

ASEAN STUDIES CENTRE FORGES AHEAD

By Rod Severino



Since it started operations at the Institute of Southeast Asian Studies in March 2008, the ASEAN Studies Centre has produced four booklets on regional

economic integration and on the impact of the global economic crisis on Southeast Asia. One is on the roadblocks obstructing the realisation of an ASEAN Economic Community. Another reports on the ASEAN Roundtable 2008. The third presents lessons that ASEAN can learn from the experience of MERCOSUR, the common market of the southern cone of South America, in regional economic integration. The last is a compilation of articles on the implications of the global economic crisis for ASEAN, most of which were contributed to the online discussion forum on the Centre's Web page.

The contents of another online discussion forum, on energy and geopolitics in the South China Sea, are being published.

Yet to come is a booklet on regional economic integration in ASEAN and in the North American Free Trade Agreement, a summary of the discussions and a compilation of papers presented at the ASEAN-Canada Forum, which the Centre organised with support from Canada's International Development Research Centre. Also forthcoming are the discussions and papers at a symposium organised in Taipei by the ASEAN Studies Centre and Academia Sinica on the investment climate in ASEAN as viewed by Taiwanese investors. Other studies to be published by the Centre are on the Gulf Cooperation Council, Australia-New Zealand Closer Economic Relations, and the summary of and papers from ASEAN Roundtable 2009, which also had as its theme the implications for ASEAN of the global economic crisis.

With the new ASEAN Charter having

entered into force, the Centre gathered a number of experts for a workshop on the meaning and implications of the Charter and some issues raised by its implementation. The workshop also examined the new ASEAN trade-in-goods and comprehensive investment agreements. A preliminary report has been published, which is being converted into a printed booklet.

Before its entry into force, the ASEAN Studies Centre and Indonesia's Habibie Centre jointly conducted a symposium in Jakarta to discuss the merits and defects of the Charter, the proceedings of which were published in a booklet.

The lecture by Ambassador Yoshinori Katori, Japan's envoy to ASEAN, kicked off a series of talks by ambassadors to the association. On tap are Scot Marciel of the United States, Gillian Bird of Australia, and Xue Hanqin of China.

The Centre collaborated with the ASEAN Secretariat in producing a book on ASEAN's role in the international relief and rehabilitation work for the victims of Cyclone Nargis in Myanmar. It also conducted a seminar and a workshop on the subject.

Together with the Japanese Embassy in Singapore, the Centre organised a public forum on ASEAN-Japan cultural relations.

With Japanese funding, the Centre is working with the ASEAN Secretariat on familiarising ASEAN officials with the ASEAN Charter in order to spread understanding of its provisions. It is also organising with the World Bank a series of videoconferences on food, energy and natural disasters and producing a primer on the impact of climate change on ASEAN countries. It is cooperating with Singapore's Centre for Liveable Cities on a series of workshops on urbanisation trends in the ASEAN region.

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ASEAN LEADS THE WAY

By S Tiwari



The global economic and financial crisis was one of the key issues that occupied the minds of ASEAN leaders during the 14th ASEAN Summit from 26 Feb – 1 Mar 2009 in Cha-am, Thailand. It is to the credit of the leaders that they acted promptly in getting ASEAN to play its part in the effort to tackle the financial crisis.

The leaders were concerned that the deepening global economic downturn, together with the greater aversion to risk in the financial markets, would affect trade and investment in the ASEAN region adversely. They realised that these developments could have serious implications for regional economic growth.

The leaders thus pushed for "...proactive and decisive policy actions to restore market confidence" and emphasised that – in spite of the temptation to do so – countries should not resort to protectionism. They pushed firmly instead for the "free flow of goods, services and investment".

The leaders went further. Rather than merely push for continued trade and investment, they demonstrated their strong resolve to practise what they were pushing for by moving ahead with ASEAN's free trade agreement with Australia and New Zealand – known as the Agreement Establishing the ASEAN-Australia-New Zealand Free Trade Area ("AANZFTA Agreement"). To drive home the urgency of the situation, the signing of the AANZFTA Agreement took place at the Summit itself.

The media statement issued on the signing of the AANZFTA Agreement described the free trade instrument "...as an integral part of the region's response to the global financial crisis" and as also serving "as a building block for the WTO Doha Development Agenda and a stronger multilateral trading system".

The AANZFTA Agreement is a landmark treaty and trailblazer and can be considered a response

to the global financial crisis, inter alia, for the following reasons:

- Though ASEAN has entered into free trade-related instruments with four other dialogue partners (China, India, Japan and the Republic of Korea), the AANZFTA Agreement is the first region-to-region free trade agreement for both ASEAN, and Australia and New Zealand.
- The terms of the agreement are also the most comprehensive since the start of ASEAN's outward-looking economic initiative to enter into economic agreements with its major trading partners.
- The AANZFTA Agreement was negotiated as a single undertaking, that is, all the terms of the free trade agreement were negotiated together – unlike the free trade-related instruments pertaining to China, India, Japan and the Republic of Korea, which follow the modality of signing a framework agreement first and the negotiation of an agreement on goods, services and investment over a few years.
- It creates a free trade area of more than 600 million people with a collective GDP of US\$ 2.3 trillion (based on 2007 IMF figures).

The significance of the AANZFTA Agreement can also be seen in the comparative speed with which it has been completed, and in a comparison of what has been achieved under it and the free trade-related instruments that ASEAN has signed with China, India, Japan and the Republic of Korea.

Each of the four other dialogue partners first entered into a Framework Agreement on Comprehensive Economic Cooperation with ASEAN. China did so in 2002, India and Japan in 2003, and the Republic of Korea in 2005. Progress in relation to the substantive terms of a free trade agreement has, however, been slower and is much less ambitious – except for the Services Agreement with Korea.

China and Korea entered into a Trade in Goods Agreement with ASEAN in 2004 and 2006, respectively; they entered into a Trade in Services Agreement in 2007. India has just entered into an

Agreement on Comprehensive Economic Partnership in 2008. The latter instrument has provisions on goods, services and investment. However, the provisions on services and investment merely require the parties to "continue to discuss and negotiate".

In comparison, the AANZFTA Agreement is a comprehensive and much more ambitious instrument, as is demonstrated by its 18 chapters and various annexes. The chapters comprise, among other things, the following areas: trade in goods, services (including telecommunication and financial services), investment, electronic commerce, movement of natural persons, a dispute settlement mechanism, intellectual property, competition, and sanitary and phytosanitary measures.

The annexes include the areas relating to Financial Services, Telecommunications, Expropriation and Compensation, Rules of Procedure for Arbitral Tribunal Proceedings, Optional Procedures for Composing Arbitral Tribunals, Product Specific Rules and Schedules of Commitments in relation to Tariffs, Specific Services and Movement of Natural Persons.

Apart from the breadth of its coverage, the AANZFTA Agreement is also significant in terms of the scope of the areas covered. An example of this is the area of intellectual property.

We live in an intensely competitive business world. This is true of both domestic and export markets. The environment is tough for businesses as goods and services usually far exceed demand. How does one succeed in such an environment? One way is to create a product or service that is differentiated from those of competitors.

Such fruits of human creativity are protected by the area of law known as intellectual property rights. Intellectual property rights have become an important part of world trade. This is so because economic activity has increasingly become research- and technology-intensive and in other ways dependent on intellectual creation. Accordingly, export products (for example pharmaceuticals, chemicals, computers, software, books, music, records, films, and branded and designer items) contain more creative inputs which would usually be protected by intellectual property rights.

Prior to the AANZFTA Agreement, the free trade-related instruments entered into between

ASEAN and its other dialogue partners (China, India, Japan and Korea) were not ambitious in their terms in relation to intellectual property rights. They merely provided for facilitation and promotion, assistance in enhancement of capabilities, and the undertaking of cooperation projects, and reaffirmed the commitments of the parties to abide by the terms of the WTO TRIPS Agreement.

The AANZFTA Agreement breaks new ground. In addition to affirming the rights and obligations of the parties in relation to the TRIPS Agreement, the Chapter on intellectual property provides a number of TRIPS plus provisions. These are modelled on the text of the 1996 WIPO Copyright Treaty ("WCT") and the 1996 WIPO Performances and Phonograms Treaty ("WPPT") or go beyond it.

The WCT and the WPPT address norms relating to new technological developments not addressed by the TRIPS Agreement. Thus, through the means of the AANZFTA Agreement, ASEAN countries which are not yet parties to the WCT and WPPT move further up the ladder in protecting intellectual property rights.

The following provisions of the AANZFTA Agreement intellectual property text go even further, with an obligation to provide criminal procedures and penalties where a person wilfully infringes copyright for commercial advantage or financial gain, and fostering the establishment of appropriate bodies for the collective management of copyright. There is also a provision requiring the parties to endeavour to provide criminal procedures and penalties where a person wilfully commits a significant infringement of copyright that is not committed for commercial advantage or financial gain but which has "substantial prejudicial impact" on the owner of the copyright.

By agreeing to raise their level of intellectual property protection, ASEAN countries have demonstrated their resolve to stay competitive and to work together with businesses to forge ahead in these difficult times.

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ASIA'S SECURITY ARCHITECTURE

By Daljit Singh



I SEAS teamed up with the International Institute for Strategic Studies-Asia (IISS-Asia) to organise a joint international expert workshop on 15-16 October 2009 on "ASEAN, Asia-Pacific Multilateralism and the Evolving Regional Security Architecture". Participants included scholars from Australia, Britain, China,

Japan, the Philippines, Singapore, the United States and Vietnam. The workshop was conducted under Chatham House rules that allowed for frank and lively discussions.

Three areas received special attention during the deliberations: the role of ASEAN-centred forums; the feasibility of possible alternative structures like the Australian-proposed Asia Pacific Community (APC) and the Japanese East Asian Community (EAC); and bilateral US alliances.

There were the familiar reservations from several quarters about the effectiveness of the ASEAN-centred forums: their inability to deal with the major traditional security problems that might result in war as well as their inability, because of weak structural capacities, to respond effectively to non-traditional security challenges.

On ASEAN's "driver's seat" role, at least one participant observed that the region and the world had changed since 1994, when ASEAN was put in the "driver's seat" of the Asean Regional Forum (ARF) by default because China and Japan were then at odds with each other. Today, there are tripartite talks among China, Japan and South Korea. ASEAN countries needed to consider whether their driver's licence was out of date, whether the condition of the road or the terrain on which the car was going had changed, what the condition of the car was, how fast it was going, and to which destination.

Those defending ASEAN's role pointed to intentions to give more substance to security and military cooperation. The ASEAN Defence Ministers' Meeting (ADMM), which began in 2006, could set up ADMM Plus meetings that involve not only China, Japan and the Republic of

Korea but also other Dialogue partners. The ADMM Plus could form the defence segment of the ARF and "back-to-back" ARF and APEC summits would allow summit-level discussions of security, political, and economic issues. It was also claimed that ASEAN was open to sharing its responsibilities in the ARF with others, such as having co-chairs of the ARF. There was also renewed interest in making better use of the ARF to meet non-traditional security challenges, including counter-terrorism and nuclear proliferation.

At least one speaker made a pitch for change towards a more compact architecture like a regional "G10". But he acknowledged that there was little expectation of the APC initiative resulting in a grand new institution; rather, the focus had shifted to how existing institutions could be adapted. So, he argued, discussions on the APC may serve as a catalyst for developing a more effective East Asian Summit (EAS) that included the US.

On the whole, many participants felt that new overarching structures like the APC and the EAC would be difficult to establish because the region was too diverse and because of potential disputes over membership. Such structures would have to be sufficiently inclusive to be acceptable and yet inclusiveness would make them unwieldy and slow them down. Besides, in respect of the APC, the smaller states would resent attempts by the larger regional states to arrogate to themselves leadership of the regionalism process. Legitimacy in the eyes of the smaller and weaker states was important for any new system.

Yet, despite the misgivings about the APC, the ideas behind it were likely to continue to energise the regional security debate, and could make an impact in some way on the existing regional security architecture. According to one participant, the debate on the APC reflected a "constructive anxiety" that was likely to lead to changes in the coming years amounting to counterbalancing, which would contribute to the rise of a relatively polycentric environment, in which the prospect of dominance would recede gradually.

It is easy to forget that until about 20 years ago, there were no multilateral Asia-Pacific security forums except for ASEAN. Indeed, when the ARF



was set up, many saw it only as supplementing the bilateral US alliances, which were regarded as essential, as they remain today.

The US elite still regarded the bilateral alliances and security partnerships as pillars of Asia-Pacific security, and many still retained deep US misgivings about multilateral forums. Studies had shown that it was not just Americans who harboured scepticism about multilateral forums and institutions, but also East and Southeast Asian elites who held high expectations of US alliances and bilateralism and low expectations of multilateral Asia-Pacific forums. Viewed from Washington, the purpose of the bilateral alliances was not to manage any transition of power but to preserve peace and stability. The US did not think in terms of a transition taking place, at least not any time soon.

However, lately there was also growing recognition in the US that multilateralism needed to be accorded more attention because important US interests could be damaged if multilateral institutions that excluded the US gained traction and depth.

It was noted by some speakers that the US alliances and forward military deployments also gave Asian countries the confidence to engage in various cooperative initiatives with China, to hedge against China, and to build bridges to it.

As one speaker concluded aptly, the primary focus should be on economic growth and the stability that was necessary for growth. There was consensus that the US presence remained essential but that it needed to be supplemented by regional forums. Nobody knew how well any innovative idea would work because the future was inherently unpredictable. So in using the existing forums or experimenting with new ones, there was a need for realism. Who should be in or out and what geographical areas should be embraced should be determined by the degree of involvement of the players in the security and economics of the region. Regionalism should not be conceived of in ethnic terms, for example an "Asia-only" approach that excluded the US.

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CHINA AND SOUTHEAST ASIA

By Geoff Wade



The regions that we know today as China and Southeast Asia have been linked and have interacted with each other in diverse ways for millennia. From the earliest times, the two areas have been tied by human movement, commercial interactions and political aspirations, and been woven together through technological and cultural interflows.

However, the patterns by which these aspects were manifested have varied enormously over time. In recent centuries, we saw the links being again restructured, initially by the expansion of European mercantile interests and imperialist powers into both these regions, and subsequently by the revolutions that occurred and the regimes that emerged in 20th-century Asia. Today, at the beginning of the 21st century, the situation is undergoing change again, as we witness regional efforts to meld an “East Asian Community” encompassing the 10 members of ASEAN and the three major states of East Asia – China, Japan and South Korea. This process is, in various ways, reviving some of the older ties.

Why should we be interested in the historical relations that existed between these areas through time? The obvious deficiencies of studying Asian pasts solely through nation-state perspectives have been widely examined and need not be underlined here. In many ways, regional studies might also be criticised for the same deficiencies, albeit writ large. But when historical linkages and phenomena affect societies in an area extending from the northern Pacific to the Indian Ocean, we are obliged to take cognisance of these in studies of Asian and global histories. Such perspectives thus aid in overcoming narrow nation-state histories and help us to situate phenomena otherwise not comprehensible or incomplete.

Further, there is a need to reverse the neglect that the study of intra-Asian historical links has suffered as a result of the creation of several political and intellectual borders. The first is the political



borders created between the 16th and 19th centuries, whereby areas to the south of China that we today refer to as Southeast Asia became politically subject to (or, in the case of Siam, greatly influenced by) European empires.

The 19th-century establishment of British control of Upper Burma, and French control of Northern Vietnam and Laos, saw a firming of this political boundary between China (during the 19th century represented by the Qing empire) and Southeast Asian polities, and in fact has bequeathed us many of the modern boundaries of today’s nation-states. These political boundaries have been a major obstacle to the study and understanding of the historical links that had long tied and transcended the two regions.

Third, partly as a result of the above processes and partly because of the languages in which the pasts of China and the various societies of Southeast Asia are recorded and studied, the “area studies” field of scholarship which developed in Western societies in the 19th and 20th centuries divided the study of the two areas into distinct fields of scholarship – Chinese studies (Sinology) and Southeast Asian studies, the latter usually subdivided into the fields delimited by the various colonial administrations. These divisions have obstructed rather than enhanced scholarship.

A fourth reason we need to document and analyse the relations between China and Southeast Asia over time is to redress the “friendly relations” rhetoric that has been so fashionable – particularly in socialist states – over the past half century. During the recent 50 years, for example, scholarship and popular writing



in the People's Republic of China have been marked, in coincidence with the state's and the party's aspirations to proletarian internationalism, by a rhetoric whereby historical relations with every polity in Southeast Asia have been described as eternally "peaceful" and "friendly". This is simplistic.

There is a need to define and describe the evolution of the China-Southeast Asia nexus – a relationship that has been such an integral element in connecting both East Asia and Southeast Asia with other parts of the world through time. This has to be done by examining the modes and forms by which Chinese polities and societies interacted with their Southeast Asian counterparts, and vice versa, through approximately the past 2,000 years, in the spheres of economic

interactions, political relations, and flows of people, cultures and technologies.

Understanding both the historical and contemporary links that have tied China to Southeast Asia is today hugely important for both these regions and is particularly germane for Singapore. This fact underlines the importance of the historical projects that are currently being pursued by the ISEAS Nalanda-Sriwijaya Centre.

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WORKING IN THE PUBLIC AFFAIRS UNIT

By Tan Keng Jin



The Public Affairs team (from left: Ms Hafidzah Ikbar, Mr Tan Keng Jin and Ms Emillia Amin) in front of the Tecoma stans (Yellow Bells), planted by Mr George Soros, Chairman and Founder of Soros Fund Management LLC, on the occasion of his visit to ISEAS on 11 January 2006.

The ISEAS Public Affairs Unit (PAU) was set up in 2004 as a separate unit to handle tasks previously delegated to individual researchers.

PAU organises, receives and participates in briefings, meetings, lectures, conferences and roundtables that involve numerous VIPs (both local and foreign) and delegations. On a yearly average, we brief some 57 delegations on various topics on Southeast Asia as well as on the work that ISEAS does. This is part of the 150 plus visits that we receive and are called upon to organise with the other research programmes.

Part of the attraction of working in the PAU is the opportunity to meet distinguished statesmen and world leaders. The Singapore Lecture is one such platform where such VIPs are invited to deliver their message to the cream of Singapore society – policy-makers, intellectuals and diplomats. Since 2004, we have been exposed to seven Singapore Lectures delivered by such luminaries as Indonesian President Susilo Bambang Yudhoyono, Indian President A.P.J. Abdul Kalam and Australian Prime Minister Kevin Rudd.

It has been rewarding for PAU to be involved in other notable lecture series delivered by other distinguished speakers. These include Singapore Prime Minister Lee Hsien Loong, who delivered the ASEAN lecture (2007), and the Public Lectures by the Crown Prince of the State of Perak, HRH Nazrin Shah (2004), the Vatican's Secretary for Relations with States, HE Archbishop

Giovanni Lajolo (2005), global financier George Soros (2006), Nobel Laureate Amartya Sen (2009), the first Asian and woman Minister in New Zealand, Ms Pansy Wong (2009), President of the Asian Development Bank Haruhiko Kuroda (2009), and Director-General of WWF International James Leape (2009).

PAU work gives us the opportunity to learn the history of our own region. For example, we heard Chin Peng, leader of the Malayan Communist Party, as well as Professor Sugata Bose, grandnephew of Netaji Subhas Chandra Bose, commander of the Indian National Army. Books such as Leon Comber's *Malaya's Secret Police*, which spoke about the pivotal role of the Malayan Police's Special Branch, the government's supreme intelligence agency; as well as Dr Kevin Tan's *Marshall of Singapore*, which was a biography of David Marshall, Singapore's first Chief Minister, informed us of critical moments in history.

What makes our work gratifying, too, is the part that we play in promoting ISEAS' image at home and abroad. Sometimes, we are called upon to brief students from foreign universities, but in most part, we receive students from local schools who come to ISEAS to visit our exhibition on Mr S. Rajaratnam, Singapore's first Foreign Minister. Some of the overseas universities whose students have visited us are Niigata University (Japan), Thammasat University (Thailand) and Syracuse University (US).

PAU is also involved in fundraising for charity and sponsorship activities. We raise funds for events such as the Golf Tournament, which will be held for the third time in 2010, and the Regional Outlook Forum.

Last but not least, an enjoyable part of our job is being able to organise events that are both educational and entertaining. In 2006, ISEAS commissioned a dance drama, *Baliyatra*, which celebrated the deep and binding cultural ties between India and Southeast Asia. In the same year, an ISEAS-funded film directed by Chan Kah Mei, *I Love Malaya*, about Chin Peng, premiered to a full house at the Asian Civilisations Museum.

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