

CHAPTER III

THE TRANSFORMATION OF ASEAN

FROM CLASSIC TO NEW REGIONALISM PARADIGM

Here, community is placed on the womb of regionalism. As noted earlier, regionalism has been called an elusive concept due to the fact that it has attracted an extensive scholarly interest but is yet to generate a widely accepted definition.¹ The term 'regionalism' frequently appears in the studies of regional cooperation, regional organization, regionalisation and regional integration. In this thesis, the discussion on the emerging of regional cooperation, regional organization, and regional integration and its study case on the evolution of ASEAN embraces bigger portion of writing than any others.

The first thing to come is about regional cooperation. It usually appears under certain economic conditions, where the regional economic interdependence tunes on and aims to improve economic efficiency and thus to reinforce market-driven regionalisation.² These state-led schemes are mostly economic integration in nature, which leads to a voluntary removal of barriers to the mutual exchange of goods, services, capital, or persons by nation states and often involves a shift of policy-making in economic sectors from a national level to a supranational level.³

¹ Edward D Mansfield and Helen V. Milner, *The Political Economy of Regionalism: An Overview* (New York: Columbia University Press, 1990), p.590.

²Hurrell, 1997, p.221

³Balassa, 1962, p.130

This is the embryo of economic community, a further development of simply inter-state economic cooperation in a region. ASEAN in this sense is going to welcome the new building block called as ASEAN Economic Community. They bound all together in the same circle to face 'threatening' external power that may hamper their existence, moreover unless being bounded. The point of view commonly is offered by Neo-realism.

The second to follow is about regional organization which is interpreted as "the body of ideas promoting an identified geographical or social space as the regional project, or it is the presence or the conscious construction of an identity that represents one specific region"⁴. According to Haas, the sense of maintaining regional organization unveils the political slogan as well as an ideology: arousing a regional consciousness, promoting a regional identity and an urge for a regional political and economic order in a particular geographical area.⁵

As well as the third to add is regional integration pays much attention on practice and process of norm creation. The new regional cooperative enterprises not only ensure the commitment of national government and the credibility of cooperation⁶, but also serve as what Finnemore and Sikkink call 'norm entrepreneurs'⁷, which are essential to construct the regional cognitive frames

⁴ Helge Hveem, "Explaining the Regional Phenomenon in an Era of Globalization", p.72, in Richard Stubbs and Geoffrey R.D. Underhill (eds) *Political Economy and the Changing Global Order*, pp. 70-81 (Oxford: Oxford University Press, 2000), p.89

⁵ E. B. Haas, 'The Study of Regional Integration: Reflections on the Joy and Anguish of Pre-theorizing', *International Organization*, Vol. 24, No.4, 1970, p.612.

⁶ Andrew Moravcsik, *The Choice for Europe: Social Purpose and State Power from Messina to Maastricht* (London: UCL Press, 1998), p.90

⁷ Martha Finnemore and Kathryn Sikkink, *International Norms and Political Change*, *International*

from which regional norms and joint obligations emerged. Thus, encompassing the second and the third idea, it can be seen that the constructivism paradigm gives its thick influence on the recent development of regionalism concept.

Idea of regionalism and regional community is in line with what the experts discuss about regional integration. It combines three sectors in hand by placing political integration as the main focus, the economic and social dimensions of integration being causally connected with political integration.⁸

Political integration was defined as:

“the process whereby political actors in several distinct national settings are persuaded to shift their loyalties, expectations and political activities, towards a new centre, whose institutions possess or demand jurisdiction over the preexisting national states. The end result of a process of political integration is a new political community superimposed over the pre-existing ones”.⁹

Discussing the evolution of globalization and its derivative formula on regionalism, in most of the cases especially when encouraging the issue of economics, finance, and trade in international level, at least the face of regionalism itself can be split into two parts. The first sequence was hanging up to what so called as classic regionalism which clearly characterized by the appearance of pivotal and main role of state and government centrally. Meanwhile, the second, relatively the contemporary one, is posing around in the middle of regional configuration in which the name is new regionalism that sends

⁸ Haas, 1970, p. 632.

⁹ E. B. Haas, *The Uniting of Europe* (Stanford University Press, 1958), p. 16.

prescriptive agenda on the endorsement towards people participation in building the future inter-states linkages and cooperations within a specified region.

To mark this change from levels of analysis to theoretical traditions, the paradigms reviewed in this chapter will be distinguished in terms of classic (old) and new regionalisms. This distinction can be explained in a variety of ways, as Fredrik Söderbaum notes: “temporally, empirically, spatially, or theoretically”.¹⁰ Bjorn Hettne, for one, provides a rather powerful and clear-cut distinction between these two terms:

“Whereas the old regionalism was formed in a bipolar Cold War context, the new is taking shape in a multipolar world order. Whereas the old regionalism was created from outside and ‘from above’ [...] the new is a more spontaneous process from within and ‘from below’. [...] Whereas the old regionalism was specific with regard to objectives, the new is a more comprehensive, multidimensional process.”¹¹

The definition of old and new regionalisms is suitable for framing this overview for three main reasons:

1. Firstly, the old/new categorisation refers to a chronological marker. The theoretical paradigms framing regionalism in the 1960s are obviously older than those developed in the 1990s. In this respect, as the quote suggests, a useful landmark for distinguishing old and new regionalism is the conclusion of the Cold War. Pre-1989 regionalisms will be referred to as old, while those occurring thereafter are new.

¹⁰Fredrik Söderbaum, *Rethinking the New Regionalism* (Basingstoke: Palgrave, 2002), p.3.

¹¹Bjorn Hettne and András Notai, *The New Regionalism: Implications for Global Development and International Security* (Helsinki: UNU/WIDER, 1994), pp.1-2.

2. Secondly, the old approaches specific with regard to objectives, meanwhile the new ones considers a more comprehensive multidimensional process.
3. Thirdly, there is reference to approaches from above (old regionalism model) and from below (new regionalism). A typically from-above refers to the actorness of regionalism and to an institutionalised understanding of regional actorness such as states, elites, groups, and governmental institutions. To the next door, from-below refers to a more informal one like individuals and social groups of various kinds.

A. The Classic Regionalism

1. The Neo-realism Proposition

The neo-realist perspective imparts little in terms of the domestic level and interdependence within the sub-system/regional level, as rather strongly articulated by Alexander Wendt: "what is so striking about neo-realism is its total neglect of the explanatory role of state practice"¹². This also applies to the internal dimension of regions at large. Neorealists assume that states are rational actors striving to gain benefits, in this case by means of the regional structure. Such a theory, however, lacks an explanation of the endogenous dynamics driving state choices, which are thus reduced to a meredisquisition regarding their external goals.

¹² Alexander Wendt, Constructing International Politics, International Security, Vol.20, No.1, 1995, p.80.

During the Cold War classical realism served as the leading perspective among academics and policymakers. In this a much growing scale of regionalism, the idea disseminating by neo-realism widely used in considering the policy and power politics of a region.

They argue that these nation-states are more concerned with pursuing their own national interests than cooperating to achieve absolute benefits for everyone.¹³ They compete to maximize their own relative power, leading to an anarchic international system.

In regards to regional institutions, neo-realists tend to dismiss their potential as a stabilizing force within the international system, stressing instead the connection between regionalism and the national interests of nation-states. Whereas classical realists viewed institutions such as ASEAN as adjuncts to the balance of power during the Cold War¹⁴, neo-realist are more concerned with how nation-states use regional organizations to further their own influence and national interests within an anarchic system. Neo-realist contend that states try to draw maximum benefits from organizations without surrendering their national sovereignty.

2. The Definition of Classic Regionalism

¹³C.Dent, East Asian Regionalism (London: Routledge, 2008), p.28.

¹⁴A. Acharya, Constructing Security Communities in South Asia: ASEAN and the Politics of

Regionalism, like globalization, can also be seen as somewhat vague in its meaning. First, a region is defined not just as a geographical unit but also a social system, organized cooperation in a certain field (security, economy, cultural), and/or an acting subject with a distinct identity. It should be explained that there is a sharp contrast between "old regionalism" or swiftly refers to classic regionalism which existed during the Cold War period and "new regionalism" which is seen arising in modern day.¹⁵ Old regionalism revolved around countries siding with hegemonic powers, implementing protectionist policies, acting inward oriented and specific intentions, and holding the structural realist approach of concerning itself with the actions of states. NATO and the Warsaw Pact are both excellent examples of old regionalism as they were forced regional agreements as a result of the bipolar system their creators resided in.

The classic regionalism focuses on state actor. Any kind of progress attempted by merely the state itself without considering other non state actor.

3. ASEAN in the Midst of Classic Regionalism

In security matter, the context of old regionalism are closely related with decolonization which led newly independent countries sought to search for internal stability and regime security. The nature

¹⁵ Toshiro Tanaka and Takashi Inoguchi, "Globalism and Regionalism," United Nations University Press, p.160

of state or national security to some extent can be understood as the protection of the core values of the state, especially its political sovereignty and territorial integrity as the main attributes of the state. This strong preservation to sovereignty appears as the main character of regional organization such as ASEAN, as a group of newly independent states which tend to depend on external or judicial sovereignty by committing themselves to principles of the modern Westphalian system, including respect for the sovereignty and territorial integrity of all states.

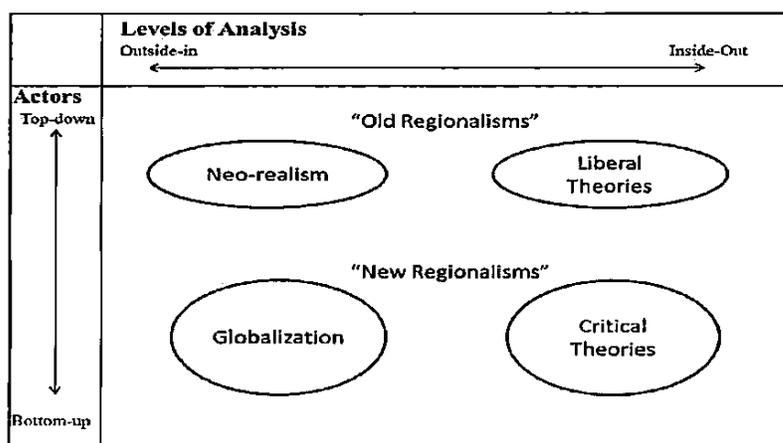
During the Cold War, ASEAN countries attempted to limit external intervention especially coming from hegemons or the major powers. The 1971 ASEAN Declaration on the Zone of Peace, Freedom, and Neutrality (henceforth, ZOPFAN) is specifically referring to ASEAN's effort in securing its member states from external intervention and achieving an eternal stability in the entire region. This idea is the continuity of the 1967 Bangkok Declaration, which is being re-stated in this declaration as follows: "Recognizing the right of every state, large or small to lead its national existence free from outside interference in its internal affairs as this interference will adversely affect its freedom, interdependence, and integrity..." (The ASEAN Declaration on the Zone of Peace, Freedom, Neutrality 1971, par. 6). The ZOPFAN Declaration is indeed the expression of ASEAN's unwillingness to allow major countries in the region

China, Japan, Soviet Union, and the US – to have unlimited involvement in the region. This principle was rather controversial since some ASEAN countries such as Singapore and the Philippines maintained strong bilateral relations with the US. The idea of neutrality that ASEAN proposed in this Declaration was the result of a collective bargaining in accommodating Malaysian proposals on “neutralization” of the region.¹⁶

B. The Theoretical Shifting of Regionalism

A much debate picks various colour and wide range into the theoretical foundation of regionalism construction. The shifting can be visualized as:

Figure 3.1 The Shifting of Regionalism Paradigm



Source: Tassinari, Fabrizio. 2004. *Mare Europaeum: Baltic Sea Region Security and Cooperation from Post-Wall to Post-Enlargement Europe*. Copenhagen: University of Copenhagen.

¹⁶Jurgen Haacke, *ASEAN's Diplomatic and Security Culture: Origins, Development, and Prospects* (London: Routledge, 2005), p.157

Neo-realism and liberal theories are conceived of as old regionalisms and share a problem-solving approach and a state-centric view of the international arena. Neo-realism will be placed at the upper-left corner of the matrix since the structural outside-in perspective is combined with its top-down, state-centric focus.

The liberal theories that were the object of this review remain top-down as far as regional actorness is concerned. Despite the liberal tradition possibly allowing for broader inclusiveness than neo-realism, the focus of both liberal institutionalism and neo-functionalism is state-centric, at most with a specific reference to elites. On the other hand, their focus on interest formation and the typology of cooperation leads me to portray them as inside-out with respect to the levels of analysis, though the development of regional phenomena does actually imply a measure of interaction with the systemic level, rendering the binary distinction inside-out/outside-in somewhat limiting.

In relation to new regionalisms, globalisation is outside-in with regards to the systemic level of reference. With respect to the regional actorness, simplifying mightily, it was argued that globalisation fosters multiple and inclusive actorness and it therefore refers to the bottom-up side of the matrix, even though top-down actors are all but excluded from global phenomena; hence the dotted line.

According to critical theories, in this case is constructivism, admittedly a rather broad and loose label, the internal dimension is characterised by inclusiveness and multiplicity and is therefore radically bottom-up in character. Also in this case, however, a more institutionalised actorness is not necessarily excluded, which explains the dotted line. With respect to levels of analysis, critical approaches are viewed from the inside-out perspective.

C. The New Regionalism

1. The Constructivism Proposition

The main conceptual contribution provided to regionalism by critical theories, as showed by constructivism, focuses on the roots and features of social participation in the regional phenomena. Based on critical interpretations, regions are about inclusiveness and participation.¹⁷ Any subject can be part of matter constructing a political community, and this community can result in the construction of a region.

According to critical authors, this also implies that subjectivity in international relations, and ultimately power, can rest anywhere and thus are no longer necessarily state-based. Hence, regional actorness is characterised by the 'commonality' of the social groups taking part in

¹⁷ Arce-Bosch "Disaggregating Regions: Networks, the Scale of Social Life" in European Journal of International Relations

the region, i.e. cultural, historical and social affinities (Paasi, 1991: 240). As Hurrell explicitly writes,

“Constructivist theories focus on regional awareness and regional identity, on the shared sense of belonging to a particular regional community, on what has been called ‘cognitive regionalism’. They stress the extent to which regional cohesion depends on a sustained and durable sense of community based on mutual responsiveness, trust, and high levels of what might be called ‘cognitive interdependence’.”¹⁸

Hence, the core of critical theories to regionalism resides in the identity-building process that originates from it. Regional identity is achieved when ‘we-ness’ is detectable among the participants of the regional project and to the sense of belonging shared by regional actors.

Constructivism are convinced that supranational institutions play a critical role in the process of regional integration. Socialization through institutions leads to the formation of a collective identity, which in turn helps nation-states overcome real-politik concerns and focus on community-building. Regional frameworks are thus formed through shared norms, dialogue, and a strengthening common identity.

2. The Definition of New Regionalism

New regionalism on the other hand, has taken shape out of the multi-polar world order and is a more spontaneous process from within the regions, where constituent states now experience the need for cooperation

¹⁸Hurrell, 1997, p. 64.

in order to tackle new global challenges.¹⁹ New regionalism is a more comprehensive and multidimensional process which not only includes trade and economic development but also environmental, social, and security issues. Not to mention, it forms part of a structural transformation in which non-state actors are also active and operating at several levels of the global system. Modern regionalism goes far beyond free trade and addresses multiple concerns as the world struggles to adapt the transforming and globalizing world.²⁰

Meanwhile, new regionalism according to Soderbaum and Ojendal are mostly associated with the post Cold War's transformation with the following main elements:

- a. The shift from bipolarity to multipolarity with different kind of division of power and division of labor.
- b. The decline of American hegemony; the restructuring of the nation state and the growth of interdependence in a more globalized world.
- c. Recurrent fear over the stability of the multilateral trading order; and
- d. the changed attitude towards (neoliberal) economic development and political systems in the developing countries and the post-communist countries.²¹

¹⁹Ibid

²⁰Ibid

²¹E. Söderbaum and J. Öjendal (eds.), *Regionalization in a Globalizing World* (Zed Press:

New regionalism has received much attention, and several differences between previous regionalisms and the "new regionalism" have been advanced as significant. One of the most predominant themes is the observation/hope that the latest wave of regionalism will be an open regionalism. Although this term is somewhat nebulous, to the extent that it is intended to capture the fact that the new regionalism is premised on countries continuing participation in the international trading system, it is a useful one.

As previously noted, this provides an interesting contrast to the rationale advanced by developing countries for the formation of preferential regional trading arrangements in the 1960s and 1970s during the last wave of regionalism. Then, the primary purpose of such arrangements was to enable developing countries to gain a measure of independence from the global economy and to reduce North-South economic linkages. By 1991 the purpose of forming a regional trading bloc was no longer premised on the need to be more independent of the global economy but rather was seen as a measure to ensure continued participation in it. The fear of developing countries was no longer one of dependence on the global economy but one of being excluded from it. As Oman has observed, there is a "sharp contrast between the logic of the largely unsuccessful regional integration schemes among developing countries during the period from the 1950s to the 1970s, when many Latin American and African countries sought to reduce their dependence on

manufactured trade with the developed countries, and the logic of regional integration in developing countries today, which is one of strengthening their participation in that trade."²²

There are two further characteristics of the new regionalism according to Bowles²³ which are the emergence of North-South regionalism and multiple regionalism. The first one refers to the fact that many of the regional arrangements in the current wave of regionalism have members from the ranks of developed and developing countries. Traditionally, it has been argued that trading blocs were best suited to member countries with similar levels of per capita GNP.²⁴ However, many of the new and proposed regional trading groupings now contain member countries with very different levels of per capita income. Certainly, AFTA fits this description with Singapore's per capita GNP being over twenty-five times greater than that of Indonesia, although whether Singapore qualifies as a "developed" country is still a matter of semantic debate. This aspect of the "New Regionalism" has attracted much attention in the literature. For example, de Melo and Panagariya note that "in a dramatic shift, developing countries are seeking partnerships with developed countries rather than solely with each other,"²⁵ an assessment supported by Park who argues that "the current trend towards regionalism

²² C. Oman, "The Policy Challenges of Globalization and Regionalization," OECD Development Centre, Policy Brief No. 11 (1996), pp. 30-31.

²³ Paul Bowles, "ASEAN, AFTA and the 'New Regionalism'," Pacific Affairs, Vol. 70, 1997.

²⁴ J. Schott, "Trading Blocs and the World Trading System," The World Economy, Vol. 14, No. 1, 1991, p. 2.

²⁵ J. de Melo and A. Panagariya, "The New Regionalism," Finance and Development, Vol. 29, No. 4, 1992, p. 37.

involves North-South regional arrangements rather than South-South arrangements which were characteristic of the first wave"²⁶ while Robson regards this trend as "perhaps the single novel feature of the new regionalism in practice."²⁷

The second one is the existence of multiple regionalism. By multiple regionalism, it means that countries belong to different regional groupings and organizations (some of which have, in practice, overlapping memberships). For example, ASEAN members are not only members of AFTA, they are also members of the East Asian Economic Caucus (EAEC), of APEC and of the Asian group of countries which recently held a summit with the EU. Nor is this multiple regional membership unique to ASEAN. Canada, for example, belongs to NAFTA and APEC, has recently concluded bilateral free trade deals with Israel and with Chile, and the previous minister for international trade, Roy McLaren, raised the prospect of a NAFTA-EU bilateral treaty. ASEAN and Canada might both have some interest in promoting such alliances as part of what might loosely be called their "middle-power" status, but multiple regionalism is not confined to such states and also affects major powers such as the United States which is a signatory to NAFTA and APEC as well as engaging in discussions about a WHFTA. Thus, while Whalley notes that "despite the presence of multilateral rules and disciplines in the

²⁶ Park "The New Regionalism and Third World Development," *Journal of Developing Societies*, Vol. 11, No. 1, 1995, p. 23.

²⁷ P. Robson, "The New Regionalism and Developing Countries," *Journal of Economic Surveys*, March 1996, p. 10.

system, it is still the case that most GATT/WTO contracting parties are now parties to at least one regional trade arrangement,"²⁸ the point that the concept of multiple regionalism highlights is that many countries are party to several regional trade arrangements.

3. ASEAN in the Midst of New Regionalism

The phenomenon of shifting paradigm in conveying the regionalism in Southeast Asia as well as any other regions across the world occur through transformation from old regionalism into the new regionalism.

There are two arguments can be summed up to depict the fact in which it was built based on the assumptions brought up by the new regionalism approach determined by a set of structural changes in the international system as follows:

- a. The end of Cold War opened the gateway to the era of new regionalism. According to De Lombarede, this movement began to gather speed in the late 1980s and is associated with changes in Eastern Europe and the end of the Cold War.²⁹ This time puts ASEAN in the new dimensiona discourses by giving more attention to the non-traditional political and security issues.

²⁸Whalley, "Why Do Countries?" p. 7.

²⁹De Lombarede and Luis Jorge Garay. The New Regionalism in Latin America and the Role of the U.S.: Paper presented at the International Symposium on "New Linkages in Latin America: Economic Integration and Regional Security", Session 4: Challenges for the Economic Integration in Latin America. Serbia University and the Japan Center for Area Studies, Tokyo, 28 March

- b. The relative decline of the US hegemony in the region and the rise of China and India. Therefore, regionalism within ASEAN has moved beyond the new regionalism with regard to the re-involvement of external power within the region.

In the economic sphere, regionalism has proven to be extremely effective in helping to secure markets and providing economic strength through the creation of Regional Trade Agreements (RTAs). In globalizing institutions such as the International Monetary Fund and the World Trade Organization, agreements binding governments to liberalization of markets restrict their ability to pursue macroeconomic policies. However, under RTAs, economic policies remain more stable and consistent since they cannot be violated by a participant country with provoking some kind of sanctions from other members. An excellent example of this is the North American Free Trade Agreement's (NAFTA) stabilization and increase of Mexico's political and economic policies.

In the globalizing market system, huge amounts of capital can be disinvested and reinvested in a relatively short amount of time. Thus, states lose control over exchanges and economic development and as a result hold a reduced role in its own economy. Regional trade agreements help nations gradually work towards global free trade through allowing countries to increase the level of competition slowly and give domestic industries time to adjust. The increasing

membership of less economically developed countries within the European Union, Southern Common Market (MERCOSUR), and Asia-Pacific Economic Cooperation (APEC) is testament to the economic stability offered by regional economic organizations.

Economic sector gains abundant result of the shifting. ASEAN countries have already begun RTAs with China in hopes of rebuilding economic stability and renewing growth that was shaken by the economic crisis of 1997. In the end, entering regional pacts with hegemonic powers can be easily seen to be more beneficial for smaller countries than subjecting themselves to the hegemonic-controlled free market.

Looking at security discourse, in the post Cold War period, the concern is rather on how to maintain the continuity of economic development, one of the issue of non traditional security (economic threat). The economics of ASEAN countries has become dependent upon their external economic relations with developed countries like Japan, the US, and the European Community (now the EU). This development has opened up a space of creating a broader security arrangement in the region that also includes extra-regional major powers. The collapse of the bipolar system has brought into an end an obstacle of bringing together all major powers into the same table to discuss security problems. Indeed, during the 1990s, ASEAN replaced its official notion of insulating Southeast Asia from the great

powers to one of actively engaging them. This idea led to the creation of the ARF. The ASEAN members believe that the best strategy to adopt in the aftermath of the Cold War is to build an equilibrium between great powers and themselves.³⁰

Moreover, regionalism in Southeast Asia now also covers a broad spectrum of arrangements among track one (government-to-government), track two (semi-governmental think tanks), and track three (private institutions). These arguments are rooted from two arguments. First, the ASEAN Senior Officials Meeting (SOM) in May 1993 was a historical benchmark for security cooperation in Southeast Asia since this meeting is the embryo of the ARF. The ARF is a good institution with weak rule and pressing capacity as it lacks a secretariat and its members are labeled as "participants" that has a series of intercessional working groups focusing on confidence building measures and preventive diplomacy. Second, the Council for Security Cooperation in the Asia Pacific (CSCAP) was launched by the members of the ASEAN Institute of Strategic and International Studies (ASEAN-ISIS) and their dialogue partners. Both CSCAP and ASEAN-ISIS are the representation of the expanding role of the track two. Their activities offer governments an informal venue to exchange information to assess regional security concerns as well as help to shape

³⁰Muthiah Alagappa, *Regional Arrangements and International Security in Southeast Asia: Going Beyond ZOPFAN*, Contemporary Southeast Asia, Vol.12, No.4, 1991, p.234

“the climate of opinion in national settings in which security affairs are conducted”³¹.

The emergence of non-state actors in the regional security cooperation has enriched ASEAN’s political and security lexicon with a new term namely “second track diplomacy.”