mismanagement of their politics and economies, for corruption, collusion, nepotism and many more managerial and administrative wrongdoings. Among the ASEAN members, Indonesia with its key role in ASEAN has suffered the worst impact of the economic crisis. This is not only in the economic sense, but also more significantly in the social and political aspect as well. Indeed, from the political aspect particularly, it seems that the economic crisis has had a 'positive' impact on Indonesia with the significant political reform towards a more democratic state. However, the impact of the economic crisis is still evident in the many difficulties in the social aspect of life for the huge population in Indonesia. It seems that ASEAN governments were not prepared to face and tackle financial and economic crisis of such magnitude.³

According to ASEAN's Secretary General, many of the 'observers' and 'analysts' predicted that such a crisis would force the ASEAN countries to retreat into their own nationalistic shells. They would build protectionist walls around them. They would pursue their own national interests. To each his own. Forget ASEAN solidarity. Forget ASEAN cooperation! They concluded at the very least, AFTA—the ASEAN Free Trade Area, scheduled for completion in 2003—would be dead.⁴ The resolution of some problems within ASEAN such as territorial and border disputes, domestic problems and some potential conflicts within the region remains far away from reality. Furthermore, ASEAN will also fail to promote its role in peace and security building in the region and the involvement of ASEAN in the war against terrorism.

This paper will explore firstly the background to why and how ASEAN was formed in 1967, then its development. It will explain the change of strategic environment, the effect of financial and economic crisis in the region, the effort of ASEAN to achieve its goals, and finally, some challenges which would determine the future of ASEAN within the next ten years.

The historical background of ASEAN

On 8 August 1967 the ‘Bangkok Declaration’ gave birth to ASEAN, the Association of Southeast Asian Nations, an organisation that would unite five countries in a joint effort to promote economic cooperation and the welfare of their peoples. After repeated unsuccessful attempts in the past, this event was a unique achievement, ending the separation and aloofness of the countries of this region that had resulted from colonial times. In effect this historical event represented the culmination of the decolonisation process that had started after World War II.

The process of decolonisation, basically over by 1957, Brunei (1884) and East Timor (1975), then advanced at a fast pace and led to the emergence of a number of independent and sovereign nations. This created an entirely novel situation, which necessitated new measures and structures. Thailand, as the only nation which had been spared the difficulty of colonial subjection, thanks to the wisdom and political skill of its monarchs, felt it a duty to deal with the new contingencies.

The 1960s was the peak period of the Cold War when the world was then divided into two rival camps vying for domination over the other, leading the newly emerging states to adopt a non-aligned stance. In this period Foreign Minister Thanat Khoman of Thailand visited neighbouring countries to forge cooperative relationships in Southeast Asia.⁵ The results were depressingly negative. However, the ASA or the Association of Southeast Asia was established in 1961—the embryo of the ASEAN.

The ASA was a grouping of three countries, Malaysia, the Philippines, and Thailand. It was, the first organisation for regional cooperation in Southeast Asia formed by indigenous states. But why did this region need an organisation for cooperation? The reasons were numerous. Thanat Khoman argued that with the withdrawal of the colonial powers, there would be a power vacuum which could attract outsiders to step in for political gains.⁶ As the colonial masters had discouraged any form of intra-regional contact, the idea of neighbours working together in a joint effort was thus to be encouraged. Moreover, the motivation for the efforts to band together was thus to strengthen their position and protect themselves against Big Power rivalry.

However, cooperation is easier said than done. Soon after its establishment in 1961, ASA hit a snag.⁷ A territorial dispute, relating to a colonial legacy, erupted between the Philippines and Indonesia. The dispute centred on the fact that the British administration, upon withdrawal from North Borneo (Sabah), had attributed jurisdiction of the territory to Malaysia.

While ASA was paralysed by the dispute, efforts continued to be made in Bangkok for the creation of another organisation. Thus in 1966 a larger grouping, with East Asian nations like Japan and South Korea as well as Malaysia, the Philippines, Australia, Taiwan, New Zealand, South Vietnam and Thailand, was established and known as ASPAC or the Asian and Pacific Council.⁸ However, once again, misfortune struck. ASPAC was afflicted by the vagaries of international politics. The admission of the People’s Republic of China and the eviction of the Republic of China or Taiwan made it impossible for some of the Council’s members to sit at the same conference table. ASPAC consequently folded in 1975, marking another failure in regional cooperation.⁹

After many attempts, the efforts paid off. The first formal meeting of representatives from the five countries, Indonesia, Malaysia, the Philippines, Singapore, and Thailand, was held in the Thai Ministry of Foreign Affairs. The group then retired to the seaside resort of Bangsaen (now Pattaya) where, combining work with leisure—golf to be more exact—the ASEAN charter was worked out. After a couple of days, using the Foreign Office draft as the basis, the Charter was ready. The participants returned to Bangkok for final approval of the draft. On 8 August 1967, the Bangkok Declaration gave birth to ASEAN—the Association of Southeast Asian Nations.¹⁰

The development of ASEAN

Regarding its development, the membership of ASEAN has developed from five ‘founding father’ countries originally to ten countries. The scope of attention has also expanded from social and economic cooperation to political and security matters. The Treaty of Amity and Cooperation in Southeast Asia (TAC) of 1976 stated that ASEAN political and security dialogue and cooperation should aim to promote regional peace and stability by enhancing regional resilience. Regional resilience shall be achieved by cooperating in all fields based on the principles of self-confidence, self-reliance, mutual respect, cooperation, and solidarity, which shall constitute the foundation for a strong and viable community of nations in Southeast Asia.¹¹ Some of the major political accords of ASEAN are as follows:

- a. ASEAN Declaration, Bangkok, 8 August 1967;
- b. Zone of Peace, Freedom and Neutrality Declaration, Kuala Lumpur, 27 November 1971;
- c. Declaration of ASEAN Concord, Bali, 24 February 1976;
- d. Treaty of Amity and Cooperation in Southeast Asia, Bali, 24 February 1976;
- e. ASEAN Declaration on the South China Sea, Manila, 22 July 1992;
- f. Treaty on the Southeast Asia Nuclear Weapon-Free Zone, Bangkok, 15 December 1997; and
- g. ASEAN Vision 2020, Kuala Lumpur, 15 December 1997.

In 1992, the ASEAN Heads of State and Government declared that ASEAN should intensify its external dialogues in political and security matters as a means of building cooperative ties with states in the Asia–Pacific region. Two years later, the ASEAN Regional Forum or ARF was established. The ARF aims to promote confidence-building, preventive diplomacy and conflict resolution in the region. The present participants in the ARF include: Australia, Brunei Darussalam, Cambodia, Canada, China, European Union, India, Indonesia, Japan, the Republic of Korea, Laos, Malaysia, Myanmar, Mongolia, New Zealand, Papua New Guinea, the Philippines, the Russian Federation, Singapore, Thailand, the United States, and Vietnam.

It was TAC that provided the code of international conduct in the region with these fundamental principles:¹²

- a. Mutual respect for the independence, sovereignty, equality, territorial integrity, and national identity of all nations;
- b. The right of every state to lead its national existence free from external interference, subversion or coercion;
- c. Non-interference in the internal affairs of one another;
- d. Settlement of differences or disputes by peaceful manner;

- e. Renunciation of the threat or use of force; and
- f. Effective cooperation among themselves.

THE CHANGE OF STRATEGIC ENVIRONMENT

ASEAN in the Cold War era

At the Association's beginnings in 1967, in the midst of a bipolar Cold War world, intra-regional tension had finally ended with the closing of hostilities between Indonesia and Malaysia. However, tensions remained high, with the US escalation of the Vietnam War and communist activity in much of the region. There was therefore an immediate need to seek a permanent solution for peace in Southeast Asia, as well as to establish greater intra-regional cooperation; factors that led to the birth of ASEAN in August 1967.

During the Cold War, ASEAN succeeded to build confidence between member states. It was parallel with the concept that ASEAN was not created as a mechanism for resolving disputes, but was first formed merely to build confidence between member states.¹³ However, some potential conflicts among some member states within the region remain high, such as potential conflicts in Spratly and Paracel Islands disputes and some border disputes. To address this issue of conflict resolution the 1976 Treaty of Amity and Cooperation (TAC) and the Declaration of ASEAN Concord were created to formalise the grouping's founding goals and conceive a 'high council' for formal dispute resolution. These mechanisms, however, were never used, with ASEAN instead choosing to resolve individual conflicts through bilateral discussions.¹⁴

ASEAN so far has also taken on the characteristics of a loose regional body, with limited cooperative capacities. In adopting a principle of non-interference, ASEAN lacked a supranational authority, which meant that issues not resolved by consultation and consensus were set aside.¹⁵ In addition, there was also no one defence pact binding the Association together. Regional stability and security was based on 'regional resilience', which involved political and economic development, as well as national defence. In Henderson's opinion, inter-state suspicions, differing threat perceptions and a focus on internal security challenges were the main reasons why such a pact was not possible.¹⁶

ASEAN and the post-Cold War world

With the end of the Cold War in 1990, ASEAN experienced a significant shift in its *modus operandi*. This was largely caused by the collapse of bipolarity and the emergence of multipolar centres of influence, which brought about political and security uncertainties in the Southeast Asian region. Considering the unpredictable nature of this new world order, arguments have been made suggesting that ASEAN no longer features prominently in the regional balance of power, and is consequently no longer relevant or even necessary. One consideration is the issue of non-interference; because ASEAN merely relies on consensual decision making to resolve conflicts, it is weak institutionally. In addition, events such as the 1997 Cambodian coup exposed the Association's apparent 'helplessness' in resolving the deteriorating political situation.

Furthermore, an issue plaguing ASEAN is its pursuit of an enlarged organisation. In pursuing such an enlarged membership, the organisation opened itself to a greater diversity of views. Consequently, it would be more difficult to resolve issues through the 'ASEAN way' of consensual decision making.¹⁷ Moreover, the end of the Cold War meant that the founding basis of ASEAN, as

a countermeasure against communism, was no longer relevant. This meant that Southeast Asia had to evolve different reasons to justify political unity. Diplomatically, ASEAN has also opened itself to greater weakness through its admission of the internationally isolated state of Myanmar. Plans to organise ASEAN–EU events in 1998 and 1999 were disrupted as the European Union decided that Myanmar was not eligible to participate in them. This met with sharp resistance from ASEAN, which declared that it would not attend the events in Myanmar’s absence.¹⁸

ASEAN in the post-9-11 terrorist attack

At the beginning of the 21st century, the strategic environment changed dramatically with the terrorist attack on US soil on 11 September 2001. Southeast Asia has been described as the second front in the war against terrorism.¹⁹ The reason for this is that after the defeat of the Taliban in Afghanistan and after Al Qaeda had been driven out from that country, the Muslim terrorist group was seen to want to reconstitute itself in some region where it could attack Western and pro-Western interests on its own terms. Southeast Asia was viewed as just such a region. The reasons for this is the existence of large Muslim communities there (some 240 million Muslims).

The discovery of cells of a local affiliate of Al Qaeda, the Jemaah Islamiah (JI), in several ASEAN states such as Indonesia, Malaysia, the Philippines and Singapore in late 2001 and throughout 2002 tended to give credence to the claim that the new global arena for terrorism was Southeast Asia. This was dramatised by the Bali bombings on 12 October 2002 and the bomb attack at the Marriott Hotel, Jakarta on August 2003. The widespread image that Southeast Asia is a base camp of JI and the reality that the majority of the Southeast Asia population is Muslim has made it difficult for all of the governments of ASEAN states to join the war against terrorism. These governments find it quite difficult to give understanding to grass root Muslim people about JI. This is because that the use of ‘Jemaah Islamiah’ terminology as a terrorism group is unacceptable for them. In their understanding ‘Jemaah Islamiah’ is ‘Muslim community’.²⁰

The effect of the financial and economic crisis

As mentioned above, the financial and economic meltdown has had severe effects on society, domestic security and regional order in Southeast Asia. ASEAN responses were late in coming. ASEAN’s financial ministers only met in December 1997.²¹ Originating in Thailand in July 1997, the financial and economic meltdowns spread quickly to Indonesia, Malaysia and the Philippines. By the end of 1997 currency depreciation averaged 50 per cent against the US dollar, and the crisis had extended to South Korea and Japan as well. The currency crisis exposed inefficient and corrupt national financial institutions closely tied to political leaderships and prominent family-owned conglomerates. Bad bank loans accounted for almost 20 per cent of loan portfolios in 1997, making East Asia’s banking systems the biggest potential liability.²²

This financial and economic turmoil has obvious security implications. At the local level primarily in Indonesia, but conceivably also in Malaysia and Thailand, there is rising unemployment and popular frustration against the government. As an example, the influence of the International Monetary Fund (IMF) in imposing various requirements in the lifting of subsidies for daily necessities (subsidies on rice and fuel in March 1998) in Indonesia undoubtedly contributed to the social upheaval in Jakarta and other cities. This situation led to the demise of Suharto’s 32 year presidency in May 1998.²³

Moreover, this crisis compelled ASEAN countries to reduce their defence budget drastically. Just before the crisis in 1996, Thailand, Malaysia, Indonesia, Singapore and the Philippines were

all involved in a major upgrade of naval and air forces. Then suddenly in 1998, Thailand cut their defence budget from US\$2.6 billion to about US\$2 billion. Indonesia has suspended weapons purchases entirely. Malaysia has cut more than 20 per cent, and the Philippines has no more contracts awarded for large purchases.²⁴ From this point of view, it seems that reducing of defence budgets of the ASEAN countries has reduced the tension among them over some current potential conflicts and disputes, directly or indirectly. Furthermore, the common difficulties and struggles among the ASEAN countries have pulled the ASEAN countries more closely together. It has opened them to one another. It has strengthened solidarity and intensified ASEAN cooperation. The result has been the opposite of the expectation and the outcome contrary to the popular prognosis as mentioned before.²⁵

The effort of ASEAN to achieve its goal

The post-Cold War era has posed many challenges to ASEAN. However, the ending of the Cold War has also presented many new opportunities to the organisation. One such opportunity was the grouping's ability to play a more assertive role in the region. As ASEAN attained two decades of peace and strong economic performance among its member states, it managed to emerge from the Cold War as the region's 'pre-eminent institution'.²⁶ Consequently, with the collapse of bipolar rivalries in Southeast Asia, the grouping was able to take advantage of the political vacuum and play a larger role in Southeast Asian affairs.

Firstly, ASEAN was able to deepen economic cooperation between its members. The ASEAN Free Trade Area (AFTA) was one such proposal, using economic cooperation as the basis for closer ties between member states. AFTA was initially a tool for building cohesion and increasing ASEAN's credibility, as well as to boost the region's economy.²⁷ Secondly, the Asia-Pacific Economic Cooperation (APEC) forum was another way of increasing economic growth and interdependence in the region. Although not directly shaped by ASEAN, the grouping's approach to multilateralism resulted in APEC adopting a more consensual approach towards resolving economic disputes. This contributed to improvements in economic security, and indirectly affected the security of the Asia-Pacific region.²⁸

The enlargement of the ASEAN membership to all ten Southeast Asia countries implied that the Association was now to have an increased political weight in the region. Regarding the fact that this membership includes both non-communist and communist countries, it seems that the post-Cold War ASEAN did not want to be openly seen as an organisation concerned only with security. Consequently, enlargement provided the political backing necessary for such a prominent security role and heightened the organisation's diplomatic role.

ASEAN has increased its involvement in security arrangements in the region and beyond. The ASEAN Regional Forum (ARF) has emerged as a leading forum for the discussion of regional security. By highlighting different views and concerns, the ARF hoped to promote confidence in the region, as well as engage the Great Powers in a constructive and positive manner, resulting in an increased discussion of both intra-regional and extra-regional issues. As argued by Michael Leifer, ASEAN's 'strongest card' in sustaining its central diplomatic role has been through the use of the ARF to engage China. Take for instance the South China Sea issue in which Beijing sought to preserve relations with ASEAN by not overly displaying its assertiveness. This was exemplified by China's not allowing itself to be provoked by the Mischief Reef incident and the Philippine naval ships' destruction of Chinese markers on other unoccupied reefs.²⁹

Although the ARF is still in its formative period of development,³⁰ nonetheless it is the only viable multilateral effort seeking an Asia–Pacific balance of power through non-traditional means.³¹ Consequently, the ARF is Southeast Asia’s most viable institution promoting regional security.

In order to increase its role in the global theatre, ASEAN has also tried to build a bridge toward the Europe region through the Asia–Europe Meeting (ASEM). This highlights an international willingness to treat the grouping seriously. As Michael Smith argues, the ASEM agenda covered a combination of European and largely ASEAN-based Asia–Pacific preoccupations. Indeed the ASEM served as a forum for Europe, which needed the support of the Asia–Pacific countries on certain World Trade Organisation (WTO) issues.³² Consequently, ASEAN’s role has been enlarged to include one of greater global importance.

Some challenges which would determine the future of ASEAN

As mentioned above ASEAN has made a significant effort to indicate its regional and international willingness to deal with the grouping seriously. However, there are so many remaining challenges faced by ASEAN. There are several criticisms which have emerged in response to ASEAN’s actions towards achieving its goals. It seems that ASEAN so far has failed to resolve disputes within the region. So far, there have not been many significant outcomes with regard to their many activities. The economic crisis has redirected most government efforts towards resolving their own domestic problems rather than outside. Some argue that ASEAN is no more than just a ‘talk shop’. It seems the success of ASEAN will depend on some challenges. There are at least five challenges faced by ASEAN: democracy, the development gap in ASEAN, economic liberalisation, human security, and domestic and regional security.³³

Democracy With respect to other member states, the impact of the economic crisis in Indonesia is of great consequence to other ASEAN members and to the nature of the association itself. Although ASEAN has a rotating chairmanship, Indonesia due to size and history, has always been its epicentre.³⁴ The political reform in Indonesia as the ‘positive’ impact of the economic crisis has given new expectation for Indonesia as a democratic state. If Indonesia succeeds in exercising democracy, together with Thailand and the Philippines, the ethos of governance in ASEAN will shift.

Democracy will not necessarily be a factor that all states will welcome. Furthermore, it is a fact that no universal values of democracy should be applied to all countries. It seems that some ASEAN countries have become more democratic than others. Consequently, this may cause tensions between ASEAN members. The controversy of the former Deputy PM Anwar Ibrahim’s case in Malaysia is an example. The case of the opposition leader of Myanmar, Aun San Suu Kyi, has also caused high tension between Myanmar and other ASEAN members.

Development gap Huge differences in the level of human resources development among the 10 member countries of the ASEAN could be a cause of major concern. A human development index released recently by the United Nations Development Programme scatters the 10 members of ASEAN across all three categories based on their level of development.³⁵ Singapore ranked best, coming in 25th of the ‘developed’ country group, followed by oil-rich Brunei. Malaysia was placed highest in the ‘developing’ category ahead of Thailand, the Philippines, Vietnam, Indonesia, Burma and Cambodia. Laos was the only member to fall within ‘the less-developed’ group, coming in 143rd of the 173 nations surveyed by the UN agency. Bridging this development gap, enabling the four new members (Vietnam, Cambodia, Myanmar, and Laos) to catch up with the rest and join them in advancing the ASEAN into a more prosperous economic community would be one bit of ‘homework’ that should be realised together among member states.

Economic liberalisation The ASEAN Free Trade Area has now been exercised. The six original signatory members have reduced tariffs of their products gradually on all products listed. Since 1 January 2003, tariffs on 99.55 per cent (44,160 tariff lines out of total 44,361 tariff lines) of products in the 2003 Inclusion List (IL) of the ASEAN-6 have been reduced to the 0–5 per cent tariff range. The newer members of ASEAN still have to reach the 0–5 per cent tariff for intra-ASEAN trade, Vietnam in 2006, Laos and Myanmar in 2008, and Cambodia in 2010. Ultimately, tariffs will be completely abolished by 2010 for ASEAN-6 and 2015 for the newer members with flexibility on some sensitive products until 2018.³⁶

It is too early to identify the success of AFTA. One of the major problems could be how far the domestic economic resilience of every member state can create togetherness and cooperation in order to achieve regional economic resilience and power in the global arena.

Human security As mentioned earlier the impact of the financial and economic crisis was not only a fall in macro economic indicators, but more drastically was that millions of people lost their jobs and fell below the poverty line. Huge numbers of people feel insecure in many aspects of life. The gap between the rich and the poor has become wider. This situation can give rise to many criminal activities such as violence, riots, robbery, or even terrorism. This will be a challenge for most ASEAN countries, which have generally failed to provide social safety nets, especially for countries with large populations, huge disparities between urban and rural areas, and also small elite groups that have tended to monopolise wealth.

Regional security community The many criticisms concerning the role of ASEAN in creating security and stability in the region should be taken as an indicator or even proof of how important the existence of ASEAN is, not only for ASEAN itself, but beyond the region, or even for global security as well. The enlargement of the ARF membership has showed us that the world community needs ASEAN. The war against terrorism has compelled ASEAN to be much more pro-active in dealing with regional security. With respect to some actions that have already been taken, the initiative of Indonesia to establish the ASEAN security community should be taken as an opportunity to encourage ASEAN role in security and stability in a more realistic and practical way. It does not mean ASEAN will ignore the Fundamental Principles provided by the TAC in 1976. It seems, what should be done is to modify our perception of this Principle to make it more appropriate to the current reality and meet to new challenges and requirements.³⁷

What the future of ASEAN looks like?

In the next ten years ASEAN will still struggle to face some of challenges listed above. As mentioned, the most significant strength of ASEAN is their solidarity and cohesiveness among member states. There is no doubt that every leader of each country, always tries to keep their commitment to strengthen solidarity and cohesiveness of ASEAN. However they also realise there are many weaknesses and challenges domestically and regionally that should be handled seriously. Regarding these two facts it seems that all the ASEAN members together will become more enthusiastic and dynamic to develop their region in order to strengthen their capability on all aspects of life, particularly the economic which is the most important driver for the future of ASEAN. Consequently, this 'positive' development has not been enough to resolve the potential conflicts and disputes within the region. However, the level of some potential conflicts among the ASEAN members may become less.

Conclusion

The existence of ASEAN has played a crucial role in strengthening regional peace and security in Southeast Asia. ASEAN realises there are some differences between its members and in many aspects of life. However, these differences should not restrict the willingness of all ASEAN members to cooperate to achieve common goals based on the ASEAN Fundamental Principles. Through political dialogue and confidence building, no tension has escalated into armed confrontation among ASEAN members since its establishment more than three decades ago. In terms of the Cold War rivalry, it seems ASEAN succeeded in pushing the major powers in the region as far back as possible behind ASEAN's security perimeters.

Economic growth, one of the objectives, made remarkable progress until the economic crisis knocked ASEAN states in 1997. This crisis had a widespread impact not only on the economy but also, for Indonesia especially, on social and political life as well. The unemployment rate has risen drastically in ASEAN. Millions of people have lost their jobs, forced many people below the poverty line. Although the economic crisis has had a 'positive' impact on Indonesia through political reform, which is believed will bring Indonesia towards a more democratic country, many difficulties still remain.

The financial and economic crisis and how ASEAN has behaved in achieving its goals have invited criticism from analysts. The impact of such crisis, which has been widening differences and a gap among member states, may increase the vulnerability of the cohesiveness and solidarity of ASEAN. These predictions have failed to eventuate. The economic crisis has in fact reduced tensions among members by forcing a reduction in their defence budgets. Moreover, their common difficulties and struggles have strengthened cooperation, solidarity and cohesiveness.

The enlargement of the ASEAN membership has increased its political bargaining power in the region. Furthermore, the initiative to hold a discussion forum for regional security in order to promote confidence among states in the region through ARF has increased the role of ASEAN in creating peace, security and stability in the region and beyond. Although ARF so far has not produced any significant outcomes, in terms of resolving many potential conflicts and disputes, the number of ARF membership and dialogue partners of ASEAN are proof of the important role of the ARF.

The future of ASEAN however, will depend on how far ASEAN succeeds in handling the many challenges that it faces such as: democracy, development gap in ASEAN, economic liberalisation, human security, and domestic and regional security. The awareness of all the ASEAN leaders to these weaknesses and challenges on one hand, and the willingness of them to maintain their cohesiveness and solidarity on the other hand, will make ASEAN much more enthusiastic and dynamic in order to develop ASEAN. Within the next ten years, this effort will push the achievement of resolving the current potential conflicts and dispute within the region. However, the level of some potential conflicts and tensions among the ASEAN members may lessen giving a 'positive' impact to the CBM's activities among counties within and beyond the region.

Endnotes

1. *ASEAN Secretariat*, 2003, 'Establishment and Membership, About ASEAN', retrieved from <http://www.aseansec.org> on 5 August 2003.
2. CPF Luhulima, 2000, *Scope of ASEAN's: Security Framework for 21st Century*, Institute of Southeast Asian Studies, Singapore, No. 6, p. 2, retrieved from <http://www.iseas.edu.sg/pub.html>, on 13 July 2003.
3. *ibid.*
4. RC Severino, 'The Impact Of The Economic Crisis On Asean A Blessing In Disguise?', *ASEAN Secretariat*, 12 April 1999, retrieved from <http://www.aseansec.org/3343.htm>, 15 August 2003.
5. T Khoman, 1992, 'ASEAN Conception and Evolution', *ASEAN Reader*, Institute of Southeast Asian Studies, Singapore, retrieved from <http://www.aseansec.org/thanat.htm> on 20 August 2003.
6. *ibid.*
7. *ibid.*
8. S Rajaratnam, 1992, 'ASEAN: The Way Ahead', *ASEAN Reader*, Institute of Southeast Asian Studies, Singapore.
9. *ibid.*
10. *ibid.*
11. *ASEAN Secretariat*, 2003, 'Overview of ASEAN', retrieved from <http://www.aseansec.org/64.htm> on 10 August 2003.
12. *ibid.*
13. J Henderson, 1999, *Reassessing ASEAN*. Adelphi Paper 328. New York: Oxford University Press, p. 16, retrieved from <http://members.tripod.com/~marklsl/Writings/asean.htm> on 17 August 2003.
14. R Amer, 1997, 'Territorial Disputes and Conflict Management in ASEAN.' *The ASEAN: Thirty Years and Beyond*. eds. Maria Lourdes Aranal-Sereno and Joseph Sedfrey Santiago. Philippines: Institute of International Legal Studies, retrieved from <http://members.tripod.com/~marklsl/Writings/.htm> on 17 August 2003.
15. J Henderson, 1999, *Reassessing ASEAN*. Adelphi Paper 328. New York: Oxford University Press, p. 17.
16. *ibid.*
17. *ibid.*, p. 34.
18. *ibid.*, p. 73
19. P Symonds, 26 April 2002, 'Why has South East Asia become the second front in Bush's "war on terrorism"?' , International Committee of the Forth International, WWSWS, retrieved from <http://www.wsws.org/articles/2002/apr2002/asia-a26.shtml> on 10 September 2003.
20. Sudrajat. Maj.Gen, 5 September 2003, Oral Presentation on DSSC-2003, CDSS-ADC, Canberra.
21. CPF Luhulima, 2000, *Scope of ASEAN's: Security Framework for 21st Century*, Institute of Southeast Asian Studies, Singapore, No. 6, p. 2, retrieved from <http://www.iseas.edu.sg/pub.html> on 13 July 2003.
22. SW Simon, 1998, 'The Economic Crisis and ASEAN States' security', SSI US Army War College, Carlisle, p. 2, retrieved from <http://www.carlisle.army.mil/ssi/pubs/1998/crisis/crisis.pdf> on 3 September 2003.
23. *ibid.*, p. 4
24. *ibid.*
25. RC Severino, 1999, 'The Impact Of The Economic Crisis On Asean A Blessing In Disguise?', *ASEAN Secretariat*, retrieved from <http://www.aseansec.org/3343.htm>, 15 August 2003.
26. J Henderson, *Reassessing ASEAN*, p. 20.
27. *ibid.*, p. 21.
28. MLS Loong, August 1999, ASEAN in the Cold War and post-Cold War Eras, <http://members.tripod.com/~marklsl/Writings/asean.htm>, on 3 September 2003.

29. *ibid.*
30. CA Thayer, December 2000, *Multilateral Institution in Asia: The ASEAN Regional Forum*, Asia Pacific Center for Security Studies, Honolulu, Hawaii, p. 5.
31. MLS Loong, *ASEAN in the Cold War and post-Cold War Eras*, p. 2.
32. Chin, KW 1997, 'ASEAN in the New Millennium.' *ASEAN in the New Asia: Issues and Trends*. eds, Chia Siow Yue and Marcello Pacini. Singapore: Institute of Southeast Asian Studies. p. 149.
33. S Tay, 2001, *The Future of ASEAN: An Assessment of Democracy, Economies and Institution in Southeast Asia*, Singapore Institute of International Affairs, Singapore, p. 49, retrieved from [http:// hcs.harvard.edu/~hapr/winter01_development/](http://hcs.harvard.edu/~hapr/winter01_development/), 5 September 2003.
34. *ibid.*
35. S Murakatat, 21 August 2002, 'Analysis/Developing Human Resources: Yawning gap is a worry for ASEAN', *Bangkok Post*, retrieved from http://search.bangkokpost.co.th/bkkpost/2002/aug2002/bp20020821/news/21Aug2002_news24.html on 5 September 2003.
36. *ASEAN Secretariat*, 2003, 'TRADE: The ASEAN Free Trade Area (AFTA)', retrieved from <http://www.aseansec.org/12021.htm> on 5 September 2003.
37. R Sukma, 3 June 2003, 'The Future of ASEAN: Towards a Security Community', Paper presented at a seminar in New York, p. 3, retrieved from http://www.indonesiamission-ny.org/issuebaru/Mission/asean/paper_rizalsukma.PDF on 6 September 2003.

Bibliography

- Amer, R, 1997, 'Territorial Disputes and Conflict Management in ASEAN'. *The ASEAN: Thirty Years and Beyond*. Eds. Maria Lourdes Aranal-Sereno and Joseph Sedfrey Santiago. Philippines: Institute of International Legal Studies, retrieved from <http://members.tripod.com/~marklsl/Writings/.htm> on 17 August 2003.
- ASEAN Secretariat*, 2003, 'Establishment and Membership, About ASEAN'. Retrieved from <http://www.aseansec.org> on 5 August 2003.
- ASEAN Secretariat*, 2003, Overview of ASEAN, retrieved from <http://www.aseansec.org/64htm> on 10 August 2003.
- ASEAN Secretariat*, 2003, TRADE: The ASEAN Free Trade Area (AFTA), retrieved from <http://www.aseansec.org/12021.htm> on 5 September 2003
- Chin, KW, 1997, 'ASEAN in the New Millennium.' *ASEAN in the New Asia: Issues and Trends*. Eds Chia Siow Yue and Marcello Pacini. Singapore: Institute of Southeast Asian Studies.
- Garofano, J, 14–15 July 2000, Power, Institutions, and The ASEAN Regional Forum: A Security Community for Asia?, Asia Pacific Center for Security Studies, Honolulu, Hawaii.
- Henderson, J, 1999, *Reassessing ASEAN*. Adelphi Paper 328. New York: Oxford University Press, retrieved from <http://members.tripod.com/~marklsl/Writings/asean.htm> on 17 August 2003.
- Khoman, T, 1992, 'ASEAN Conception and Evolution', *ASEAN Reader*, Institute of Southeast Asian Studies, Singapore, retrieved from <http://www.aseansec.org/thanat.htm> on 20 August 2003.
- Loong, MLS, August 1999, ASEAN in the Cold War and post-Cold War Eras, <http://members.tripod.com/~marklsl/Writings/asean.htm>, 3 September 2003.
- Luhulima., CPF, 2000, Scope of ASEAN's: Security Framework for 21st Century, Institute of Southeast Asian Studies, Singapore, No. 6, p. 2, retrieved from <http://www.iseas.edu.sg/pub.html>, on 13 July 2003.
- Murakatat, S, 21 August 2002, 'Analysis/Developing Human Resources: Yawning gap is a worry for ASEAN'. *Bangkok Post*, retrieved from http://search.bangkokpost.co.th/bkkpost/2002/aug2002/bp20020821/news/21Aug2002_news24.html on 5 September 2003.
- Rajaratnam, S, 1992, 'ASEAN: The Way Ahead', *ASEAN Reader*, Institute of Southeast Asian Studies, Singapore.
- Severino, RC, 'The Impact of The Economic Crisis on ASEAN a Blessing In Disguise?', *ASEAN Secretariat*, 12 April 1999, retrieved from <http://www.aseansec.org/3343.htm>, 15 August 2003.
- Simon, SW, 1998, 'The Economic Crisis and ASEAN States' security', SSI US Army War College, Carlisle, retrieved from <http://www.carlisle.army.mil/ssi/pubs/1998/crisis/crisis.pdf> on 3 September 2003.
- Sukma, R, 21–22 July 1999, 'ASEAN and the ASEAN Regional Forum: Should "The Driver" Be Replaced?', Paper prepared for ASEAN-ISIS Conference on 'ASEAN 2020 vision:Crisis and Change,' Singapore.
- Sudrajat, Maj.Gen, 5 September 2003, Oral Presentation on DSSC-2003, CDSS-ADC, Canberra..
- Sukma, R, 3 June 2003, 'The Future of ASEAN: Towards a Security Community', Paper presented at a Seminar in New York, p. 3, retrieved from http://www.indonesia.mission-ny.org/issuebaru/Mission/asean/paper_rizalsukma.PDF on 6 September 2003.
- Tay, S, 2001, *The Future of ASEAN: An Assessment of Democracy, Economies and Institution in Southeast Asia*, Singapore Institute of International Affairs, Singapore, p. 49, retrieved from http://hcs.harvard.edu/~hapr/winter01_development/, 5 September 2003.
- Thayer, CA, December 2000, *Multilateral Institution in Asia: The ASEAN Regional Forum*, Asia Pacific Center for Security Studies, Honolulu, Hawaii.