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SOUTH-EAST ASIA AND EAST ASIAN COMMUNITY: THE NUCLEUS OF BINDING GLUES

Djisman S. Simandjuntak¹

The region as a product of gene-culture co-evolution

Around 200,000 years ago there roamed perhaps two groups of humans on the great plains of Eurasia. One group, the Neanderthals, perished before the last Ice Age, leaving *homo sapiens sapiens* as the only species endowed with the potential to carry on the survival game of seeking a larger share in life's gene pool. Like many other animals, humans are territorial animals. They set boundaries and defended fertile valleys, river deltas and other peculiar parts of the natural environment where elements of food were stored relatively abundantly. The increased number of people in such strange attractors, to borrow from chaos vocabulary, opened up the gates for technology change. Thanks to food surplus, humans could spend parts of their time on accumulation or the production of tools. Yet, in spite of compression technologies, the number of people that can squeeze into a given space is limited, even perhaps under the physical phenomenon of singularity. What is more, survival necessitates differentiation among humans. Indeed, diversity is the womb of progress or higher evolutionary fitness or the entirety of features that please the environment of gene-culture co-evolution. Even the ephemeral life of the "philosopher Greeks" was possible only with the support of slaves, barbarians and traders of foreign origin who were deprived of political rights.

Finding petrified egalitarian traditions unbearable and energy insufficiency increasingly stifling, modern humans were quick to discover the exciting sides of migration. Some of them found their way very early to what later on has been named South-East Asia for lack of a better name. Their footprints are found as fossils in numerous caves. More ancient footprints might have been drowned under the mud of the South China Sea, the Java Sea and the Strait of Malacca, which were part of the Asian landmass during glacial epochs. The first South-East Asians moved farther East and South East, driven out perhaps by the second South-East Asians, who in turn were chased away from the fertile lands south of the Yangtze Kiang by the guns and steel of the Hans. The second wave of South-East Asians innovated innumerable ethnic groupings. In the course of time, they accumulated "sediments of identity" comprised of animism, Hinduism, Buddhism, Islam, Christianity and communism, each with variations. Even in belief system or ideology East Asians are pragmatic. The Abrahamic religions became mixed with

***South-East Asia
was a region of
migratory flows and
fauna wealth ...***

¹ Executive Director, Prasetiya Mulya Business School, Jakarta, Indonesia.

other belief systems when they arrived in East Asia. Some people find such a mixture heretical and fight to death for its eradication.

In short, the diversity of life and cultures makes South-East Asia home to great diversity north and south of the equator. Its fauna drew the attention of Alfred Russel Wallace, who, with Charles Darwin, was the co-founder of the theory of evolutionary natural selection. The archipelago of South-East Asia is also home to coral reefs and mangrove forests containing invaluable living treasures. Of the floral wealth, a few varieties ascended to global fame: cloves, nutmeg, sandalwood and pepper. They lured European discoverers to the region, including Magellan, who tragically paid for the European curiosity and greed with his own life. Succumbing to the tyranny of avarice, the traders metamorphosed into political colonizers, seeking to monopolize the spice trade or at least certain geographical hubs of it. European traders-turned-conquerors parcelled South-East Asia out in accordance with the European power balance or imbalance and established colonial rule in their respective spoils. The power balance changed dramatically in the twentieth century with the arrival of the "American system". Europeans were dethroned with the signing of the Atlantic Charter. Their indubitable supremacy ended. Seeds of new nations were strewn in the region. Ten of them have joined ASEAN. Papua New Guinea, whose people are ethnically no less Asian than those of Indonesian Papua, and the newly independent Timor-Leste may find their way to ASEAN one day. Even Australia and New Zealand may not be too Antarctic to be eligible for ASEAN, the boundaries of which are nothing but a cultural conception.

***... thus embodying
a diverse and evolving
nexus of cultures
and ethnicity***

Needless to say, the borders between the new nations do not precisely coincide with ethnicity. The Malays, for instance, are scattered in Indonesia, Malaysia, Thailand, the Philippines and even Viet Nam. No nation in South-East Asia is ethnically uniform. Each is home to ethnic diversity, although to different degrees. The region is also lucky to have always lived with religious diversity and political ideologies. Cultural desertification has never been a serious aberration in the history of South-East Asia. On the contrary, one of the core challenges facing South-East Asians has been how to live with multiple equilibria with a sufficient amount of the "standardization" that is needed in the arena of global competition and cooperation. Living with diversity has not been among the fine repertoire of human ingenuity. Diversity is written in lower capitals in most republics of the twentieth century. The mastery of leading and managing under diversity is also yet to be crafted among South-East Asians who aspire to leadership and managerial positions in politics, business and civil society.

South-East Asian struggles for a diversity-based polity have evolved at a relatively slow pace. Indonesia in the early twenty-first century is still grappling with symptoms of disunion. Java-centred political power was found excessive by different groups of people in the outer islands, who at different points in time rebelled against the central Government. Even today the central Government of Indonesia is confronted with independence movements at the northern tip of Sumatra as well as in the province of Papua. Not so long ago Muslims and Christians from the same ethnic groups of Ambon

and Central Sulawesi engaged in bloody violence in spite of a verbal commitment to religious pluralism. Admittedly, Indonesia has progressed quite far in terms of democratic reform in the aftermath of the financial crisis of 1997, but there is a non-zero probability of frightening surprises of a primordial nature erupting while the country is advancing to maturity in the reform life cycle.

On the north-west fringes of South-East Asia conflicts abound. Ethnic disintegration is still a real threat in Myanmar. On the score of human rights protection, little has changed in Myanmar since the tumultuous year of 1988. Thailand is not Arcadia either. The small Muslim share of 3.8 per cent in the total population does not make the political disharmony trivial. Jumping to the north-east, one arrives in the Philippines, where followers of two Abrahamic religions, Christianity and Islam, live in mutual distrust. Cambodia was a theatre of genocide only a little more than a generation ago. Dissatisfied minorities are also found in Malaysia. Singapore has managed its basically uneven diversity in a pragmatic way with remarkable success. Brunei Darussalam enjoys plenty under a political monarchy while Viet Nam is under a one-party system.

It may sound like an exaggeration to start a discussion of South-East Asia with unfinished business, which looks absurd in some instances from the point of view of humanity in the twenty-first century. However, the reality of life in South-East Asia is far from tranquil. Within the ethno-religious diversity, people have yet to master the art of living in harmony on the basis of non-discrimination. On top of the ethno-religious animosities, the politico-security risks of destabilization are far from trivial. Views differ on the security architecture of South-East Asia. The design of the republics varies from one country to another. Some border issues have yet to be resolved. Sea piracy occasionally has regional or even global effects because of the region's centrality as one of the world's busiest communication sea lanes. South-East Asia has been implicated in international terrorism in recent times. It has in fact been rocked by repeated bombings of a transnational nature.

The associated tensions and pressures have led to a search for the peaceful resolution of conflicts and various confidence-building measures

On paper, South-East Asian Governments have signed numerous agreements committing themselves to the peaceful resolution of any regional conflicts and the advancement of cooperation such as the Treaty of Amity and Cooperation in Southeast Asia and the two Bali Declarations of ASEAN Concord. To promote confidence-building measures among South-East Asian Governments and Governments of friendly countries, the ASEAN Regional Forum has been established. It undoubtedly is not immaterial that the region has long been free of intraregional warfare. However, perhaps it is only possible because the seeds of conflicts are defused rather than addressed straightforwardly. Nothing is fundamentally wrong with the approach of defusing frictions rather than pushing a solution hard at the risk of disintegration. The ability to defuse differences indefinitely is a sign that the parties involved can live with the differences. However, refusal to address differences can also be seen as a sign of a lack of cohesion. Investors and traders are aware of the tactic of avoiding difficult issues for the sake of nominal concord. If South-East Asia is to be seen as a cohesive region, it should learn to resolve disputes rather than keep sweeping them under the rug.

Return to a high-growth path

Economically speaking, South-East Asia was a divided region throughout the Cold War period, though less so thereafter. On the one hand, the founding member countries were sailing along a high-growth path together with the Republic of Korea; Hong Kong, China; and Taiwan Province of China. Unlike Gunnar Myrdal, who saw Asia as a theatre of poverty, or Karl Marx, who looked at the Asian way as one of deadlock, the World Bank included Indonesia, Malaysia, Singapore and Thailand in its group of high-performing Asian economies.

There have been different growth patterns and orientations in South-East Asia

Singapore has been transformed from a third-world economy into a first-world one in less than a generation. Malaysia and Thailand have climbed up the development ladder to the group of middle-income economies. Their chances of getting through to the smaller group of high-income economies appear to be good. In the history of Indonesia, the first 30 years under former President Suharto were a period of great economic growth. Such a long period of a sustained rapid growth is rare in Indonesian history. There have been a few episodes of rapid growth in Indonesian history, but they have amounted to a Sisyphean cycle, each of which ended in a deep fall. The Philippines was the first country to industrialize in the developing Asia of the post-war period. Its progress was halted in the 1980s under a frozen structure of authoritarianism that included nepotism among its elements. However, the Philippines can still be seen as a success story compared with many other developing economies.

However, South-East Asia is also home to Viet Nam, the Lao People's Democratic Republic and Cambodia (or Indo-China), which was a theatre of hot war for another 30 years after the end of the Second World War. The people of the three countries were exposed to extreme suffering. They could not immediately proceed to economic reconstruction following the end of the War. It took another 10 years or so before major economic reform was launched. Their proximity to large and rapidly growing economies seems to have sped up development in the three countries. Viet Nam has been growing at over 6 per cent, the Lao People's Democratic Republic at close to 6 per cent and Cambodia at over 5 per cent a year since 2000. Myanmar, too, is part of South-East Asia. This most western land of South-East Asia has suffered from a wide range of obstacles to sustainable development. Its basic development model is one of isolated socialism and changes have been very slow. As a result, very little is known about the Myanmar economy other than the facts that it is richly endowed with fertile soil, forestry resources and gemstones on the one hand and that it is globally notorious for illicit drugs on the other hand.

It would be a gross exaggeration to picture the current South-East Asia as an Eden of economic development. It is infinitely far from being such an idyll. Indeed, South-East Asians are compelled to draw lessons from the miraculous growth of the past, probe the future and craft a consensus on how to resume a winning participation in the merciless global competition. There are at least three reasons for such a strategic redirection: the need for restated strategic intents and dramatically reconfigured globalization, the imperative

of a new approach to economic development, and the extent to which regional integration is instrumental to attaining the redefined strategic intents.

When work and leisure are as highly mechanized as they are in the early twenty-first century, people increasingly lose the ability to steer life in a desired ideological or philosophical direction. Fordist processes have in fact reduced humans to adjuncts to machinery. Under such a system, humans propose and machines impose. Neo-Fordist processes, which centre around control mechanization, constitute no forces of freedom either. They narrow the room for intelligent work that is exclusively human. Bureaucracy obviously obeys a similar code of routines. Once established, an institution like ASEAN not only seeks to perpetuate itself, it also seeks to get the greatest possible human attention. ASEAN has firmly established itself in the political agenda of South-East Asia. It has given birth to the Treaty of Amity and Cooperation, the Bali Declarations of ASEAN Concord, ASEAN industrial projects, AFTA, the ASEAN Economic Community and many other initiatives. Just to service them, a relatively large bureaucracy is needed in the Secretariat in Jakarta and in different branches of national Governments. Ministers, senior officials and diplomats may have been too busy to rethink ASEAN in the light of the new environment.

***The rapid growth
of the past generates
both lessons for
consideration
as well as issues to be
managed in the future***

Genetically speaking, South-East Asia has been a success, precisely perhaps because it is a theatre for genetic recombination. Its share in the world population has risen and is projected to rise further in the course of the next 50 years. Such genetic success is not to be belittled. It proves an ability to grow and distribute sufficient food to a growing population. However, there is more to a lasting commonwealth than a rising share in the human genetic pool and even more in competitive commonwealths, which dominate the design of the manufactured things that humans rely on while seeking to maximize their prosperity. If one represents genetic treasure by the size of the population, **P**, the expected length of life by **L** and the welfare one enjoys the whole life through by **U**, then the content of life can perhaps be written as **P x L x U**.

Culture or the entirety of human-made things is critical to the magnitude of P, L and U. It can aid humans to optimize P, lengthen L and maximize U out of every unit of resources consumed. Unfortunately it also includes elements of destruction such as extremism of all sorts that often ends in wars, local and otherwise. Admittedly, South-East Asians might have contributed taro and ocean voyages to civilization a long time ago. They have also played an important role in introducing to the world diverse spices that helped humans in temperate zones to preserve food for the winter, thereby making the “Age of Commerce” that spanned almost the whole world a reality. Some important lessons may have lain hidden in the pre-crisis success of South-East Asian economic development, such as the design and deployment of market-conforming government interventions. However, most of the contributions have aged and declined in importance to civilization. South-East Asia’s lustre as a growth centre has dimmed with the rise of China and India. Investors and traders are becoming obsessed with securing a slice of the fastest-growing cakes of the early twenty-first century.

Whether one talks about science, literature, business firms or spiritual achievements, South-East Asians do not compare with Europe, China, India or Japan as originators. South-East Asian performance as a second mover in the context of development as rapid creative imitation of frontier industries is also less impressive compared with the Republic of Korea. In an increasingly science-driven civilization, such contributions are critical to lasting participation in the gene-culture co-evolution.

***Difficult development
circumstances and an
unfinished post-crisis
agenda for renewal
and reinvigoration
in the region***

The initial condition facing South-East Asians in their endeavours to return to shared and sustainable rapid economic growth is difficult. Pending issues abounded even before the financial crisis of 1997. A large number of South-East Asians have to struggle for a better tomorrow by relying on inadequate human capital, as reflected in the limited literacy of the workforce and the prevalence of chronic diseases. South-East Asia's natural capital such as forests, mangroves, coral reefs and minerals has been greatly depleted without increases of comparable magnitude in physical and human capital. Transplanted institutions have yet to take firm root in the political universe of South-East Asians. The equality of all citizens before the law or adherence to non-discrimination has yet to be internalized by South-East Asians, including members of the ruling elites. Practices of governance leave a great deal to be desired among Governments and political parties, corporate organizations and civil society. Corruption is widespread in many places. It has become so cancerous in Indonesia, for instance, that any time the Government announces an anti-corruption initiative people are unmoved. Best-practice corporate governance has also yet to be diffused among South-East Asian companies.

On top of the unfinished pre-crisis agenda, the debris of the financial crisis of 1997 has turned out to be enormous. Capital formation as a percentage of GDP plunged in the crisis economies of Indonesia, Malaysia and Thailand in contrast to an exorbitant rise in China. Trade decelerated in South-East Asia, but accelerated in China, although the fluctuation is partly attributable to the global cycle. Flows of FDI to South-East Asia fell deeply in the post-crisis years. They even turned negative in the case of Indonesia. However, China rose to supremacy in the competition for FDI. The capital drain is even more dramatic if other flows of capital are taken into account. The average annual aggregate net resource flows to South-East Asia fell from US\$ 41,456 million in 1992-1996 to US\$ 22,306 million in 1997-2001, and the trend has yet to be reversed. The total external debt of South-East Asia shot from US\$ 371,329 million in 1996 to US\$ 652,287 million in 1998 before going down to US\$ 558,806 million in 2002. External debt-service payments rose in tandem from US\$ 47,753 million in 1996 to US\$ 55,343 million in 2002. The least that can be said about South-East Asia in the post-crisis period is that the constraints within which it has to struggle to return to shared and sustainable rapid economic growth have tightened a great deal. By contrast, the world market, where South-East Asia expects to find a tailwind to its reconstruction initiatives, is undergoing a wide range of changes that amount to an enormous challenge to all its participants.

Concentration and fragmentation after two waves of globalization

A good understanding of the co-evolution of competition and cooperation at the global level is a sine qua non condition for a winning return to shared and sustainable rapid growth. The word “globalization” has been used so frequently that it may feel uncomfortable to be confronted with it again. However, dwelling on it is an eternal agenda for fundamental reasons relating to life’s evolution.

Life perhaps began only once in only one physical location, whence it radiated to the entire earth. The ancestors of modern humans perhaps descended from the trees to the savannah only once and in a single physical location. Their descendants migrated and filled the earth within a relatively short period of time. As the descendants found new habitats, some replicated successfully, perhaps because the niches they were settling in happened to be so richly endowed as to allow time to be used for capital formation, notably the production of tools and the domestication of plants and animals. Large numbers in turn set forth physical differentiation. The little technologies that they brought along with them also evolved into an increasingly complex diversity. Following variations in physical environments and technologies, different ways for humans to relate to each other, to their ancestors, to the future and to nature, including other life forms, evolved. The dispersion of humans to different parts of the globe, and the cultural differentiation that goes along with it, was the first wave of globalization. It was centrifugal in nature and thereby laden with little seeds of conflict. Underprivileged members of a community could opt to avoid diametrical competition with the privileged ones and move farther away to the four winds.

The first wave ended perhaps 12,000 years ago with the colonization of the Americas. The second wave followed millennia later. It was a wave of conquests. Larger villages took over smaller ones, allowing the conqueror to build cities and larger commonwealths and States based on cities. It culminated in the victories of European clerics, traders and mercenaries over local elites in Asia, the Americas and Africa. Unlike the differentiation that was characteristic of the first wave of globalization, it was confiscation of treasures and forced conversion to imported religions that served as the distinguishing features of the second wave of globalization. The second wave was centripetal in nature. People fought their way to unusual concentrations of resources such as salt, coal, gold, nickel, silver, copper, zinc, diamond, cod, whales, nutmeg, cloves, pepper and sandalwood. They raced to secure a share of the world’s most beautiful beaches, lakes, meanders, mountains, valleys and strangely shaped rocks. The children of Eve from all continents competed for admission to the few top-ranking learning institutions. Noble and commercially promising ideas invited ambitious entrepreneurs. Friction, conflicts, disputes or even wars abounded in the centripetal motions of the second wave of globalization.

The early part of the twenty-first century is a product of the second wave of globalization. It consists of over 200 nations or human groupings possessing some features of a commonwealth. The world of the early twenty-

***Life and the
two waves of
globalization and
of cross-community
interaction in
human history***

first century is highly asymmetric on a number of accounts. In 2002, almost one half of the world's population was squeezed together in only five countries (China, India, the United States, Indonesia and Brazil). These countries together account for 24.6 per cent of the world's surface area and 43.3 per cent of gross national income in PPP dollars. Within each nation, a few mega-cities shine where humans are hived one on top of another. Wealth, work and income are also unevenly spread. The five largest national economies account for 48 per cent of the world's gross national income in PPP dollars. The five largest exporters have a combined share of 37.4 per cent in world exports of goods, and the five largest sources of FDI share 56 per cent of FDI outward stock in 2001 among themselves. By contrast, some nations suffer from extreme poverty, unable to engage in positive catching up for reasons related primarily to institutional weaknesses, such as an inability to enforce the laws. The average citizen of Sierra Leone has a gross national income in PPP dollars of only 490, or 1.4 per cent of that of an average Norwegian. Humans in some nations witness the perpetrators of atrocities going unpunished. The intercountry gap may have moderated with the economic rise of China and India. However, the interpersonal imbalance is more difficult to alleviate.

The multidimensional challenges of development and sustainability in the new millennium in Asia and the Pacific

Rising scientific and technological intensity is another distinctive feature of the early twenty-first century. The physical sciences have led to the rapid growth of a number of large-scale industries such as telecommunication and transport machinery and equipment, synthetic materials, including smart materials, pharmaceuticals and nanotechnology. Humans of the early twenty-first century have had a glimpse of genetic-based farming and animal husbandry. Advances in each of the streams of science are astonishing. Their integration into the science of technology may turn out to be even more so. The Internet provides a foretaste of what may come, if computers all over the globe unite into a global brain.

Humans often overrate their ability to keep their creations under control. However, the world of made things seems to have developed codes of evolution of its own. City planners are notoriously unable to control the expansion and decay of a city. The builders of the pyramids could not prevent other great builders from impressing the world with different wonders. No inventor or innovator is able to arrest technological change. Love of fame and greed force artists, entrepreneurs and professionals to outperform reigning champions by delivering uniqueness, which first may look anomalous before it turns into a dominant design, only to be pushed aside later by new uniqueness. Some made things backfire unexpectedly even with the best of precautions. The hole in the ozone layer, the Exxon Valdez, Union Carbide's Bhopal and the Chernobyl meltdown are a few examples of how man-made things can lead to catastrophe.

The uncontrollability of man-made things applies to their impacts on globalization or the movement of goods, services, information, capital and people as well. Accumulation over time allows technologies to overcome increasingly greater distances. Physical distances and time are said to be compressed following the adoption of new technologies. Information and

communication technologies and transport technologies are cases in point. With them other man-made things increase tremendously in mobility, including perishable goods and a wide range of services. It can indeed be argued that technological change serves as a push factor for globalization. Governments may take a defensive position against new technologies for reasons related to job preservation. They may also erect high barriers against technologies originating in foreign countries to protect local producers. Such defensive measures have turned out time and again to be unsustainable. Sooner or later they are relaxed or even removed. Similar forces of globalization are also hidden in any best practices. No tyrant is able to permanently ban great musical opuses or great literary works.

If best practices of man-made things are endowed with the force to spread out to even most distant coordinates from their respective origins, then globalization is an inherent human evolution. That the fruits and costs of globalization are spread unevenly is another issue. Some symptoms of the imbalance were mentioned earlier. The world as it exists in the early part of the twenty-first century is a puzzling mixture of very high concentration on the one hand and fragmentation into micronations on the other. The mixture can be seen as the outcome of the first two waves of globalization. Being centrifugal in nature, the first wave created fragments of human groupings. The centripetal second wave consolidated some of the fragments into larger groupings, of which some became very big indeed. However, a great number of the first wave's fragments have survived the forces of concentration in the second wave.

Reinvention of the region: the binding glues

Will there ever be a third wave of globalization? The finale of evolution is yet to come. Between now and the reduction of matter to dust, globalization may still have to evolve through countless stages unknown to contemporary humans. Some nations are very big and seem cohesive like China and the United States. Some are very big but look unstable like Indonesia, the Russian Federation and India. Some nations are small in population size but huge in terms of territory such as Australia and Canada. A great many appear to be too small to sustain some of the usual national symbols such as national currencies and airlines. However, the world has repeatedly witnessed buoyant city States such as Venice in the age of commerce and Singapore and Hong Kong, China, in the current era. Some have underexploited their advantages such as Indonesia. If nations were like businesses, mergers and acquisitions on the one hand would have been occurring very frequently and so would spin-offs on the other hand.

Reconfiguration is an ongoing process in global politics. The United States reached its current size partly because of takeovers in the literal sense of the word. The future direction of change is hard to guess, however. Technologies of demassification carry the forces of deconcentration, while those of massification release forces of agglomeration. The constellation of nations is bound to oscillate within the band of the two forces. Evolution is indifferent to whether or not the United States, the Russian Federation and

***Reconfiguration of
relationships, cross-
border integration
and sovereignty***

Indonesia maintain their current borders or disintegrate into smaller units and whether or not Switzerland, Austria and Lichtenstein remain as they are or fuse into a single State. Nevertheless, one can argue in favour of smaller nations coming together in a larger nation. Gravity, as we know from Isaac Newton, depends on mass. An inward-looking nation may have no interest in raising its gravity. In a world of multinational competition, having a higher gravity means strength. It pulls in superior talent, capital and trade in goods and services or the factors that serve as sources of distinction.

In spite of globalization, the nation has remained the dominant mode of how humans are grouped with one another. Its fundamental glue lies in sovereignty. Challenging the nation and sovereignty as outmoded features of human commonwealth is counterproductive, however valid. The United Republic of Eve's Children is not only not realistic, it is also a danger to diversity, serving, as it has, as a springboard to cultural advances and rejuvenation. To be adopted, any new mode of grouping will have to live with national sovereignty. Given such an initial condition, a reinvented regionalism appears to be a promising third way.

Under regional integration, member States do not dissolve. What happens is a pooling of some elements of sovereignty into a quasi-regional sovereignty. Classic examples include the sovereignty to formulate border protection, be it through tariff or non-tariff barriers. The EU is a case in point. It has evolved from modest integration to deeper integration and has proved so far to be the most successful of all regional integration initiatives. Needless to say, there are other successes, but they are either very modest or are short-lived or Sisyphean in nature. Failure to pass the test of time is attributable to trivial disputes in some cases, including, of course, ones that do not relate to regional integration at all.

***Capitalizing on
developed networks
and relationships,
regional integration
has been reinvented
in South-East Asia
and elsewhere
as well ...***

Factors behind the current tsunami of regional integration are hard to discern. Whatever they are, it is indisputable that Governments around the globe have reinvented regional integration in a number of ways. Regional integration has become the rule rather than the exception as is implied in article XXIV of GATT. Even countries which used to avoid membership in a regional grouping in favour of multilateralism and have profited handsomely from such a basic policy have recently jumped on the bandwagon of regional integration. All the major trading countries have joined or are in the process of joining regional integration. What is more, the new designs of regional integration are more daring than their predecessors. They are no longer confined to border measures, partly perhaps because such confinement would mean little in terms of liberalization effects, given the success of GATT or WTO in bringing border protection measures down to triviality. Domestic measures such as investment performance requirements, elements of competition policy and elements of environmental policy and standards have entered into regional integration agreements. Obviously, Governments are more willing to negotiate on domestic measures in a regional context than they are under WTO.

ASEAN, too, has become more receptive to economic integration. Twenty years ago, when the region was hit by recession, integration was still considered taboo. In the 1990s leaders of the region changed their position. AFTA was agreed upon in 1992. In the following decade, ASEAN experienced a number of important developments in favour of integration. Its membership widened to cover the whole of South-East Asia. Relations with the rest of the world were strengthened. ASEAN is linked more closely with North-East Asia, i.e., China, Japan and the Republic of Korea. An East Asian free trade area is expected to come out of the ASEAN+ 3 arrangement. Beyond East Asia, India, Australia and New Zealand have been drawn closer to ASEAN. It may only be a matter of time before a similar relationship is woven between ASEAN and other major trading areas, notably the EU, the United States and Latin America. ASEAN once again is being given the honour of playing a central role in giving birth to a large regional grouping having had a similar chance of playing the role of a hub in the early days of APEC.

Nothing is by necessity wrong with the current enthusiasm of East Asians about regional integration. The inclination of China, Japan and the Republic of Korea is to capitalize on the networks that ASEAN and its dialogue partners have stitched together over a relatively long history of ASEAN's external dialogues. This is also no surprise considering the unfinished business of normalization of relations between Japan on the one hand and China and the Republic of Korea on the other. However, South-East Asians are well advised to speed up doing their homework to do justice to their status as the hub of East Asian regional integration. It can never be overemphasized that ASEAN failed to play the role of a hub in respect of APEC.

*... but with
varying degrees of
enthusiasm, among
other inherent
constraints*

First of all South-East Asians are no fanatics of regional integration. Even within the narrower boundaries of ASEAN, real support for regional integration has not been as strong as the verbal support suggests. The successes or failures that the member countries have experienced are only remotely attributable to ASEAN integration and cooperation. It is global orientation that makes Singapore a success. The same can be said of Malaysia and Thailand as well as Indonesia and the Philippines. Considering the thin support at the grass-roots level, any regional integration initiatives should be prepared thoroughly. Repeated failures can accumulate to give a fatal blow to ASEAN's existence.

Second, other countries of East Asia are no enthusiasts of regional integration either. China is a region on its own merits. Its special administrative region, Hong Kong, and Taiwan Province of China add to its huge size as a region. Japan is completely new to regional integration. APEC has not been a real test for seriousness about regional integration among its members, including Japan. It and other sceptics can point to the successes of Japan, the Asian newly industrialized economies and China as undeniable evidence that multilateral non-discrimination is a viable route to economic transformation. Bringing China, Japan and the Republic of Korea into an agreement on deep East Asian integration is a mammoth task. Furthermore, China is faced with the issue of Taiwan Province of China. The one-China policy which most

Governments still adhere to coexists with an economic policy which is friendly to both China and Taiwan Province. In addition, East Asia is home to the thorny issue of the Democratic People's Republic of Korea seemingly leveraging nuclear capability with inflows of economic resources.

East Asian integration among private sector players and actors has been more advanced ...

Third, private sector-driven integration has advanced in East Asia without a formal agreement on regional integration. It is reflected in very high and rising intra-East Asian trade, a large and growing share of intra-East Asian investment in the region's FDI thanks to the graduation of the Republic of Korea; China; Taiwan Province of China; Hong Kong, China; Singapore; Malaysia; and Thailand into the group of FDI originators following Japan. The movement of people for business and tourism purposes has also risen strongly in the region. If they are only for the sake of rising East Asian economic interactions, formal agreements on regional integration may not be a necessity for East Asia. Judged from the scale of intraregional flows, East Asia, rather than South-East Asia, appears to be the optimal region, although within an East Asian community, South-East Asia can still survive as a subregion, at least temporarily. Interestingly, the East Asian region is linked strongly with the Pacific economies of the Americas on the one hand and the European economies on the other. The three form a triangular relationship, which has lately started to receive more serious attention with a view to exploring possible linkages between them on top of the linkages that the private sector has accumulated over a very long history.

Fourth, within the world economy, ASEAN is small. Even in East Asia the combined economy of South-East Asia is much smaller than those of China and Japan respectively. ASEAN's gravity is limited. Its relatively small economy is fragmented into smaller national economies. Some of the national economies also suffer from divisive forces. Under the newly gained democracy, for example, district governments of Indonesia, of which there are roughly 400 at the time of writing, are fond of fencing their respective districts with barriers to inter-district movements of goods, services, capital and people. Myanmar is one of the few economies which are exposed to economic sanctions or warfare in the post-Cold War period. Some places in South-East Asia are notorious for illicit drug production.

... and deeper and faster integration within South-East Asia will render the subregion effective and relevant as a binding glue for East Asian integration

Fifth, ASEAN has no choice but to accelerate economic integration if it is to do good service to East Asian integration. The only way South-East Asians can compensate for the handicaps described earlier is to integrate deeply and quickly. To be effective as the centre of gravity of East Asian integration, intra-ASEAN integration should be deeper than extra-ASEAN integration. Intra-ASEAN integration must also precede extra-ASEAN integration. Macroeconomic cooperation should proceed faster within ASEAN than between it and the rest of the world, notably with the three East Asian dialogue partners. Greater integration and earlier movement in intra-ASEAN integration will prevent the dilution of ASEAN inside its huge neighbours from occurring. The differential in depth and timing should be designed as a tactical matter to allow regional integration to granulate. After a relatively short transition, the differential should be abolished in the sense that preferential relations should be uniform across East Asia rather than sandwiched in two or even more layers.

How can ASEAN be made to move faster? The experience in its first 37 years is not very encouraging. If the depth of integration that ASEAN has undertaken were divided into 37 units, the result would look too trivial to justify the resources sunk into it. The only encouraging part of the history is the acceleration over the last decade or so. The history of regional integration shows that strange attractors are needed to produce great ideas of integration and to push their implementation ahead. Around such strange attractors, elements of integration would granulate. In the case of European integration, the strange attractors consist of a few visionary political leaders; artists, especially poets, who coined Europeanness time and time again; scientists who discovered the codes of life through cross-sectional and intertemporal reinforcements; union leaders who minted regional solidarity as a way of improving bargaining with employers; capitalists who dare to fight vehemently against detrimental government acts of discrimination; and last but not least, activists from different walks of life who look at regional integration positively in the sense of having the potential to offer greater room for the advancement of humanity than individual nations usually can.

East Asia is not particularly fertile soil for deeper regional integration. Student and teacher exchanges are very limited among East Asian institutions of learning. East Asian children prefer the torture of American, European and Australian learning rather than that of their respective East Asian neighbours. Yet strong glues are difficult to conceive among people who happen to come across each other by accident. To breed the strange attractors, especially people of different East Asian origins who are mutually committed to East Asian integration, strong and wide networks of learned people with shared experience and future expectations are needed. The Governments of East Asia should invest in such networks or else the steps that they have taken will lead nowhere and East Asian integration will remain a daydream which easily sinks into oblivion.