



PS 3 (a)

PLENARY SESSION THREE
2 JUNE 2015

ASEAN BEYOND 2015: WHAT DOES IT MEAN TO BE A COMMUNITY?

ASEAN's Community Building Process

by

Dr N HASSAN Wirajuda

Co-founder, the Indonesia School of Government and Public Policy
& former Minister of Foreign Affairs, Indonesia

SPONSORS



The Embassy of
The People's Republic of China
in Malaysia



ASEAN's Community Building Process*

N. Hassan Wirajuda

It took a crisis to transform ASEAN from a rather loose association into a community. The East Asian monetary crisis that began in South Korea in 1997 quickly spread to Southeast Asia. It immediately affected Thailand, Malaysia, the Philippines, and Indonesia—key Member States of the Association of Southeast Asian Nations (ASEAN), together representing the largest proportion of the region's economies.

Singapore was not struck by the crisis itself, but was also badly affected by its consequences. In fact, the crisis reduced ASEAN's economic competitiveness, which was a most dynamic sub-region before the crisis. At the 2000 ASEAN Summit, in Singapore, our host, Prime Minister Goh Chok Tong, reflecting on its aftermath, stated that — of all foreign direct investments that came to Asia, 85 percent went to China. We can even question whether the remaining 15 percent came to Southeast Asia. As an antidote, Singapore proposed that ASEAN establish an ASEAN Economic Community. Its leaders then decided to study the merit of Singapore's proposal.

Indonesia bore the brunt of the East Asian financial crisis and saw it turn into a multidimensional one. We, thus, immediately saw the merit of Singapore's proposal—provided, of course, that ASEAN develop a concept of community-building involving its ten Member States in a balanced manner. In other words, we supported Singapore's economic community concept as long as it was complemented by an ASEAN political and security community, for we had assessed that this was what was required in order to make sustainable the processes of intensified cooperation and integration.

Our views were derived from Indonesia's own national experience. Like other Asian economic tigers, Indonesia has for over three decades promoted an unbalanced concept of development that heavily stressed its economic growth at the expense of political development. This led Indonesia to the

brink of collapse. Though Indonesia enjoyed annual growth rates of around seven percent, economic development alone could not make its national development sustainable.

Indonesia, thus, submitted a proposal in April 2002 calling for an ASEAN Political Security Community oriented towards promoting democracy, respecting human rights, and encouraging good governance as its core values. This pillar also underlined the importance of peace and peaceful conflict resolution.

Initially, this concept was very controversial. For nearly four decades, ASEAN has been primarily focused on economic and social cooperation. The then-general trend in Asia was not to bother with political development, as it has successfully exempted itself from the waves of democratization and human rights promotion because of the primacy of economic development. The core values that now make up the concept of the ASEAN Political and Security Community were, therefore, alien to it. By then, however, Indonesia had launched its initial stage of reform, in which the first three of the aforementioned core values had become important parts of its national agenda.

Despite the controversy it first generated, a balanced concept of community-building based on three pillars—namely the ASEAN Political and Security Community (APSC), the ASEAN Economic Community (AEC), and the ASEAN Socio-Cultural Community (ASCC)—was endorsed by ASEAN leaders at the 2003 Bali Summit. A healthy habit of dialogue that had developed since 1967 allowed ASEAN to agree on something which had the potential to be transformative, notwithstanding the fact that in a consensus-based decision-making process that stressed the importance of maintaining a harmonious relationship among member countries, it was considered taboo to introduce a controversial concept. Thus, its adoption was truly a sign of the times, and represented a new stage in ASEAN's development.

Preparations for the ASEAN Community

Founded by the Bangkok Declaration in 1967, ASEAN had no treaty foundations such as the Rome Treaty of 1957, that provided the basis of the European Economic Community and its current incarnation, the European Union. The transformation of ASEAN from a rather loose association into a deeper regional community needed a strong legal basis committing its members to the establishment of mechanisms enabling it to manage the process of transformation. A new ASEAN Charter was, thus, prepared in 2007 and came into force in December 2008. The legal and institutional framework of ASEAN was established through this document after 41 years of existence. This reflects the ASEAN Way, which is a step-by-step, gradual and bottom-up process.

It took five years from the endorsement of the idea of the ASEAN Community at the 2003 Bali Summit to the adoption and entering into force of the ASEAN Charter. The devil was in the details. Despite an agreement in principle on the ASEAN Community concept, it took an entirely different process to translate this into charter-based provisions. The political and security aspects remain sensitive, primarily because the ten ASEAN countries were, and still are, divided in terms of their respective political orientations: ASEAN is made up of countries run under various systems ranging from democratic, quasi-democratic, authoritarian single-party, and military juntas. Whereas in the European Union a country must be a democracy before joining; in ASEAN we have to deal with the various orientations of our members from within, without requiring an *a priori* change of system.

The ASEAN Charter reflects the commitment of ASEAN members to intensify community-building through enhanced cooperation and integration, specifically by establishing a formal ASEAN Community comprising the ASEAN Political-Security Community, the ASEAN Economic Community, and the ASEAN SocioCultural Community. The purposes and

principles of ASEAN Community building are elaborated in the ASEAN Charter, as well as in the blueprints of each of the pillars of the ASEAN Community. Detailed action lines for each pillar have been drawn up to ensure that the ASEAN Community is in place by the end of 2015.

ASEAN has developed a good habit of intra-ASEAN dialogue and an enhanced dynamic stemming from the community-building process in East Asia, in which ASEAN plays an important role, and is understood as being in the —driver’s seat.

ASEAN actively promotes intra-regional cooperation in Southeast Asia, but at the same time has been an active bridge-builder towards other parts of the continent. Since 1994 we have, thus, established the ASEAN +1 Dialogue processes, the ASEAN Regional Forum and the East Asia Summit—amongst others. With regard to regional integration in East Asia—where ASEAN has had to deal with bigger and more powerful partners—it became apparent that only a strong and cohesive ASEAN would be able to get in the driver’s seat of the process of broader regional integration. This is the main reason we chose to push forward the launch of the ASEAN Community from 2020 to 2015.

Roadmap to Implementation

Following the adoption of the ASEAN Charter, ASEAN undertook quite an elaborate preparation for the implementation of the ASEAN Community. The Roadmap for an ASEAN Community 2009–15 was adopted at the ASEAN Summit in 2009. As I have already mentioned, it contained the ASEAN Political-Security Community Blueprint, the ASEAN Economic Community Blueprint, and the ASEAN Socio-Cultural Community Blueprint.

The length of the documents detailing the respective blueprints makes it quite clear that there is an imbalanced implementation of the ASEAN Community pillars, which is still predominantly

economic. Based on the report of the Secretary General of ASEAN at the 25th ASEAN Summit in November 2014, preparations for the implementation of the three ASEAN Community Blueprints are progressing well. The implementation rates for the blueprints of the ASEAN Political-Security Community, the ASEAN Economic Community, and the ASEAN Socio-Cultural Community, are 85 percent, 82 percent, and 97 percent, respectively.

The statistics alone do not tell the whole story, however, since substantive contents of the blueprints are varied. Despite the high implementation rates, the ASEAN Secretary General underscored that achieving consensus on the remaining action lines will be a monumental task for the ten ASEAN Member States in the year ahead.

The main elements of the ASEAN Political and Security Community are as follows:

- To bring ASEAN's political and security cooperation to a higher plain by ensuring that the people and Member States of ASEAN live in peace with one another and with the world at large.
- To promote political development in adherence to the principles of democracy, rule of law, good governance, and respect for human rights.
- To promote peace and stability in the region, develop mutually beneficial relations with its dialogue partners, and maintain the centrality and proactive role of ASEAN in promoting regional architecture.
- To subscribe to a comprehensive approach to security.

Framing these are the three key characteristics of the ASEAN Political and Security Community: (a) a rules-based community of shared values and norms; (b) a cohesive, peaceful, stable, and resilient region; and (c) a dynamic and outward-looking region.

Of the aforementioned, I believe the most difficult to implement in the process of transforming ASEAN's political and security cooperation to a higher level will be in the area of political development—in particular the promotion of democracy and human rights.

As things presently stand, and despite our grand designs, the elaborated targets are somewhat diluted. For example, action lines on the promotion of democracy and human rights are focused more on peripheral, rather than core, issues—that is to say, on those that can lead to the transformation of ASEAN's current democracy map. Another example is seen through the fact that the composition of its members—as countries of democracy, quasi-democracy, single-party authoritarians, and military junta—has not changed much in the past ten years.

On the promotion and protection of human rights, the ASEAN Charter provides enabling provisions that allow the establishment of an ASEAN human rights body. An ASEAN Intergovernmental Commission on Human Rights (AICHR) was established in 2009, but its mandate is weak. The terms of reference of the AICHR only deal with the promotion function, whilst neglecting the protection of human rights. The absence of the protection function does not allow the AICHR to receive complaints and communication. ASEAN's leaders have mandated that the terms of reference of the AICHR be reviewed and made more balanced by 2014. As of now, there is no indication that this has been done. This does not augur well with the efforts to put the APSC in place by the end of 2015, which is a year after this article was completed.

The main elements of the ASEAN Economic Community are as follows:

- to deepen and broaden economic integration through existing and new initiatives with clear timelines.

- to establish ASEAN as a single and production-based market where there will be a free flow of goods, services, investment, capital, and skilled labor.

Framing these are its key characteristics:

(a) a single market that is production based; (b) a highly competitive economic region; (c) a region of equitable economic development; and (d) a region fully integrated into the global economy.

Of those key characteristics and elements of the AEC, the most difficult to achieve is the free flow of services—for it requires the development of wholly new standards. Since January 2012 ASEAN has had considerable experience with the free flow of goods, when the ASEAN Free Trade Area (AFTA) was instituted whereby some 700 traded items came to enjoy low tariff rates (between zero and five percent) This has increased intra-ASEAN trade by 25 percent. The plan is to expand coverage to some 2000 items. In essence, the AEC is an expansion and continuation of the existing free flow of goods under the AFTA scheme.

ASEAN has also gained considerable experience through free trade agreements, such as ASEAN-China, ASEAN-Japan, ASEAN-Korea, ASEAN-India, ASEAN-Australia, and ASEAN-New Zealand. These experiences have helped to create a conducive atmosphere for the AEC—in particular for the free flow of goods to flourish.

The dynamic of economic cooperation and integration in East Asia is a source of determination for ASEAN to succeed. The East Asia Summit recently decided to accelerate the establishment of regional economic partnerships, which can be a good incentive for ASEAN to ensure the success of the implementation of the AEC.

I believe the AEC can be a learning ground for ASEAN Member States to embark on a larger project of economic integration in East Asia through initiatives such as the ASEAN+1 FTAs, and more importantly, the East Asia Regional Comprehensive Economic Partnership.

Some of the ASCC's key elements and characteristics are as follows:

- To realize an ASEAN Community that is people-centered and socially responsible.
- To address the vision of enhancing the quality of life of its people.
- To promote resilience in the region.
- To promote respect for diversity in the spirit of unity.

The ASCC envisages the following characteristics:

(a) human development; (b) social welfare and protection; (c) social justice and rights; (d) ensuring environmental sustainability; (e) building the ASEAN identity; and (f) narrowing the development gap.

The ASEAN Socio-Cultural Community has been designated to prioritize human development by investing in education and human resource development, as well as in poverty alleviation—with particular emphasis on building social safety nets, enhancing work security, and improving the quality and availability of public health.

In Southeast Asia, investment in education and human resource development is considered of utmost importance. We believe there is a correlation between education and productivity, which in the end contributes to greater economic growth. In Indonesia education is a priority issue. As an illustration, at the initial stage of *reformasi*, the Indonesian Constitution was amended to provide a mandate for the government to allocate 20 percent of its annual budget to education.

Building an ASEAN identity forms the basis of Southeast Asia's regional interest, as we aspire to become one ASEAN Community. The aim is for ASEAN to promote greater awareness and common values in the spirit of unity in diversity at all levels of our respective societies.

ASEAN is an intergovernmental organization that has for decades been considered somewhat less people-oriented. The ASEAN Charter **is filling in** this gap by defining one of the purposes of ASEAN as the promotion of a people-oriented organization, in which all sectors of society are encouraged to participate in, and benefit from, the process of ASEAN integration and community-building. Action lines include the convening the ASEAN Social Forum and the ASEAN Civil Society Conference on an annual basis. These action lines are very much related to the promotion of democracy and respect for human rights under the APSC. Bearing in mind the slow and arduous process of the promotion of democracy and human rights in ASEAN, enhanced engagement between ASEAN Member States and their civil society counterparts will not be a simple task.

Prognosis

One of the achievements of ASEAN is that Southeast Asia has enjoyed continuous peace and security for the last 47 years.

The region used to be labeled the —Balkans of Asia||—not only because of its diversity in terms of ethnicity, language, traditions and culture, but also because of its past history, including the experience of five different countries that had colonized various ASEAN states. Overcoming this negative legacy has been a monumental achievement for ASEAN, especially if we compare it to how other regions of the world have evolved in the same period, not least of which is the Balkans of Europe.

With political stability and regional security assured, ASEAN is in a better position to implement the ASEAN Community

successfully. On the other hand, Southeast Asia is situated in East Asia and the Asia Pacific region, which as a whole will become the world's center of gravity in the twenty-first century. ASEAN will benefit positively from this strategic re-positioning and the region's dynamic and vibrant economy. To that end, I believe ASEAN will continue to actively promote a larger community building process in East Asia, with the ambition to keep serving as one of its main drivers.

The ASEAN Community, in particular the AEC, will be implemented almost simultaneously with that of the ASEAN-China, ASEAN-Japan, ASEAN-Korea, ASEAN-India and ASEAN-Australia/New Zealand Free Trade Areas and soon the East Asia Regional Comprehensive Economic Partnership (RCEP). Lessons learned from the latter processes could strengthen the implementation of the AEC.

The implementation of the APSC could be more problematic. All Member States have committed—both politically and legally—to promote democracy, respect for human rights, and good governance. These commitments have become a strategic agenda for ASEAN.

Controversy at the initial stage was also experienced in preparing the blueprints of the APSC and in the following stage of its implementation. For some, this is a matter of survival of their non-democratic regimes—be they a single-party authoritarian or military junta. For these countries, managing the growing demand for openness and more political space is a major problem. This is obviously relevant to the promotion of democracy.

The 2009–15 Roadmap for an ASEAN Community provides quite detailed objectives to attain during the implementation stages. One cannot expect all of those targets to be fully implemented by January 2016. It remains a work in progress, beginning with the easier parts of the blueprint and action lines.

This is also a further means by which to measure the success or failure of the implementation of the ASEAN Community.

Whatever the outcome will be, ASEAN needs to ensure that the community-building process succeeds. There simply is no other viable option. The success of the implementation of the ASEAN Community would lead to a strong and cohesive ASEAN, which in turn would allow it to contribute greatly to the larger process of community building in East Asia.

N. Hassan Wirajuda is the former Foreign Minister of Indonesia (2001-2009) and a co-founder of Indonesia's School of Government and Public Policy.

**This article was published for the Center of International Relations and Sustainable Development HORIZONS Magazine Winter 2015 / Issue No.2*