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## SOUTHEAST ASIA REEXAMINES ITS OPTIONS

Guy J. Pauker<sup>\*</sup>

The countries of Southeast Asia are currently reassessing their position among themselves, with regard to the major powers which have an impact on their affairs, and in the world at large. They all face a perennial internal crisis due to uneven economic development under conditions of rapid population growth, global inflation, technologically boosted social mobilization, and changing cultural values.

Their relations with the outside world are uncertain and complicated because of changes in the policies of the major powers interested in the region. Concern and suspicion about each others' intentions obstruct cooperative activities between some neighbors and prevent the relaxation of tensions among others.

Relations between the Communist governments in control of the Indochinese peninsula and the non-Communist governments of the five member countries of the Association of Southeast Asian Nations (ASEAN) are marked by political hostility and ideological cleavage. This deep polarization within the region is not paralleled by attitudes toward the major external powers. Three ASEAN countries have exchanged diplomatic missions with the People's Republic of China, while Hanoi signals interest in normalizing relations with the United States, albeit on its own terms. The international positions of all these countries are not unequivocal alignments but complex vectors of power politics, ideology, economic interests, national pride, security concerns and the idiosyncrasies

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of their leaders. The only possible generalization is that Southeast Asia is not in any way a homogeneous entity.

#### TWENTY YEARS AGO AND NOW

How conditions have changed in the region becomes apparent by comparing the current international orientations of Southeast Asian countries with those of twenty years ago, when after the Geneva Conference of July 1954 and the Bandung Conference of April 1955 these nations first asserted themselves as independent actors in world affairs.

Thailand, the Philippines, and South Vietnam were firmly aligned with the West, dependent for their security on the United States. The territories which later became the Federation of Malaysia, and Singapore, were also in the Western camp, through the link of the British Commonwealth. North Vietnam alone was a Communist country, trying to maintain its distance from the People's Republic of China--despite the substantial military aid that had contributed to the 1954 victory against the French--while being curiously neglected during those years by the Soviet Union. Burma, Indonesia, Laos, and Cambodia professed non-alignment in the global power struggle of the Cold War, although they maintained close economic and cultural links with their respective formal colonial overlords and were ideologically closer to the West than to the Communist world.

By contrast with the 1950s, a significant shift toward non-alignment has occurred among the formerly pro-Western countries. The area controlled by local Communist regimes encompasses now the whole Indochinese

peninsula and provides an expanded arena for some of the bouts of Sino-Soviet rivalry.

The position of the West has deteriorated considerably as well in terms of power politics as in ideological influence, although Western economic involvement has substantially expanded in the non-Communist countries of the region. The industrial democracies remain also the most important source of technology transfer and of higher education for the non-Communist countries, while the Communist countries of Southeast Asia depend heavily on Soviet, Chinese and Eastern European sources for similar benefits.

#### THE END OF ANGLO-AMERICAN HEGEMONY

In terms of power politics, by contrast with the 1950s, Great Britain has ceased to have an influential military presence in the region. After reaching the conclusion that its defense forces were "seriously over-stretched," the Labor Government which came to power in late 1964 set in train a by now completed policy of withdrawal from East of Suez.

In turn, American dominance came to an end following the Communist victories in Indochina of April 1975, for which the stage had been set by the proclamation of the Guam Doctrine in July 1969 and by the War Powers Resolution adopted by the Congress in November 1973, both of which reflected widespread opposition in the United States to the Vietnam war and more broadly to all forms of military intervention abroad.

U.S. military forces are still present in the Philippines, although the bases they use are currently subject to renegotiation. A

residual U.S. military presence without combat capability still remains at this time in Thailand. But the era of Anglo-American hegemony, which resulted from Japan's defeat in 1945, is over. The outline of what the new pattern of power relations will be is not yet discernible.

The Soviets and the Chinese, despite heavy investments in the wars of Indochina, have only made modest advances in terms of establishing their presence in the region in ways that would give them military advantages in the Asian power balance. Consequently it appears that Southeast Asia experiences at this time less direct military pressure by powers external to the region than at any time since the conquest of Malacca by the Portuguese in 1511. This is of course what the nationalist elites, these potent antibodies created by the trauma of foreign invasion, had always wanted. Now the countries of Southeast Asia can at last look forward to a future to be shaped primarily by *their own national wills* rather than by external forces. The results will be worth watching.

#### FORSAKING FOREIGN POLITICAL INSTITUTIONS

Concomitantly with the waning of Western dominance, political institutions derived from American, British, Dutch or French variants of representative government have been abandoned in Southeast Asia by the nationalist elites which had adopted them with considerable eagerness in the initial period of transition from colonialism to independent national existence.

The over-simplified conclusion should be avoided that those institutions were swept away by the withdrawing Western tide. The

constitutional arrangements adopted in the Philippines, Malaysia, Burma, Indonesia and the non-Communist parts of Indochina at the time of independence were discarded because they did not work in indigenous settings.

Whether the survival value of these alien political institutions would have been greater if politico-military Western influences in the region had remained stronger is an interesting question. The much longer historical experience of Latin America suggests a weak correlation between the capacity of the Western democracies to control the foreign relations of developing countries and the lasting implantation of representative government.

Non-Communist Southeast Asia is heading for the same nefarious treadmill from which Latin America has been unable to escape after a century and a half of independence, namely alternation of civilian and military authoritarian regimes. While Communist regimes seem immune to these manifestations of political instability the merits of this achievement do not lend themselves easily to cost-benefit analysis.

In Southeast Asia it is still premature to appraise developments in the Indochinese peninsula after the great convulsions of 1975. So far, the new Communist regimes seem to show little inclination to follow closely the policies of the major Communist powers. While acknowledging gratefully the aid received from the Soviet Union during the war, the Lao Dong Party continues both in the North and in the South the independent policies which have characterized it for the last thirty years. The macabre social engineering of the Khmer Rouge has no close analogies in the recent history of the Communist world, and the amiable Communization underway in Laos seems equally home-grown.

It is tempting to suggest that the only feature common to all Southeast Asian countries, non-Communist as well as Communist, is a marked propensity to reject foreign interference in their domestic affairs and the desire to develop autochthonous solutions to their problems.

#### SOUTHEAST ASIA TURNS INWARD

During the first decades of their independent existence the countries of Southeast Asia had been buffeted by forces beyond their control, emanating from the major outside powers: pressure to join alliances, overt and covert interference in their internal affairs, economic dependence on a world market over which they had no control and on aid programs with a variety of strings attached, and high energy cultural penetration.

Now the countries of Southeast Asia seem to be turning away from primary dependence on the major powers, looking inward, seeking practical formulas for self-reliance. Beyond their own region, the countries of Southeast Asia seem to recognize, like other Third World nations, the imperative of closing ranks and strengthening their solidarity in the sharpening North-South confrontation.

The propensity to avoid excessive dependence on major outside powers seems to be required by the flagging interest of the latter, who appear more concerned with each other than with the smaller nations from among which they previously recruited their clients. What is being played on the wide-screen of Asia is balance of power politics, in which context the countries of Southeast Asia are of relatively

minor importance, lacking the independent resources without which it is difficult to hold a significant role in the modern version of that play.

Even Vietnam, although it has the largest and most effective military establishment in the region, is logistically too dependent on external sources of support to have a significant impact on broader inter-Asian relations.

Mutual disengagement seems to be the dominant feature shaping relations between the countries of Southeast Asia and the major powers within and outside Asia at this time. But this trend is the result rather than the cause of the specific policies adopted by each government. All face the difficult task of making decisions under conditions of greater uncertainty than in the recent past.

#### THE AMERICAN FACTOR

One obvious and fundamental change in the international environment is the changing role of the United States. No country in Southeast Asia can trace its future course without taking the American factor into account. To the extent that one can generalize on what are essentially judgmental conclusions by Southeast Asian politicians and diplomats of diverse background and outlook, it is still widely assumed that the formidable potential of the United States would be mobilized if the global balance or even the all-Asian equilibrium of forces would be in jeopardy. But Southeast Asian governments do not assume that the United States would intervene decisively if local insurgencies or interventions from within the region would threaten their political

regimes or even their territorial integrity. Southeast Asian views concerning the credibility of the United States as a guarantor of the status quo have become quite sophisticated: it is assumed that American intervention is most likely to occur in the least likely contingencies, namely large scale conflicts among some of the major powers, but is least likely to materialize in the most likely contingencies, such as insurgencies or local armed conflicts *between neighboring countries*.

#### HANOI'S INTENTIONS

The most worrisome source of uncertainty in Southeast Asia today concerns the intentions of the Vietnamese leaders. Being in Jakarta last year at the time of the fall of Saigon I was exposed to the conflicting views of the most experienced Indonesian observers. Some assumed that being Communists, the victorious Vietnamese leaders will want to help establish as soon as possible like-minded governments in Thailand, Malaysia, the Philippines, and Indonesia. Others argued that, as nationalists, the Lao Dong hierarchy will want to mobilize all available resources for the economic rehabilitation and development of their country, after thirty years of turmoil and violence.

The assumption of the optimists was that the Vietnamese would be prompted to adopt a conciliatory or even cooperative policy toward the non-Communist governments of Southeast Asia, rather than alarm them, in order to relax tensions in the region and increase their chances to obtain external aid. Vietnam was even encouraged to join ASEAN.

In fact, the revolutionary dynamism of the Lao Dong Party leaders got the upper hand. There is no evidence of concern for the opinions of non-Communist countries. Unification of Vietnam has been pushed faster than ASEAN leaders assumed last year. General Vo Nguyen Giap told New Times in Moscow in January 1976: "Vietnam is already united and over 45 million countrymen in the North and South are again gathered under one roof." General elections will be held on April 25 in the North and the South to formalize unification.

The "militant solidarity" with the Lao People's Revolutionary Party is loudly proclaimed. No efforts are made to conceal the decisive influence that Vietnam has in the new Lao People's Democratic Republic.

Defying friendly overtures from the ASEAN countries, Hanoi is already broadcasting appeals to all Communist underground groups in Southeast Asia to step up their fight to overthrow non-Communist governments. On February 28, 1976 an authoritative editorial in Nhan Dan pledged Vietnam's full support to such uprisings, sending cold chills through the ASEAN governments which had feared since April 1975 that captured American weapons will be made available by the Vietnamese Communists to insurgent groups in their countries.

#### THE UNPREDICTABLE MAJOR POWERS

Another source of uncertainty confronting the governments of Southeast Asia concerns the interplay between the major powers external to the region who have a determinant role in its affairs, namely the United States, the Soviet Union, China, and Japan. By

coincidence, all four major powers have entered a period of succession crises. For the United States 1976 appears as a totally unpredictable election year. In the Soviet Union the 25th Party Congress has not provided clear signals about the succession of the ailing General Secretary Leonid Brezhnev, although his position seems secure in the immediate future. In China the rule of Mao has practically come to an end and contending factions are engulfing the country in a major political crisis which could change the direction of its foreign policy. In Japan the gradual erosion of the political strength of the dominant Liberal-Democratic Party has been greatly intensified by the disclosure of Lockheed bribes. As a synergistic effect of all this, drastic changes in the international spectrum might occur. Consequently the governments of Southeast Asia are faced with the task of adjusting their foreign policies to possible changes in the pattern of international relations, which may have a significantly different configuration in the near future than at present.

These political uncertainties are compounded by the fact that the major external powers influencing the course of events in Southeast Asia are afflicted in varying degrees by economic difficulties. It is by no means certain that the recession in the United States has been effectively arrested and that inflation will not reach again a two-digit level. Although the year 1975 demonstrated in a number of ways the inherent strength of the American economy and a recovery is now occurring, the public mood in the United States is very different from that which permitted in the 1960s the commitment of virtually unlimited resources to the implementation of U.S. foreign policy

goals. It is unlikely that any American President will pursue a dynamic foreign policy in Southeast Asia, the Congress is limiting the financial means to be made available for economic and military grants and credits, and private foreign investments are sluggish.

Japan is also seriously affected by inflation and by the impact of global recession. In December 1975 the position of the yen weakened considerably and gloomy forecasts envisage a possible standstill in the period ahead after spectacular years of economic growth and expansion. Although Japan is likely to remain for the foreseeable future Southeast Asia's most important economic partner, the political and military impact of Japan on the destiny of the area is bound to remain insignificant, as it has been since 1945, even if reduced American involvement creates new risks and uncertainties. The scarcity of Japanese investment capital is bound to have a retarding effect on the economic growth of Southeast Asia.

The Soviet Union, although it acts like an ambitious and assertive global power, gives no indication of planning to expand its role in Southeast Asia significantly, with the possible exception of Vietnam, which is allegedly receiving about \$500 million worth of economic assistance this year. The absence of major Soviet aid programs in Southeast Asia is understandable. Although it might be tempting to outclass the United States at this time, the Soviet government has to cope with the worst harvest in ten years, while it must also intensify capital formation, respond to increasing domestic demand for consumer goods, keep up the strategic competition with the United States in the nuclear field, maintain or regain a position in the Middle East jeopardized

by American diplomacy, and sustain a growing involvement in African affairs. The Soviet Union is not likely to assume major financial burdens in the form of substantial credits to the non-Communist countries of Southeast Asia. Although its trade with the region is slowly expanding, unless the Soviet Union is prepared to play a major economic role in the area its influence will not grow much in those credit-hungry and growth-anxious countries.

As for the People's Republic of China, in the past it has had little to offer the countries of Southeast Asia. Unlike the United States, Japan, and to a lesser but still significant degree the Soviet Union, the People's Republic of China has not been and will not be for some time a significant source of technology transfer, investment capital, or commercial credits. Its present influence in the area results primarily from the eagerness of vulnerable Southeast Asian governments to appease the Peking government which they see as a potential source of support to local insurgents. Trade with the People's Republic of China, as with the Soviet Union, has been insignificant compared with trade with the United States, Japan, and Western Europe. Now that China is emerging as a potential exporter of oil, it may become an interesting source of supply to some countries of Southeast Asia, such as Thailand and the Philippines, but also a worrisome competitor to Indonesia, especially in the Japanese market. But whether China's growing oil production and its increasing capacity to export grains will become sources of enhanced leverage in Southeast Asia will depend on Peking's willingness to grant commercial credits rather than demand cash payments in foreign exchange which is much needed for China's own development-related imports.

Each for its particular reasons, none of the major powers are eager at this time to increase substantially their political and economic involvement in the affairs of Southeast Asia with the possible exception of Soviet aid to Vietnam driven by ambitious strategic interests. In the last two decades all major powers, without exception, have experienced the volatility of the Southeast Asian situation. No country in the region has proved to be in the long run a reliable political ally or economic partner and no commitments have been immune to sudden reversals. All major powers have reasons to be cautious in their future dealings in that high-risk region. Consequently the countries of Southeast Asia may find their opportunities to play off one major power against another drastically curtailed, which will reduce their diplomatic flexibility and increase the uncertainties under which they have to operate in the international arena.

#### THE NORTH-SOUTH CONFLICT

Another consequential source of uncertainty results from the fact that regardless of their specific economic interests with regard to the price of oil, metals, or tropical agricultural products, or concerning the treatment of multinational corporations and other external sources of private capital, technology transfer, and management skills, the non-Communist countries of Southeast Asia are under considerable moral and political pressure, as members of the Third World, to close ranks and present a united front in the North-South confrontation with the industrial democracies.

Although investment decisions are not made in the normal course of events in response to the rhetoric used at the United Nations or at special gatherings in Algiers or Paris, the cumulative effect of the North-South confrontation is to erode gradually the climate of confidence which had attracted in the past private foreign investments to Southeast Asia.

National elites which want to avoid "Maoist" patterns of development, controlled by parties of mass-mobilization dedicated to radical social transformations, are facing an obvious dilemma, the implications of which may not yet be fully comprehended in the countries of Southeast Asia. They are dependent on transfers of capital and technology from the West and Japan for the achievement of their economic growth plans. But such cooperative endeavors between developed and developing countries may be seriously jeopardized if the North-South confrontation is exacerbated, especially at a time when the economic difficulties confronting the United States, Japan, and Western Europe inhibit their interest in an area of relatively minor importance as supplier of natural resources, as a market for industrial products, and as an arena for the investment of venture capital. It is only when the global economy is in a period of expansion that Southeast Asia really appears attractive to foreign investors. When retrenchment sets in, requiring a sober assessment of priorities, Southeast Asia does not rate very highly.

Now the region's potential for political instability has been enhanced by the Communist victories in Indochina. Added to the growing atmosphere of malaise created by the increasing militancy of the

Third World's demands for a New International Economic Order, this situation results in a marked erosion of the climate of confidence which had brought in the past decade relatively large amounts of private foreign capital into Southeast Asia.

#### OBSTACLES TO INTRA-REGIONAL COOPERATION

The Communist states of Southeast Asia face in many ways similar uncertainties in a world in which relations between the major powers are in flux and the pressing issues of economic development are difficult to handle by countries poor in natural resources and trained manpower. But the antagonistic relations between Communist and non-Communist Southeast Asian countries make generalizations across the ideological divide excessively tenuous.

The members of ASEAN, the Communist states, and isolationist Burma, are not likely to make common cause on any important issue, be it an adversary relation with some of the major external powers or active cooperation within the region. Although all these countries seem to be turning inward, the result is not increased solidarity within the region, but fragmentation in the guise of affirmation of separate national identities.

The reality of this trend was verified by the first summit meeting held by ASEAN in February 1976 in Bali. Established in August 1967 to promote economic and cultural cooperation between its members, ASEAN has become a forum for regular consultations between the foreign ministers of the five member countries and has provided an institutional framework for consultations between working level officials. But it

made little headway in accelerating economic growth in the region, which was the first objective of the ASEAN declaration, although concrete proposals of considerable merit had been prepared by UN experts in 1973.

The Bali meeting brought the five heads of government together for the first time eight and a half years after the adoption of the ASEAN declaration in Bangkok. Despite the common perception of an enhanced threat to their regimes following the Communist victories in Indochina, no steps were taken to turn ASEAN into a multilateral security organization or to adopt some other kind of joint approach to defense. The opposition came from Malaysia which, although threatened by a resumption of the Communist insurgency which had plagued it for many years, is anxious not to provoke its Communist neighbors on the Indochinese peninsula. Security cooperation between ASEAN countries will therefore continue on an ad hoc bilateral basis.

#### NO "ZONE OF NEUTRALITY"

Although Southeast Asia is divided into two groups of countries which are at least ideologically adversary, Malaysia also insisted that ASEAN must remain "non-ideological, non-military, non-antagonistic" and continued to advance the idea that Southeast Asia should become a "zone of peace, freedom, and neutrality" which the ASEAN foreign ministers had politely endorsed in their Kuala Lumpur declaration of November 1971. At the Bali summit the heads of government apparently agreed that the zone of neutrality idea had merit but would not be worth pursuing until the three Communist states of Indochina responded

favorably to the invitation to join ASEAN, which some ASEAN leaders believe possible, despite Hanoi's explicit acts of hostility at the present time.

When the late Malaysian Prime Minister Tun Abdul Razak first voiced this idea, at the Third Non-Aligned Summit Conference at Lusaka in September 1970, the purpose was to promote a "hands off" policy by the major powers external to the region. At that time the United States had half a million combat forces in Vietnam and considerable air and naval forces deployed in Southeast Asia, while the Soviet Union and the People's Republic of China were providing massive military resources to the Communist forces in Indochina.

Neutralization was seen at the time by Malaysia as a process in two stages, involving first an agreement between the countries in the region on ways of ensuring peace among themselves and then an agreement between the major powers external to the region to respect and guarantee the neutrality of Southeast Asia. The underlying idea was that the region could be excluded from the Asian power balance if it ceased being an arena for great power competition.

Paradoxically, although the war is over, chances for neutralization either by international agreement with the major external powers or through a declaration by the countries of Southeast Asia seem less favorable than six years ago. At present, the Sino-Soviet competition is one of the most dynamic features of the diplomatic life in the capitals of Southeast Asia. The notion that Moscow and Peking, under current assumptions, would join in a "hands off" agreement on Southeast Asia is unrealistic.

Besides, as long as the Soviet Union asserts uninhibited global ambitions on the high seas and in the Third World, the United States is not likely to abandon its present Pacific strategy, which involves the forward deployment of naval and air forces in the Philippines. Active American cooperation in a neutralization scheme for Southeast Asia would require, as a prerequisite, unambiguous manifestation of Soviet intentions to exercise global self-restraint, not just ritualistic invocations of détente.

But the most serious obstacle to the neutralization of Southeast Asia is the situation created by the Communist regimes in Indochina. Hanoi's aggressive propaganda against ASEAN and its member governments, the call to arms and promise of support it has addressed to all Communist undergrounds in the region are hardly an auspicious setting for a policy of neutralization, the essence of which is non-interference and renunciation of violence.

#### NO ASEAN FREE TRADE AREA

That ASEAN is not yet ready to play an important role in Asian affairs as a collective entity was also demonstrated by the failure of the Bali summit meeting to agree on a free trade area which Singapore, supported by the Philippines, advocated and Indonesia rejected after lengthy preliminary negotiations in the fall of 1975. Prime Minister Lee Kuan Yew of Singapore commented in a resigned mood at the opening of the Bali summit that "new nations need time to realize that sovereignty does not mean self-sufficiency." But it behooved the new Prime Minister of Malaysia, Datuk Hussein Onn to grasp the essence of

what regionalism is at this stage in the development of the nations of Southeast Asia: "ASEAN exists"--he said--"because it serves a need. It continues to exist because it does not demand from us what we cannot give."

In searching for new options in the unpredictable international environment of the last quarter of this century, the nations of Southeast Asia will not have an easy time at it. Their strategic location at the crossroads of continents and oceans precludes isolation. They will remain vulnerable to the thrusts of great power competition. They will also be buffeted by growing internal and regional tensions generated by their own intransigent nationalism, economic backwardness, and social inequity. On the political weather map of the Pacific Basin, Southeast Asia will remain for many years to come a low pressure area, from which one can expect storm more often than sunshine.