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# IKAT

## The Indonesian Journal of Southeast Asian Studies

Center for
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The Indonesian Journal of
Southeast Asian Studies

**Editorial Foreword**

Undeniably a region in change, interest in Southeast Asia is growing. With this growth comes an increase in academic works written about the region, adding to an already impressive canon. With this background in mind, the Centre of Southeast Asian Social Studies (CESASS) at the Universitas Gadjah Mada, Yogyakarta, Indonesia is proud to publish **IKAT: The Indonesian Journal of Southeast Asian Studies.** This journal welcomes and facilitates exchange in academics and disseminates knowledge produced through this growing interest in Southeast Asia.

The name IKAT was adopted to reflect a shared practice found in Southeast Asia. It is derived from the word **Tenun Ikat**, meaning woven fabric, which is a common textile in the region. In addition, IKAT is an Indonesian word, which means to bind, bundle, tie, or bunch. It is our hope that the publication of the IKAT Journal will serve as a platform for those interested in Southeast Asia, binding together those with a common geographical interest. As a means to unite the region, IKAT is open to contributions from all disciplines. This interdisciplinarity enables us to examine and reflect upon Southeast Asia from a plethora of perspectives, each focusing on diverse issues.

Six articles are published in this inaugural volume. The first article takes into consideration the uneven development in each of the ASEAN (Association of Southeast Asian Nations) member countries. The author, Shofwan Al-Banna Choiruzza from the Universitas Indonesia, seeks to show the challenges of ASEAN integration, which is caught up in the contestation between globalization and localization. He characterises ASEAN in terms of compartmentalised regionalism, arguing that while the economic technocracy in ASEAN member countries is generally supportive of free trade, the wider ASEAN community is moving along two separate, region-oriented trajectories, namely economic and political security regionalism.

The second article, written by Irawan Jati from the Islamic University of Indonesia, focuses on the specific response of ASEAN member countries and the Organisation of Islamic Cooperation (OIC) to the Rohingnya situation in Myanmar. Despite ASEAN's hopeful and well-meaning attempts to tactically resolve the crisis through peaceful means, his study acknowledges that ASEAN's role was limited to diplomatic rhetoric and failed to prevent to spread of the crisis.

In keeping with the theme of conflict resolution and crises in the ASEAN region, the third article focuses on radicalism in the Philippines and Thailand, as it relates to these countries' Muslim minority populations. Here, Bayu Mitra A. Kusuma from Sunan Kalijaga State Islamic University, underlies the role of local government policies in igniting the rise of radicalism in their respective country. In the case of the Philippines, his research findings show that this regional rise of radicalism is a direct consequence of governmental revisions to the referendum policy relating to special autonomies in a predominantly Muslim area. In contrast, he found that radicalism in Thailand was triggered by enacting governmental policies of cultural assimilation aimed at the Thai Muslim minority.

Kosuke Mizuno from Kyoto University's Centre for Southeast Asian Studies (CSEAS) focuses his analysis on the post-Lehman shock strategies of East Asian and Southeast Asian countries. He contends, that the basis for conflict among ASEAN member countries is the inequality created by conventional development strategies, which resulted in differing levels of economic growth.

The next article addresses how ASEAN responds to regional dynamics and the resulting problems in Southeast Asia. The authors, Dian Christianti and Hermin Indah Wahyuni from the Universitas Gadjah Mada, discuss the ASEAN Secretariat's Adaptive System Approach in dealing with the Dynamics of Interaction between and among states in the region. Using Niklas Luhmann's Theory of Autopoietic Social Systems, they delve into the organisation of ASEAN, and through their analysis conclude that the ASEAN community needs to be further strengthened by adopting an Adaptive Communication Strategy.

The final article, by Jan Grawon from the University of Freiburg, Germany, discusses the role of education as it relates to regional integration processes in Southeast Asia. In the past, many scholars have attempted to synthesize interrelated issues in these regions. Through the lens of Neofunctional and Norm Diffusion Approaches, his findings show that ASEAN members' major interest concerning ASEAN-EUcooperation in educationlies in enhancing economic performances through strengthening the education sector rather than just emphasizing the education sector itself.

This collection of six articles written by specialists from different disciplinary backgrounds and nationalities provide rich insights into different perspectives of the

current state of affairs in Southeast Asia. It is our hope that our inaugural issue of this journal, along with all future editions, may contribute new knowledges and rigorous studies about this ever-changing region to the interdisciplinary realm of Southeast Asia Studies.

<div align="right">Yogyakarta, July 7, 2017</div>

<div align="right"><em>Editorial Team</em></div>

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# The Indonesian Journal of Southeast Asian Studies

## Contents

# ASEAN in the Age of Anti-Globalization: Compartmentalized Regionalism(s) and Three Trajectories

**Shofwan Al Banna Choiruzzad**[1]

## Abstract

*This essay attempts to examine the prospect of ASEAN integration in the age of anti-globalization by understanding ASEAN as a compartmentalized regionalism. It argues that discussions on the prospect of ASEAN are actually discussions on the trajectories of two separate regional projects: economic regionalism and political security regionalism. It must be noted that we often have difficulties separating the two because their evolution has so far been marked by centripetal movement towards liberal tradition in the two regional projects. However, since we are entering the age of anti-globalization, this is changing. To make an educated guess on the future of ASEAN regionalism(s), I argue that we should focus our attention to three main indicators: (1) Structural: will the international system be cooperative or competitive multipolar system? (2) National elite orientation: will the liberal elites and technocracy in ASEAN countries remain liberal, or will nationalist elites take charge?; and (3) Public sentiment: how big is the positive or negative sentiment towards economic liberalization?*

**Keywords:** Regionalism, ASEAN, Compartmentalized Regionalism

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## Introduction: The Age of Anti-Globalization and ASEAN

*"Fifteen years ago, I wrote a little book, entitled 'Globalization and its Discontents', describing growing opposition in the developing world to globalizing reforms… Now, globalization's opponents in the emerging markets and developing countries have been joined by tens of millions in the advanced countries"* (Stiglitz, 2016).

Donald Trump's victory in the United States presidential election is just one symptom of the turbulent age that we are now facing. Today, the world is marked by the emergence of Daesh (ISIS); the rise of right-wing leaders such as Geert Wilders, Le Pen, and Donald Trump; growing tension in the Asia Pacific region; and the stagnation of the European integration project. European regionalism, seen as irreversible for decades, now faces a serious challenge. Talks about European disintegration have begun to appear in the discussions of policymakers and academics (Schmitter & Lefkofridi, 2016; Legrain, 2016). However, their pessimism has not affected ASEAN leaders. On the organization's 49th anniversary, ASEAN leaders seem continuously optimistic about the future of the ASEAN integration project. The ASEAN Community Vision 2025, adopted by ASEAN leaders in Kuala Lumpur last year, declared that ASEAN leaders are resolved to "consolidate our community, building upon and deepening the integration process."

Is such optimism justified? This essay attempts to look at the prospect of ASEAN integration in the age of anti-globalization by understanding ASEAN as a compartmentalized regionalism: "political project to reorganize a particular regional space along defined economic and political lines, which actually consists of multiple and separated/compartmentalized kinds of arrangements of the regional space(s) but identified as a single project."[2] In simple words, compartmentalized regionalism is "multiple regionalisms in one particular regional space under one name". (Choiruzzad, 2016). It argues that discussions on the prospect of ASEAN are actually discussions on the trajectories of two separate regional projects: economic regionalism and political security regionalism. It must be noted that we often have difficulty separating the two because their evolution has so far been marked by centripetal movement towards

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[2] The definition is built upon Anthony Payne and Andrew Gamble's definition of regionalism. It will be discussed in more details in the next part of this article.

liberal tradition in the two regional projects. However, as we are entering an age of anti-globalization, this is changing. To make an educated guess on the future of ASEAN regionalism(s), I argue that we should focus our attention on three main indicators: (1) Structural: will the international system be cooperative or competitive multipolar system? (2) National elite orientation: will the liberal elites and technocracy in ASEAN countries remain liberal, or will nationalist elites take charge?; and (3) Public sentiment: how big is the positive or negative sentiment towards economic liberalization?

## Literature Studies: Regionalism and Globalization[3]
## Conceptual Definition

Before further discussion, it is important to clarify what this paper means by regionalism and how it is related to other commonly used concepts such as 'regionalization' and 'regional cooperation.' However, it must be acknowledged that these concepts may be understood differently by different scholars. This clarification of the concepts thus serves more as an attempt to explain the position of this paper rather than an intellectual exercise to determine which definition is correct/incorrect or to elaborate the details of the conceptual debates (for conceptual debates, see Hettne, 2005), both of which are beyond the scope of this paper. This paper understands regionalism as the "political project to reorganize a particular regional space along defined economic and political lines". This definition is based on Anthony Payne and Andrew Gamble's definition of regionalism as a "state-led or states-led project designed to reorganize a particular regional space along defined economic and political lines" (Payne & Gamble, 1996, p. 2) but acknowledges that states are not the only actors involved as drivers in such a process.

Some scholars use the concept of regionalism interchangeably with regionalization (Baldwin, 2007), while some others differentiate the two. Those who distinguish between the two concepts differ in explaining why the two concepts are different. Some scholars distinguish the concept by understanding 'regionalism' as a top down process (mainly driven by political authority, i.e. state) and 'regionalization'

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[3] Parts of sections 2 and 3 are developed from my presentation at AUN-KASEAS International Conference, 26–27 August 2016, titled "Centrality or Centralities: Understanding ASEAN as Compartmentalized Regionalism"

as a more bottom up process (sprang from the need for transnational relations due to economic interdependency). Others see the relationship between 'regionalism' and 'regionalization' as similar to that between 'nationalism' and 'nation building' (Camroux in Dieter, 2007). This paper sees that the two as distinct concepts, with regionalism referring to "a *political project* to reorganize a particular regional space" and regionalization referring to a "*process of forming regions* that can emerge both by being planned (i.e.: a political project) or by spontaneous development" (developed from Hettne, 2005, p. 546). With these definitions, both concepts are distinct, but may be used interchangeably in some particular contexts. All regionalisms are regionalization, but not all regionalization can be understood as regionalism (because not all regionalization processes are planned consciously as political projects).

Regional cooperation, on the other hand, is a wider and more general concept that can be understood as referring to any kind of joint efforts by states to solve a specific problem. In Ernst Haas' classical definition, regional cooperation is "a vague term covering any interstate activity with less than universal participation designed to meet commonly experienced need" (Haas, 1970, p. 610). With the above mentioned conceptual understanding, this paper deliberately uses the term 'regionalism', as ASEAN is clearly a political project.

## Regionalism and Globalization

Studies in regionalism began in the 1950s, responding to development in post-World War II Europe. These early studies on regionalism, first intended to understand and prescribe a strategy for European regional integration but later spread to study other regional projects elsewhere, is often considered 'Old Regionalism'.

Old regionalism approaches are often also considered 'political programs', since they also serve as prescriptions for regional integration. Federalism, an early approach to study regionalism that was very influential among the pioneers of European integration, advocated for the retreat of the nation-state and the formation of a new form of political structure that integrated existing nation-states. The impetus for this argument was the European experience of devastating world wars and the drive to ensure peace in the region. This argument was later criticized by functionalism, often associated with David Mitrany, which argued that function is more important than form (advocated by the federalists). 'Form' (i.e. the international/supranational

organization) must be established based on 'function', i.e. cooperation and activities around functional needs such as trade, production, welfare, and transportation (Hettne, 2005, p. 546).

Later, functionalists were criticized by neo-functionalists such as Ernst Haas, who disputed functionalists' neglect of politics and argued that those 'functions' are not merely technical but also political (Hettne, 2005, p. 546). Integration, they argued, is not driven by 'functional automaticity', but by process and the existence of purposeful actors. According to neo-functionalists, increasing levels of interdependence would initiate a process that would lead to political integration. One important mechanism related to this argument is 'spillover', which is "the way in which the creation and deepening of integration in one economic sector would create pressures for further economic integration within and beyond that sector and greater authoritative capacity at the European level" (Hettne, 2005, p. 546).[4] Based on this idea, Bela Balassa developed the influential concept that regional integration should occur in five stages: free trade area will lead to customs union, customs union will lead to common market, common market will lead to economic and monetary union, and finally economic and monetary union will lead to political union (Balassa, 1961; Balassa in Eatwell et al., 1987, pp. 43–47). It must be noted that, despite being published in 1960s and thus potentially labeled 'Old Regionalism', Balassa's concept remains influential in shaping our understanding (and the strategy of policymakers) even today (Dieter, 2000, pp. 7–8).

Despite the internal debates within 'Old Regionalism', its approaches generally consider regionalism to be a linear and relatively mono-dimensional process. Linear means that the process follows a particular trajectory. This does not mean that it necessarily runs in the single direction of progress, since the process can stagnate or even regress. It means that the stages (explicitly mentioned as in Balassa's concept or implicitly assumed) are connected as a series of milestones. Mono-dimensional refers to the tendency to see regionalism as something that happens in one or at least a 'unified' dimension (e.g. security or economy).

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[4] The use of 'European' here is understandable because Old Regionalism mostly focuses on Europe, which is also empirically the first project of regional integration. 'European level' in this definition has also applied to other regional projects.

This first wave of regionalism studies was halted with the so-called 'Eurosclerosis' and the stagnation of attempts for regional integration elsewhere in in the 1970s. A new wave of regionalism studies that started in the 1980s was related to the phenomenon of globalization. This new wave of studies is often identified as 'New Regionalism.' However, some scholars have advocated for transcending this division of old and new regionalisms (Hettne, 2005; Hettne & Soderbaum in Cooper et al., 2008).

'New Regionalism' approaches differ from their 'Old' counterpart by acknowledging the diversity of regionalisms. According to Andrew Hurrel, five distinguishing factors differentiate 'New Regionalism' from 'Old Regionalism': (1) New Regionalism in very diverse, being comprised of a range of models/structures/ processes of region-building rather than a single norm; (2) New Regionalism can involve partnerships between developed and developing countries; (3) New Regionalism varies in the level of institutionalization, in contrast to Old Regionalism's very formal understanding of region building; (4) New Regionalism is multi-dimensional and blurs the distinction between the economic and the political; and (5) New Regionalism reflects, shapes, and requires the development of a regional sense of identity (Hurrel, 1995). According to Hettne and Soderbaum, 'New Regionalism' considered new aspects related to the phenomenon of globalization. They also argue that New Regionalism focused on concepts of 'regionalism' and 'regionalization' (in contrast to the concepts of 'regional integration' and 'regional cooperation' preferred by earlier studies of regionalism), because those concepts are considered more appropriate for capturing the multidimensional features of contemporary regionalism (Hettne & Soderbaum in Cooper et al., 2008).

It is also important to note that this distinction of old and new regionalisms does not only apply in a theoretical sense, but also in an empirical sense, as the terms do not only refer to approaches of studying regionalism but also to the regionalism projects themselves. Some regional organizations are considered 'old regionalism' (mostly those established during the Cold War, especially in the 1950s–1970s) and others, especially those effectively established after the 1980s, are considered 'new regionalism.' According to Hettne, 'old regionalism' was a "Cold War phenomenon" and had specific objectives (some security-motivated while others more economically oriented) while 'new regionalism' was a result of a "more comprehensive,

multidimensional societal process" (Hettne, 2005, p. 549). In this sense, it is interesting to note that ASEAN was established in 1967, with a strong Cold War context, but new elements of the regional project were established in 1990s. This situation has often created confusion for observers, because ASEAN could be considered both 'old' and 'new' regionalism.

If we look at political and security issues, ASEAN meets the description of old regionalism due to its Cold War origins and the continuing importance of the member states. However, this cannot capture the development of many features of ASEAN regionalism after the 1990s, which transcend a single specific dimension. Some would argue that ASEAN is closer to 'new regionalism' because it is considered 'comprehensive and multidimensional' (referring to the existence of three equal pillars of ASEAN Community). However, 'comprehensive and multidimensional' assumes integrality of dimensions, indicated by the existence of unified patterns/rules of arrangement, similar proponents, and a single particular logic on which the regional project operates. This might not be sufficient to explain the frequent disconnection between the economic, security, and socio-cultural 'pillars' of ASEAN and the focal point agencies of each pillar in each country.

## Compartmentalized Regionalism

*"Today, power in the world is distributed in a pattern that resembles a complex three-dimensional game"* (Nye, 2011).

The limitations of 'Old' and 'New' regionalisms in capturing the abovementioned complexity of ASEAN regionalism demand a more creative approach. To fill this demand, this paper aims to explore the idea of 'compartmentalized regionalism'. This concept argues that ASEAN is a 'political project' composed of at least two different 'political projects' with distinct arrangements, proponents, and logics that are separate but identified politically as a single integrated project.

Joseph Nye's analogy of multidimensional chessboards is relevant in the case of ASEAN regionalism. Furthermore, I believe that actors are not only playing on multiple chessboards simultaneously, but playing different board games with different rules on each layer. The European Union is a multidimensional regionalism project in that it

creates authority in economics, politics, security, agriculture, environment, as well as some other sectors, in an integrated process based on a coherent arrangement and operating on a particular logic. In the context of the European Union, this logic is "*liberal prescription for the conduct of international politics*" (Walt, 2015). ASEAN is not only multi-dimensional, because some of the dimensions have arrangements, proponents, and logics that are distinguishable from each other. The dimensions in European regionalism may be chessboards, but the dimensions in ASEAN regionalisms are different board games.

In this paper, I would like to propose that ASEAN regionalism is driven by separated regional projects. ASEAN is a 'political project' composed of at least two different 'political projects'. One is in the political security dimension (in recent developments, manifested in the ASEAN Community in the ASEAN Political Security Community pillar) and the other one is in the economic dimension (manifested in the ASEAN Economic Community pillar). The two have distinguishable arrangements, proponents, and logics that are separate but identified politically as a single integrated project. Thus, I would like to propose the use of the term 'compartmentalized regionalism'.

One symptom of this 'compartmentalized regionalism' is the partial and limited leadership in ASEAN. For example, Emmers observed that Indonesia's leadership has so far been limited to the political and security spheres and left other sectors to others (Emmers, 2014). If we use the framework of compartmentalized regionalism, this is not merely a problem of partial, sectorial, incomplete, or limited leadership in a particular state in ASEAN. It is related to the fact that economic and political security are not merely 'sectors' of ASEAN regionalism, but two distinct regionalisms despite being identified under the single flag of ASEAN. Below, this paper elaborates the distinct arrangement, proponents, and logics that can be used to distinguish between the two regionalism projects under the name of ASEAN regionalism.

## Distinct Arrangements

One visible distinction between the two 'compartments' is that they have different arrangements in organizing the regional space. In the political security compartment, sovereignty and non-interference remain sacred and act as the basic principles for shaping the regional arrangement. "Respect for the independence,

sovereignty, equality, territorial integrity, and national identity of all ASEAN Member States" is included in the Charter as the first principle of ASEAN. This is apparently not enough, as another principle to guarantee Member States' sovereignty appears in point (k) "Abstention from participation in any policy or activity, including the use of its territory, pursued by any ASEAN Member State or non-ASEAN State or any non-State actor, which threatens the sovereignty, territorial integrity or political and economic stability of ASEAN Member States". The principle of non-interference is mentioned in point (e) "non-interference in the internal affairs of ASEAN Member States" and (f) "respect for the right of every Member State to lead its national existence free from external interference, subversion and coercion".

It is interesting to note that, while the ASEAN Political and Security Community Blueprint emphasizes the importance of the principles contained in the ASEAN Charter ("The APSC Blueprint is guided by the ASEAN Charter and the principles and purposes contained therein"), the ASEAN Economic Community Blueprint directly mentions that "the Leaders agreed to hasten the establishment of the ASEAN Economic Community by 2015 and to transform ASEAN into a region with free movement of goods, services, investment, skilled labour, and freer flow of capital". The AEC Blueprint does not refer specifically to the principles in the ASEAN Charter, but mentions that "ASEAN shall act in accordance to the principles of an open, outward-looking, inclusive, and market-driven economy consistent with multilateral rules as well as adherence to rules-based systems for effective compliance and implementation of economic commitments". This is, of course, in line with Article 2 Paragraph 2 point (n) of the ASEAN Charter, but with additional words (rather than being solely market driven as in the Charter, additional characteristics are explicitly added: open, outward-looking, and inclusive). Of course, one can argue that this is only a trivial matter of document structure. However, this shows that the two compartments actually have different principles in organizing regional space.

In the 'political security compartment,' sovereignty and non-interference are generally considered as non-negotiable. Thus, ASEAN observers are pessimistic about the possibility of functioning human rights institutions under ASEAN or about the prospect of ASEAN's democratization agenda (Kvanvig, 2008; Dosch, 2008, pp. 527-545). However, in the economic compartment, it seems that sovereignty can, and even must, be compromised. Rather than stressing the importance of sovereignty, the AEC

Blueprint emphasizes that ASEAN Member Countries shall adhere to "rules-based systems for effective compliance and implementation of economic commitments". To comply and implement economic commitment, one must compromise at least part of its sovereignty.

As already mentioned, one symptom of 'compartmentalized regionalism' is the partial and limited leadership in ASEAN. This is also an indicator that the 'compartments' are driven by different champions with different motivations. The political security regionalism/compartment was formed and initiated by ASEAN Member States during the Cold War. It is in this context that the principle of non-interference was outlined as the ASEAN principle, as mentioned in the Bangkok Declaration. From the 1960s to the 1980s, ASEAN successfully managed to prevent large conflict and provide regional stability. This is an important achievement if we compare ASEAN with other regions that were devastated by conflicts spurred by the interference of competing blocs. Thus, states played a very important role in the shaping of regional cooperation in security. This has continued after the end of the Cold War and the rise of China that set new geopolitical complexity in the region. However, states continue to act similarly, with their own national interests acting as their guiding lights. In this compartment, countries with large size and huge strategic interests such as Indonesia act as sectorial leaders. It must be noted that, despite the existence of the non-interference principle, external powers such as US, Japan, and China are also competing for influence in shaping the regional security architecture.

The economic regionalism/compartment was initiated by different proponents. Some scholars argue that ASEAN regionalism (in the context of this paper, the 'economic regionalism' part) has been largely driven by the private sector, especially by the activities of the Japanese Multinational Corporations (MNCs) and overseas Chinese businesses, while states have only played secondary and reactive roles (Stubbs, 1995, pp. 785–797). This has changed since the Asian Crisis of 1997/1998, which spurred the emergence of a more active role of states in shaping the regional project (Bowles, 2002, pp. 244–270). In this compartment, Singapore plays a significant role, and external economic powers such as Japan and China act as important proponents. For example, Japan helped establish and sustain ERIA (Economic Research Institute for ASEAN and East Asia), a think tank that is very influential in providing recommendations for ASEAN economic integration.

Domestically, the separation between the two compartments is also visible. Different focal points (especially Ministry of Foreign Affairs and Ministry of Defense vs. Ministry of Trade) often have different ideas of ASEAN and how it should interact with external powers. However, these differences are not becoming a problem because they have their own 'compartments' that are institutionalized through ASEAN mechanisms.

## Distinct Logics

Lastly, the two compartments are different because they operate based on different logics. The difference in the regional arrangement and its proponents are strongly correlated to the difference in the ideological perspective that serves as the basis of the regional project. The political security compartment operates on a Westphalian logic that stresses the importance of the state and territoriality, while the economic compartment relies on the insights of the technocrats that believe in economic liberalism. The former is concerned with relative gain, while the latter is concerned mostly with absolute gain.

To sum up, the differences that separate the two compartments can be outlined as follows:

Table 1. *The Different Features of Political Security and Economic Compartments of ASEAN Regionalism*

|  | **Political Security 'Compartment'** | **Economic 'Compartment'** |
|---|---|---|
| **Arrangements** | Sovereignty is the basis and thus cannot be compromised. | Some parts of national sovereignty must be compromised. |
| **Proponents** | ASEAN Member States, Defense Ministries, competing regional powers | Business (MNCs), Economic Ministries, regional economic powers |
| **Logics** | Westphalian, state-centric, relative gain | Economic liberalism, open regionalism, absolute gain |

## Possible Scenarios

Based on the understanding of ASEAN as compartmentalized regionalism, discussion of the prospect of ASEAN is actually on the trajectories of two separate regional projects: economic regionalism and political security regionalism.

Nevertheless, it must be noted that we often have difficulty separating the two because their evolution has so far been marked by centripetal movement towards liberalization in the two regional projects.

In the economic compartment, the move toward a more liberal tendency is evident in itself, since economic liberalism is the driving idea of the economic regionalism project. As such, every progress in regional economic integration is in itself a move toward liberalism. In the political compartment, despite the stubborn persistence of Westphalian notions of sovereignty and non-interference, ASEAN is constantly moving towards a more liberal arrangement (Kurniawan, 2015, pp. 4–6).

In the beginning, ASEAN member states preserved security in the region by declaring their commitment towards principles of national sovereignty and non-interference to end regional inter-state violent political conflicts. This means that ASEAN countries were following realist tradition, as they recognized the anarchic nature of the international system. Later, this situation gradually changed with the introduction of regional codes of conduct such as Zone of Peace, Freedom, and Neutrality (ZOFPAN); the Treaty of Amity and Cooperation (TAC); and the Southeast Asia Nuclear-Weapon-Free Zone (SANWFZ). The move toward a more liberal arrangement became faster with the end of the Cold War and was marked by the establishment of the ASEAN Regional Forum (ARF) in 1994, which was intended to engage major powers in East Asia and beyond in a cooperative security mechanism. The establishment of ARF, with its assumption that it should be able to evolve as a "community of law security system" in the long run (Navari in Williams, 2008, p. 42; Kurniawan, 2015), indicates a further step towards liberal ideas of maintaining security. The latest milestone in the shift towards liberalism is the establishment of the ASEAN Political Security community (APSC) as one of the pillars of the ASEAN Community. Under the APSC, ASEAN leaders envision a secure Southeast Asia with three key characteristics: (1) a rules-based community of shared values and norms; (2) a cohesive, peaceful, stable, and resilient region with shared responsibility for comprehensive security; and (3) a dynamic and outward-looking region in an increasingly integrated and interdependent world (APSC Blueprint Report 2009).

What explains this constant shift towards a more liberal orientation and the creation of a pathway for unifying the two regional projects? The first is structural, i.e. the global and regional distribution of power. The end of the Cold War brought a shift

from a bipolar to unipolar international system with liberalism as the triumphant ideology. The second factor is elite orientation. After their independence in the mid-20th century, most countries in South East Asia in the 1980s began to have their own groups of technocrats and elites with a liberal orientation. This is related to the growth of post-independence generations; education orientation, mostly toward Western universities; and the elimination of leftist groups, seen by many South East Asian regimes as domestic threats, at the height of the Cold War. The third is the public sentiment that generally expect the world to become more integrated after the lengthy tensions of the Cold War.

However, with the upcoming age of anti-globalization, changes are occurring to these three factors. Based on this assessment, what are the possible trajectories of ASEAN regionalism, i.e. the two regional projects? Will the centripetal move towards a liberal tradition (and thus integrate the compartments into a more European Union-like multidimensional arrangement) continue (Scenario 1)? Or will reversals happen? If reversals occur, will there be a return to two separated regional arrangements (realist regional political and security order and continuing liberalization of regional economic arrangement, Scenario 2)? Or, will the conflation of the economic and political compartments, driven by competitive Great Power politics, leads to the collapse of ASEAN (Scenario 3)?

To make an educated guess on the future of ASEAN regionalism(s), I argue that we should focus our attention to three main indicators: (1) Structural: will the international system be cooperative or competitive multipolar system? (2) National elite orientation: Will the liberal elites and technocracy in ASEAN countries remain liberal, or will nationalist elites take charge?; and (3) Public sentiment: How big is the positive or negative sentiment towards economic liberalization? The three possible scenarios are outlined in the table below.

Table 2. *Scenarios for the Trajectories of ASEAN Regionalism(s)*

|  | Scenario 1: Multidimensional Liberal Regionalism | Scenario 2: Continued Separation | Scenario 3: Conflation and Collapse |
|---|---|---|---|
| **Structural** | Multipolar with cooperative Great Power dynamics | Multipolar with competitive Great Power dynamics | Multipolar with competitive Great Power dynamics |

| National Elite Orientation | Persisting liberal elite and technocracy | Persisting liberal elite and technocracy | Rise of nationalist elites |
|---|---|---|---|
| **Public Sentiment** | Moderate to high support towards economic liberalization | Moderate to high support toward economic liberalization | Low to moderate support toward economic liberalization |
| | | No huge organized resistance against economic liberalization | Rise of economic nationalism |

For now, it is too early to judge the fate of ASEAN. Things are changing, certainly. On the structural dimension, most observers agree that the region, and even the world, is shifting towards a multipolar structure. Nevertheless, it is difficult to define the dynamics of great power rivalry in the region between China, Japan, and the United States as cooperative or competitive in clear-cut manner.

Competition does characterize the relationship between China and Japan, as seen in the competition of the Asia Plus Three (APT) that limits is membership to ASEAN+3 countries and the East Asia Summit (EAS) which includes Australia, New Zealand, India, the United States, and Russia. Competition is also evident in the establishment of China-led Asia Infrastructure Investment Bank *vis a vis* existing institutions led by Japan (Asia Development Bank) and the United States (the World Bank) and the introduction of the One Belt One Road (OBOR) initiative *vis a vis* Japan's Partnership for Quality Infrastructure introduced by Prime Minister Abe in May 2015. However, Japan and China do cooperate in many ASEAN-based frameworks, including in the development of the Greater Mekong Sub-region.

On the aspects of national elite orientation and public sentiment, the rise of anti-globalization sentiment, as illustrated by the rise of Trump and his policies, will pose challenges against the generally liberal elite and technocracy of the current ASEAN governments. Nationalist sentiments do appear more expressively in ASEAN member countries' politics, such as during Indonesia's presidential campaign (despite the fact that, after the election, economic policies have generally remained in the liberal precepts) and Malaysian political bickering. So far, the economic technocracy of ASEAN countries remains generally supportive of free trade. However, changes often happen abruptly, as in the case of Trump or pre-World War II turns into protectionism.

For now, the most probable scenario is the status quo: that the ASEAN economic regionalism and ASEAN's political security regionalism will remain separated, despite being under the single banner of the ASEAN Community. In the economic realm, economic integration will continue, albeit slowly. In the political security realm, the gradual shift toward liberal precepts will be reversed. Nevertheless, predictions are predictions, and no single academic work can guarantee the accuracy of its predictions. We will have to wait for the future to unravel itself.

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# Comparative Study of the Roles of ASEAN and the Organization of Islamic Cooperation in Responding to the Rohingya Crisis

**Irawan Jati**[1]

## Abstract

*Since 2012, Southeast Asia has witnessed the human rights tragedy of the Rohingya people of Myanmar. Hundreds of thousands of Rohingya have been displaced from their homes and traveled to refugee facilities in Myanmar and Bangladesh, while others have been stranded on the Andaman Sea. The Rohingya crisis is perhaps the most horrific human rights tragedy after the crisis in Vietnam in the 1970s. As the crisis has developed, international communities, including ASEAN and the Organization of Islamic Cooperation (OIC), have responded to the crisis. As the main regional organization, ASEAN has been hoped to elucidate the crisis tactically through peaceful means. OIC, meanwhile, has been expected to join humanitarian action using a diplomatic approach to other international humanitarian bodies, including the UNHCR. However, it is obvious that ASEAN's response to the crisis has been limited to diplomatic oration and failed to prevent a wider crisis. For OIC, its humanitarian solidarity has lacked access to the target community. Therefore, this paper would like to attempt a comparative analysis to describe the central inquiry; how have ASEAN and OIC responded to the Rohingya crisis? This analysis involves studying ASEAN and OIC publications and related references. The initial argument of this paper is that both organizations have given reasonable responses to the crisis, but have been unable to halt its advance.*

**Keywords:** ASEAN, Human Rights, OIC, Refugee, Rohingya

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**Introduction**

Since 1991, the plight of the Rohingya has gained global attention through articles in the media. These people have been identified as unfortunate people facing pressure from their own government, that of Myanmar. Early in the 1960s, the Rohingya had made a sea journey to neighboring countries to save their lives and to find better places to live. Unfortunately, the crisis has escalated severely since 2012. Some 120,000 Rohingya have taken the journey over Andaman Sea. This is a real-life tragedy in ASEAN's back yard. However, ASEAN's response to the crisis has been far from sufficient, particularly compared to those of the Organization of Islamic Cooperation (OIC). OIC's international efforts have included establishing fact-finding missions and providing humanitarian assistance to Rohingya. Unfortunately, international efforts to reduce the suffering of the Rohingya people have mostly been limited to rhetoric and had a limited impact (Southwick, 2015).

The Rohingya are 'forced' to take a long and dangerous journey. They cross jungles and sail the Andaman Sea to reach neighboring states. The push factor for this irregular migration is the threat of persecution, either by the Buddhist majority or by the government of Myanmar. The pull factor is the potential to find a more conducive environment and better job opportunities in other countries, such as Malaysia and Thailand. However, only a few of these people are able to arrive at their desired destinations. Most are stranded, or even drown, at sea. Early in 2015, some two thousand Rohingya were stranded on the Andaman Sea near the Indonesian border. Larger groups were sailing towards Malaysia and Thailand. Initially, the Indonesian, Malaysian, and Thai governments denied these people entrance into their territory. However, after pressure from national and international communities, they agreed to welcome Rohingya refugees. This decision was made during a three party meeting in Malaysia.

The three party, involving Indonesia, Malaysia, and Thailand, resulted in a temporary solution: the Rohingya could be settled for a period of one year. During the crisis, some ASEAN partners did not show much support. China and India looked elsewhere, while Australia faced allegations of paying people smugglers to send the Rohingya back to Indonesian waters. Meanwhile, the Myanmar government has yet to change its political and legal stance, which undermines the Rohingya as a people. At least as reported by the media, the Myanmar government continues to deny issues

with the Rohingya but still keeps them in camps (Graham, 2015). For the Myanmar government, even the word Rohingya is taboo; they term the group "Bengalis" and solely consider them stateless Bengalis (Hukil & Shaunik, 2013).

The Rohingya crisis is a real test of ASEAN's commitment to protect its people, as declared in its Charter and declaration of human rights. Unfortunately, ASEAN has made little effort to address the crisis. At the diplomatic level, ASEAN lacks the confidence to address the Rohingya crisis, instead relying on diplomatic rhetoric. Another international organization has shown greater concern for this case: the Organization of Islamic Cooperation (OIC), whose concerns are related to the fact that the Rohingya are Muslim. OIC's response to the crisis has included delivering humanitarian assistance, using a diplomatic approach with international organizations such as the United Nations (UN), and establishing a fact-finding group to collect factual information on the root of the crisis. This article, therefore, tries to discuss the question of how ASEAN and OIC have responded to the Rohingya crisis.

**Literature Review**

Numerous articles discuss the Rohingya case, particularly ASEAN's involvement, from different perspectives. Many of these articles critique ASEAN as the primary regional organization in Southeast Asia. The critiques mostly focus on ASEAN's non-intervention principle, which is depicted as the main source of the organization's weakness in solving humanitarian crises in the region (Arendshorst, 2009; Goh, 2002; Jones, 2009; Othman & Othman, 2010; Singh, 2014). The non-intervention principle has become both a strength and weakness of ASEAN in advancing its cooperation. On the other hand, ASEAN's policy on Myanmar is usually depicted as one of 'constructive engagement' (Vinh, 2014). This policy implies that ASEAN takes a positive attitude towards non-democratic countries such as Myanmar. The accession of Myanmar, Vietnam, and Cambodia is the result of this constructive engagement policy.

An effort to compare ASEAN's response to refugee crises with that of other organizations has been made by Alistair Cook, who compares ASEAN's stance towards refugee issues with that of the European Union. Based on his study, he concludes that both ASEAN and EU approaches have no "significant impact" to changing regime (Myanmar) behaviors (Cook, 2010). Unlike ASEAN's constructive engagement

approach, the European Union tends to use a 'carrot and stick' or sanction approach in dealing with Myanmar (Balossi-restelli, 2015; Jom & Sidhu, 2015).

The OIC, meanwhile, has used a 'humanitarian' approach towards Myanmar. The organization's transforming role in humanitarian assistance has been well researched in the Humanitarian Policy Group's Working Paper (Svoboda, Zyck, Osman, & Hashi, 2015). Unfortunately, OIC's capability to solve conflict is still lacking. The recent case in Yemen is one example of OIC's 'failure' in settling the problem (Qadir & Rehman, 2015).  However, research on OIC's policies or politics remains rare. Therefore, this research finds its significance in contributing to research on OIC politics.

**Research Method**

This study is based on qualitative analysis of both ASEAN and OIC's responses to the Rohingya crisis. The study applies a comparative politics method. The focus of this study is the diplomatic responses to the crisis and practical humanitarian assistance of ASEAN and OIC. This research also uses a literature study for research. The general procedures of this research consist of three main phases: (1) Pre-Research: Most of the activities during this phase are related to the preparation process, including research planning and administrative works; (2) Data Collection: Since the research employs a literature study, all data collected in this research is categorized as secondary data. In collecting data, the researcher utilized digital data, particularly electronic journals, online articles, and selected news resources; and (3) Data Analysis: To obtain research results, the collected data must be analyzed, first by scanning/reading the literature to reveal patterns and tendencies in the organizations' behavior then by labeling each pattern with some codes. This coded data was then interpreted based on explicit statements or arguments.

**Findings and Discussion**

**The Rohingya Plight**

The previous military junta of Myanmar intended to 'Burmanize' the entire country (Lay, 2009). Its Burmanizing politics were practiced soon after it first took the leadership in Myanmar after the 1962 military coup. As reported by Fortify Rights, the totalitarian political practices of the military junta have included the stripping the Rohingya of citizenship rights; implementing a two-child policy, birth control policy,

marriage restrictions, and restrictions on movements; and conducting invasive monitoring (Matthew & Taylor, 2014). Since the political transition to a military junta, Myanmar has been considered the 'world's greatest violator of human rights' (Deppermann, 2013). Who are the Rohingya? What is their history?

The term Rohingya, also pronounced Rooinga, 'refer(s) to Sunni Muslims living in the former Arakan State, designated the Rakhine State in 1989' (Robinson & Rahman, 2012). Rakahine is an area of Myanmar that borders Bangladesh. Before the Burmese army took over this area, it was the site of a Buddhist kingdom that enjoyed bilateral relations with the Mughal Empire in India. This kingdom recognized the Mughals as their patrons and used Muslim titles (ICG, 2014). Rohingya can be understood as meaning 'Tiger from the old village'; it also means 'the tiger who is sick of life goes to the strange forest' (Saw, 1993).

During the British colonial era, many of the people of Bengal migrated to Rakhine area. This migration was supported by the British, as they needed a workforce for rice production (ICG, 2014). The term Rohingya began to surface at the beginning of the 1950's; before, they were called Bengalis, Muslims, or Mohammedans by the British (Nemoto, 1991). Several stories exist regarding the meaning of the word Rohingya. For Saw (1993), the Rohingya are illegal migrants who came to Arakan State from Bangladesh. Saw claims that they have no legitimate historical knowledge of their Rohingya name (Saw, 1993). However, this does not mean that they do not deserve Burmese citizenship. A counter argument is made by Tha (2007), who argues that the Rohingya are descendants of Arabs who come to Arakan more than 1000 years ago. He suggests that their name is closely related to that of Arakan, which is derived from the Arabic word *Ar Rukun*, meaning the land of peace (Tha, 2007).

**ASEAN's Role**

As the core regional organization, ASEAN should take a leading role in resolving the Rohingya crisis. ASEAN and its members have a moral obligation to take necessary measures, which should be greater than humanitarian assistance. ASEAN should concretize its 'ASEAN community' identity by working together to address the crisis. Nevertheless, ASEAN has shown reluctance in its response and focused on formal diplomatic processes.

**ASEAN Member Meetings**

As its general response to any case, ASEAN—particularly member states such as Indonesia, Malaysia, Thailand, and Myanmar—conduct diplomatic efforts to formulate a solution. Institutionally, ASEAN has not hosted any official meetings to deliberate the Rohingya crisis. Only in 2012, during a meeting of the heads of state in ASEAN, was the question of Rohingya issues raised to high-level representatives from Myanmar and Bangladesh (Lipes, 2012). Personally, former ASEAN Secretary General Surin Pitsuan expressed interest in the issue. However, this came without further action to prevent atrocities. Similarly, in 2015, ASEAN behaved in the same manner: ignoring the catastrophic plight of the Rohingya. The failure of ASEAN to take immediate action has been called 'the greatest embarrassment ASEAN has ever faced' (Hunt, 2015).

During the height of the Rohingya crisis (2012–2015), only two noteworthy meetings were held by ASEAN member states. The first was the three party meeting between Indonesia, Malaysia, and Thailand, which was held in Putra Jaya. This meeting was conducted in the face of international pressure that these countries welcome the Rohingya into their territory, rather than allow them to remain stranded at sea. During the meeting, Indonesia, Malaysia and Thailand agreed to accept the Rohingya within their territory for a duration of one year. During this period, these countries called international society to participate in providing a conclusive ending to the Rohingya crisis. It appears that ASEAN, or more precisely some of its members, would like to turn the crisis into one of international liability. Unfortunately, the meeting failed to reprimand the principal actor behind the crisis: the Myanmar government itself.

Myanmar's reluctance to address the Rohingya crisis reflects its political stance, which can be describe as discriminatory policies. Myanmar has sent the clear message that it will not accept the use of the term 'Rohingya' during any bilateral or multilateral discussions. Myanmar, as discussed earlier, insists on the term 'Bengali' and treats refugees as irregular migrants. To date, Myanmar's political stance has been respected by ASEAN and its member. Although the crisis began in 2012, no ASEAN meetings have addressed the Rohingya crisis as a specific issue, and no ASEAN members dare challenge Myanmar. Any attempt to discuss the Rohingya crisis with Myanmar must not mention Rohingya in the agenda of the meeting. Such a strategy was used by Thailand in May 2015 when it hosted a special meeting concerning Rohingya refugees.

This meeting, the Special Meeting on Irregular Migration in the Indian Ocean, was the second meeting held by individual members of ASEAN to address the Rohingya crisis. It was an attempt to put the issue on the table for discussion among multiple parties. This meeting showed improvement, in that it reflected a more coordinated effort among concerned parties in Southeast Asia, its neighbors, and international organizations. More importantly, the meeting was able to include Myanmar. The Bangkok special meeting was attended by 25 high-level representatives from Afghanistan, Australia, Bangladesh, Cambodia, India, Indonesia, Iran, Laos, Malaysia, Myanmar, New Zealand, Pakistan, Papua New Guinea, the Philippines, Sri Lanka, Vietnam, and Thailand. Three international organizations under the United Nations (the United Nations High Commissioner for Refugees [UNHCR], the United Nations Office on Drugs and Crime [UNODC], the International Organization for Migration [IOM]) and the United Nations Resident Coordinator for Thailand also attended as participants. Meanwhile, representatives of Japan, Switzerland, and the United States of America attended as observers. A number of ambassadors and chargé d'affaires based in Bangkok also observed the meeting (MFA, 2015). The special meeting reached 17 prospective conclusions, including the continuous commitment of the 'five most affected countries' to provide humanitarian assistance for the irregular migrants and to solve the root causes of the problems. The meeting also welcomed the United States and Australia's pledged humanitarian assistance to Rakhine State and Cox's Bazar. Most importantly, the parties in the special meeting agreed to forward the issue to the ASEAN Ministerial Meeting on Transnational Crimes; the Bali People Smuggling, Trafficking in Person, and Related Transnational Crimes (Bali Process); and other relevant regional frameworks (MFA, 2015).

**Emergency Meeting**

The Emergency ASEAN Ministerial Meeting on Transnational Crimes Concerning Irregular Movement of Persons in Southeast Asia (EAMMTC) was a more focused ASEAN meeting concerning the Rohingya crisis. Held on 2 July 2015 in Kuala Lumpur, Malaysia, the meeting discussed three main agendas, namely; preparing a scenario for the irregular movement of persons in Southeast Asia (by land and by sea), its connection with irregular movement of persons through human trafficking and people

smuggling, and preparing a plan of action/way forward to resolve these issue (ASEAN Secretariat, 2015). In the chairman's statement of the EAMMTC, people smuggling was described as one aspect of transnational crime. In this respect, ASEAN categorized the irregular movement of persons as a non-traditional security issue under the auspices of the ASEAN Ministerial Meeting on Transnational Crimes (AMMTC) (Reliefweb. Int, 2015).

The application of the term 'irregular movement of persons' is clearly an effort to shift human rights issues to regional security issues. ASEAN likely prefers to treat irregular migrant issues under AMMTC because is it simply more negotiable than human rights. However, categorizing the Rohingya crisis as an irregular migrant issue will only redirect the case and blur the lines between it and people smuggling and human trafficking issues.

**ASEAN Foreign Ministerial Meeting (AMM)**

From 1 to 6 August 2015, the foreign ministers of ASEAN countries met in Kuala Lumpur to hold an annual ASEAN Ministerial Meeting. In its joint communiqué, the leaders of ASEAN welcomed the international humanitarian and relief efforts to deal with the irregular movement of people (Reliefweb. Int, 2015). As in the statement of the chairman of EMMTC, AMM's joint communiqué adopted the broad term 'irregular movement of persons'. AMM welcomed the outcomes of the EMMTC and Thailand-initiated meeting on the irregular movement of persons in Southeast Asia. However, the joint communiqué does not address Myanmar as the country of origin for this crisis, and as such effective responsibility in resolving it cannot be ensured.

**ASEAN Intergovernmental Commission on Human Rights**

In 2009, ASEAN finally agreed to establish a regional human rights commission to promote and protect human rights and fundamental freedoms. The ASEAN Intergovernmental Commission on Human Rights (AICHR) is the realization of ASEAN leaders' commitment to coordinate, actively participate, and contribute to the application, promotion, and protection of human rights, as indicated in the first purpose of AICHR under its Terms of Reference (ToR) document. The document concludes fourteen mandates and functions. One is for the AICHR to actively and

independently observe, evaluate, and investigate human rights practices in each ASEAN member states.

Regarding this concern, the International Commission of Jurists (ICI) issued a memorandum on problematic provisions in the document. This includes the narrow interpretation of non-interference principle, the critique on ASEAN Human Rights Declaration, the detachment of human rights in civil society and non-governmental organizations in dialogue and consultation forums, the ineffectiveness of AICHR's mandate and functions, inefficient consultative functions with other internationally recognized human rights institutions, indistinctive qualifications and selection processes for representatives, lack of guarantee of tenure for representatives, and lack of secretarial and administrative supports for the AICHR (ICJ, 2014). The ICJ memorandum was followed by recommendations for revising the TOR. The ICJ criticism on AICHR TOR, especially the narrow interpretation of the non-interference principle, and the ineffectiveness of its mandate and functions is shown accurate in AICHR's response to the plight of the Rohingya.

Despite its novel mission of promoting and protecting the human rights of the ASEAN people, AICHR has lost its primary role in promoting and protecting the Rohingya people. It has been criticized by many observers as insensitive and as failing to protect its people (Gecker & Ng, 2015; Nolan, 2015; Bowen, 2015). During the Rohingya crisis, AICHR has failed to make a solid move in the form of policy and action. It has lacked the initiatives to force ASEAN into taking the lead on resolving the Rohingya crisis. Not only until the ASEAN Special Meeting of the AICHR in Bandar Seri Begawan on 13-15 June 2015, did the AICHR country representative of Indonesia, Rafendi Djamin, propose that AICHR 'discuss and address the humanitarian and human rights plight – migration flow and seafaring refugees' (AICHR Indonesia, 2015). The proposal was bundled in the AICHR annual report to AMM, which held a meeting on August.

**OIC's Role**

The atrocity in Southeast Asia has caught the attention of the Organization of Islamic Cooperation (OIC). A day after President Thein Sein announced a state of emergency in Myanmar, the Secretary General of the OIC released his concerns and condemned violence against Rohingya Muslims (OIC, 2012; OIC (b)). Unfortunately,

violence against Rohingya re-emerged in October 2015 during the celebration of Eid ul Adha, which caused fatalities. Responding this situation, the OIC Secretary General once again stated his grave concern and asked the Myanmar government to 'deploy concrete measures' to stop violence (OIC, 2015). In 2013, the OIC Contact Group on the Rohingya Muslim Minority held a ministerial level conference to evaluate the prolonged human rights violations in Myanmar. The conference forwarded several recommendations for OIC members to take necessary diplomatic and humanitarian actions to support the Rohingya and urged Myanmar to work with UNHCR in returning refugees to their homes (OIC, 2013). Two months later, OIC made another statement recommending that the Myanmar government lift the 2005 regulation that implemented a two-child limit for Rohingya families (OIC, July 2013). Such family restrictions are direct violations of human rights and contribute the pressure put on the Rohingya.

Despite protests from Buddhist society, in November 2013 an OIC delegation was able to reach Western Rakhine, Myanmar, to meet with the Rohingya and discuss the situation with local civil society organizations (Thiri, 2013). Aside from enforcing humanitarian efforts, OIC's top leader also established diplomatic approach to international societies. A firm effort was made by OIC during the UN Human Rights Council meeting in July 2015. Previously, OIC adopted a Pakistani proposal for resolving the crisis that was forwarded to the organization (Ali, 2015). The proposal comprised some noteworthy points: condemning the human rights violations in Myanmar, calling Myanmar to ensure the security and protection of its people without any racial discrimination, and urging Myanmar to resettle all displaced persons in their respective homes. The adoption of the UNHCR on OIC proposal, titled 'Situation of Human Rights of Rohingya Muslims and other Minorities in Myanmar', is a representation of the international community's robust opposition to human rights violations on Rohingya. Moreover, it sends the message to ASEAN and its human rights institutions that they must take bold actions to push Myanmar to comply with human rights mechanisms.

**Humanitarian Assistance**

Unlike ASEAN, since the beginning of the Rohingya crisis OIC has taken immediate humanitarian actions. OIC humanitarian assistance to Rohingya has been

offered through bilateral and multilateral approaches. In the bilateral approach, OIC members have made individual contributions within their human rights bodies. In 2012, for instance, the Turkish Red Crescent and Myanmar Red Cross society reached a cooperation agreement on humanitarian assistance operations in Myanmar (Myanmar Red Cross Society, 2012). With the support of OIC, the Indonesian Red Cross (PMI) delivered humanitarian aid to Rohingya (The Jakarta Post, 2012). Other member states of OIC, such as Saudi Arabia, Turkey, Qatar, Malaysia, and Iran, have also made significant contributions to Myanmar. At the multilateral level, OIC was able to gather US$ 25 million from its members during the second consultative meeting on humanitarian aid in Doha (The Jakarta Post, (b)).

Table 1. *Humanitarian Assistance to the Rohingya Made by OIC Member States in 2012*

| Country | Description | Amount |
|---|---|---|
| **Indonesia** | Official aid<br>Indonesian Red Cross sent a team of aid workers | US$1 Mil<br><br>500 hygiene kits, 3,000 blankets, and 10,000 sarongs |
| **Iran** | Members of Majlis (the Iranian Parliament), the Iranian Foreign Ministry, Imam Khomeini's Relief Committee, and the Iranian Red Crescent Society (sent one shipment) | Food, tents, blankets, and other basic commodities to be distributed to Muslims<br><br>Total weight: 24 tons |
| **Malaysia** | Putra 1Malaysia Club, collected and transported relief supplies | Aid package<br>Total weight: 500 tons |
| **Qatar** | Qatar Red Crescent undertook relief efforts in Rakhine State with assistance provided by the Qatar government | US$ 1.5 Mil |
| **Saudi Arabia** | Saudi King Abdullah donated money to be distributed by the UNHCR for Rohingyas<br>The Khalifa Bin Zayed Humanitarian Foundation, under the directive of President His Highness Shaikh Khalifa Bin Zayed Al Nahyan | US$ 50 Mil<br><br>3 ambulance vehicles and 1,300 tons of basic relief items |
| **Turkey** | The prime minister's Disaster and Emergency Management Directorate, the Turkish Religious Affairs Foundation, and the Kimse Yok Mu Association (a charitable foundation) donated to | 60 million Turkish lira (US$ 33 million)<br><br>Sent 30 tons of humanitarian aid, including 2,280 boxes of candy, 960 packages of instant rations, 11,000 bags of |

| | Rohingya Muslims, the Turkish Foreign Minister distributed humanitarian aid administered by the Red Crescent which consisted of kitchen sets and food during a visit in August 2012, sent relief assistance in October, 2012 | biscuits, 500 boxes of slippers, 1,000 bales of clothes, 1,000 items of stationary, and 500 boxes of toys |

(Source: Myanmar Peace Monitor)

**Conclusion**

The above discussion of ASEAN and OIC's response to the plight of the Rohingya, it can be concluded that ASEAN has had a limited response compared to OIC, which has taken further steps in the form of a bilateral and multilateral approach. The difference between ASEAN hindrance and OIC immediate response lays fundamentally in their policymaking mechanisms and noninterference principles. In ASEAN, decisions are made through a single consensus mechanism. While IOC also has a consensus mechanism, as stipulated in Article 33 of the Charter it is still open to a two-third majority vote of members. Meanwhile, ASEAN's consensus mechanism and noninterference principle has somehow discouraged decisions, particularly regarding human rights issues. The ASEAN human rights body—AICHR—also lacks authority due to its restrained mandate.

**Recommendations**

Recommendations put forward here are: (1) ASEAN should reevaluate its understanding of the consensus and noninterference principle; (2) ASEAN needs to grant a greater mandate to AICHR; (3) ASEAN should join OIC's campaign in defending the rights of refugees at the international level.

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# Islam, Asymmetric Policy, and Social Conflict: The State's Role as a Root of Radicalism in the Philippines and Thailand

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### Abstract

*Radicalism has become a serious problem for many countries, including in Southeast Asia. One of its triggering factors is an extreme understanding of religion that leads to the assumption that people with different understandings are wrong and that violence is a legitimate way to change the situation. This often occurs because of a love of lineage or clan, as well as aggressive instincts. Such an extreme understanding results in the religious social conflicts, which in reality—particularly those involving Islam in Southeast Asia—are often influenced by regimes' asymmetric policies. This study, therefore, explores the role of the State as a root of radicalism in the context of the dynamic relationship between Islam and asymmetric policies, with a focus on the southern Philippines and Thailand. Research findings show that the rise of radicalism in the Philippines was caused by social conflict resulting from government manipulation of referendum policy on special autonomy in predominant Muslim areas. Meanwhile, radicalism in Thailand was triggered by social conflict resulting from the cultural assimilation policy imposed upon the Muslim community by the government.*

**Keywords:** Islam, Radicalism, Asymmetric Policy, Social Conflict

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**Introduction**

Radicalism is a sensitive issue and a serious problem faced by numerous countries worldwide. Generally, radicalism can be interpreted as views or movements that wish for drastic socio-political change or revival, promoted through violence. Radicalism has three rudimentary dimensions. First, a person or a group of people argues that its viewpoint is the most accurate. Second, violence is considered a legitimate means to change a condition. Third, there is active action to change society radically or drastically. In this sense, people can be categorized as radical if they actively support or encourage others to support radical changes that threaten the structures in the society.

Radicalism generally arises from extreme views caused by dissatisfaction with a certain condition. In one perspective, the present increase in radicalism movements or groups "accused" of terrorism can be understood as response to the failure of modernism, liberalism, and democracy, and even philosophy in resolving various crises of modern society (Affandi, 2004, p. 4). The failure of this paradigm, furthermore, has not been followed by the availability of an alternative paradigm that can resolve the crises. As a result, members of society look for their own alternatives in the wrong way and using the wrong understandings. Radicalism, to be sure, is not always related to terrorism. However, it is the foundation for terrorist activities.

This issue adds even more complex problems to societies that are full of conflicts, disputes, and other social problems. As suggested by Ibn Khaldun in his remarkable *Muqaddimah*, humans possess aggressive behavior because of an "animal power" inside them that drives them to commit acts of violence or torture. Furthermore, some people view it important to "attack before being attacked". This, ultimately, became the reason for the United Stated of America, under President George W. Bush, to invade Iraq and other countries in the Middle East. These invasions were committed by the Bush government under the banner of anti-radicalism and anti-terrorism. However, several other agendas, predominantly economic ones, were also behind the military invasion.

It is undeniable that radical movements also affect the image of religion. This is because many radical actors use religious symbols or jargon. Negative impressions consequently arise, and thus certain religions are discredited. Terms such as *Jewish*

*militant, Muslim fundamentalist,* or *Christian coalition*, therefore, reflect international political issues with negative connotations (Ahmad, 2001, p. 9). Many people object to the view that religious issues as the trigger of radicalism, an objection that cannot be dismissed since historically radicalism was frequently caused by numerous factors, including poverty, lack of education, legal injustice, and social discrepancy. The actors of radicalism are not always religious ones. However, the impact of these various factors is exacerbated when combined with religious sentiments. As suggested by Geovanie (2013, p. 66), if the dominant factors are likened to dry hay, then religious sentiment can become the lighter that ignites it.

Noting this phenomenon, issues of radicalism becomes even more interesting to be reviewed. Moreover, these issues have not only occurred in the Middle East, but also developed rapidly in South Asia. Bombings in Bali, car bombings in South Thailand, and kidnappings by Abu Sayyaf in the South Philippines are all evidence— and loud alarms—signifying that radicalism has reached areas of Southeast Asia. The question, then, is about states' role in the emergence of radical movements in South-east Asia. It is whether states fulfill their function to protect their citizens or whether they become root causes of radicalism through asymmetric policies. Based on this concern, it is necessary to investigate the role of the state in the emergence of radicalism in Southeast Asia by emphasizing in the dynamics of Islam, asymmetric policies, and social conflict. This study will not discuss all countries in Southeast Asia, but only the Philippines and Thailand, particularly their southern regions, which are dominated by the Muslim community. The Philippines and Thailand have been selected for study because radicalism has become a major problem in both countries. Violence has become part of everyday news and requires comprehensive resolution.

## Literature Review
### Islam and Radicalism

As explained above, etymologically the word radicalism refers to views or movements that use violence to cause drastic change or socio-political renewal. However, seen in the context of religion, radicalism can be interpreted as religious views that combine fundamentalist understandings of religion with a high degree of religious fanaticism. Holders of such views use violence against others with different view to forcefully actualize their own religious views.

Violence committed in the name of religion or faith has always been linked to issues of radicalism that lead to terrorism, especially since the Global War on Terror (GWoT) program was enacted by the United States of America in response to the attack on the World Trade Center in New York on 11 September 2001. However, the GWoT has also led to increased Islamophobia, especially in American and European society. Islamophobia is a controversial term often associated with prejudice and discrimination against Muslims (Kusuma, 2016, p. 188). Hasan (2008, p. 12) states that such a fear of Islam has triggered the emergence of anti-Americanism, an attitude shown by radical/fundamentalist groups in response to the anti-fundamentalism shown by America and its allies. The statement by Bush, "you are either with us or with terrorists", is seen as giving these groups no choice but to ally themselves with the latter.

There has been a view or assumption that radicalism and terrorism are interrelated, especially when violence is committed in the name of religion. Islam in particular has become a scapegoat for such blame. However, in this sense, this article assumes that one primary thing must be set right: the term "radical Islam". To the best of researcher's knowledge, the term "radical Islam" is not acceptable, because the essence of Islam brought to the world is *rahmatan lil 'alamin* or "blessing for the Universe". Based on the word of Allah in QS. Al-Anbiya verse 107: "And We have not sent you (O Muhammad), except as a mercy to the worlds".

A more appropriate term is "radical Muslims", giving emphasis not to Islam as a religion, but on Muslims as persons or groups who realize Islamic teachings in various ways and through various perspectives. Radical Muslims conduct each way and take each perspective radically, leading to the rise of social conflict in certain areas. This contradicts greatly with the arrival of Islam in Nusantara—the Indonesian archipelago—where Islam was introduced peacefully, not through violence or war.[2] Seen through the concept of Sunan Kalijaga's *serat lokajaya*[3], the arrival of Islam in

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[2] *Nusantara* is a term commonly used to describe the archipelago spreading from Sumatra to Papua, most of which is now part of Indonesia. The word *Nusantara* was first noted in Old Javanese literature to describe the concept of Majapahit Kingdom. Therefore, the term *Nusantara* refers not only to Indonesia, but to the geographic-anthropologic unity of the islands located between the Asian and Australian continent, including the Malay Peninsula and Temasek.

[3] *Serat Lokajaya* is a document that tells about the repentance of Sunan Kalijaga in front of Sunan Bonang. Before deepening Islam under the direction of Sunan Bonang and later became a member of *Walisongo*, Sunan Kalijaga is known as the *Berandal Lokajaya*, a robber who robs from the rich or aristocratic to share with the poor, similar to the legend of the Robin Hood in Britain.

Nusantara can be described in the sentence *anglaras ilining banyu, angeli nanging ora keli*, (adapting like the flow of the water, immersing but not carried away). Using an adaptive and flexible approach, Islam in Nusantara has developed without causing much conflict. Related to the emergence of radical Muslims in the southern Philippines and Thailand, this study will investigate the relationship between this phenomenon and the policy implemented by the ruling regimes. It will examine whether these policies have been implemented to fulfill egalitarian principles or whether asymmetric ones have aimed to attack or to weaken particular groups.

**Asymmetric Policy**

Policy is an activity that is inseparable from human life, both in a micro (individual) context and in a macro (society, nation, and country) context. Thomas Dye suggests the basic definition of public policy is what is done and what is not done by the government (Tangkilisan, 2003, p. 1). Policy can also be defined as action that leads to goals proposed by a person, a group, or government in a certain environment in relation with the existence of certain obstacles while looking for chances to reach desired goals or realize desired targets (Wahab, 2008, pp. 51–52). Shafritz & Russell (2005, p. 52), in their book *Introducing Public Administration*, suggest that public policy is everything decided by the government to be or not to be conducted with concern to certain problems, and that public policy is a never-ending process. It can be concluded, therefore, that public policy is everything conducted or not conducted by the government to solve certain problems.

Conceptually, government policy certainly aims at solving problems. However, it is still possible for policy itself to be unwise action that leads to new problems. In more detail, it can be understood in the context of this study that the emergence of religious and social conflict is triggered by public policy that is considered unfair, imbalanced, and disadvantaging a particular group, or, in short, asymmetric. According to the Great Dictionary of the Indonesian Language, "asymmetry" is defined as dissimilarity. Meanwhile, in general asymmetry is defined as inequality or imbalance. Essentially, the concept of asymmetric policy itself does not always have negative connotations. In certain conditions, asymmetric policy is very necessary. For example, in building infrastructure in the capital city rather than rural areas, or in budgeting more for

human resource development in the areas with dense population than in areas with sparse populations, symmetric policy certainly cannot apply.

On the other hand, asymmetric policy may take a negative meaning if it is implemented to intentionally attack or weaken a certain group by benefiting another group. It is true that, in reality, violence or social conflict related to religion is often influenced by asymmetric policy enacted by the authority of a State. Public policy that should be able to realize social welfare in fact triggers the rise of social conflict, which shows no sign of ending.

**Social Conflict**

If policymaking is conducted with an inappropriate asymmetric pattern, it will cause injustice, disadvantage certain groups, and eventually trigger social conflict on a larger scale. Taquiri, in Newstorm & Davis (1977, p. 11), suggests that conflict is a legacy of social life that may be applicable in different circumstances due to the rise of disagreements, controversies, and conflicts between two or more groups. Galtung (2003, p. 160) adds that conflict is a triangular construction of assumption + behavior + contradiction. It means that conflict is triggered by the assumption of a person or a group of people that influences behavior, in which behavior is contradictory, disparate, and opposed to that of other parties. Conflict may arise since humans have two potentials inside, namely love for the group (identity) and aggression, as suggested by Ibn Khaldun, quoted by Affandi (2004, pp. 81–84).

According to Ibn Khaldun, the fate of humans is to be gifted with love of lineage and community when they are born. This love eventually causes feelings of group pride, loyalty, and of being in the same boat with the community. If it involves many people, it will trigger communal social conflict. Furthermore, humans have aggressive behavior, especially when they feel threatened, because of the existence of animal power, as stated previously. This aggressiveness eventually triggers conflict, both physically and psychologically. However, humans are distinguished from animals because they have minds and thoughts. The combination of aggressive behavior and the feeling of being threatened eventually leads to the rise of radicalism, as in the southern Philippines and Thailand.

**Research Method**

The research employed in this research is qualitative research, using an analytical descriptive approach. Qualitative research is research that results in descriptive data in the form of sentences or spoken utterances from people and behavior that can be observed in detail. Qualitative research concentrates on social study within natural settings. This is helpful for enriching understandings of complexity using various ways, and thus analysis using a qualitative model can provide multi-perspective illustrations (Punch, 2004). The reason the researcher is employing descriptive research in this study is to describe and illustrate the results of the research in sentences, arranged systematically, factually, and accurately, about the facts found and relationships within the phenomenon. In this case, the phenomenon being examined is the dynamic relationship between Islam, asymmetric policy, and social conflict, i.e. the role of the state in the emergence of radicalism.

Data gathering was conducted using several methods. To collect data about the Philippines, a study of literature (academic writings, books, mass media, and others) was used. Meanwhile, to gather data about Thailand, observation, interview, documentation, and literature study were conducted. The data analysis method used in this research is the interactive method (Miles & Huberman, 1988), consisting of four stages: data collection, data reduction, data display, and drawing a conclusion.

**Research Findings**

**Mapping Radicalism in Southeast Asia**

Before focusing on the study in the Philippines and Thailand, let us briefly examine the current situation and condition of radicalism in Southeast Asia. In a historical context, threats of extremism and radicalism leading to terrorism have received greater attention from ASEAN since the attacks on the World Trade Center in the United States on 11 September 2001 and the Bali bombings on 12 October 2002 (Emmers, 2003). In Southeast Asia, radicalism is generally affected by both majority-minority relations and heterogeneity in group, race, or religion. The prominence of radicalism in Indonesia, Thailand, and the Philippines can serve as examples. In Indonesia, radical movements have begun to mushroom since the New Order ended and have become increasingly open in their operations, which were previously covert. The issue has been more prominent since the 2002 Bali bombings, which killed 202

people, and remained subject to discussion through the 2003 Marriot hotel bombing, the 2004 Australian Embassy bombing in Jakarta, and the 2016 Sarinah bombings and shootings. Since the issue of radicalism and terrorism in the country have spread, the chasing of terrorists and the investigation of radical organizations has become more tightly scrutinized. Terrorist networks and radical movements, however, have not been able to be completely eliminated.

The next country is the kin of Indonesia, Malaysia. On the surface, relatively radicalism does not occur. Nevertheless, one area in Malaysia, Sarawak, has been the headquarters of the Daulah Islam Nusantara (DIN), an Islamic group fighting to integrate Sarawak, Sabah, south Philippines, Kalimantan, and Sulawesi. In addition, 40 Malaysians have been recruited by ISIS, and 200 have fought in the Philippines (Hashim, 2015). There is also evidence that Malaysia has become an "exporter" of radical figures. The actions of Noordin Mohd Top and Azahari Husin in Indonesia, for example, are strong evidence of Malaysian influence on radicalism in Southeast Asia. Furthermore, many Malaysians have become trainers at militant camps in the south Philippines. Radicalism in countries such Brunei Darussalam, Vietnam, Cambodia, and Laos, whose populations are homogeneous, in contrast, is relatively minimal. There is almost no news about radicalism in Singapore, either. People there, however, have been grouped by ethnicity; Malay, Chinese, and Indian. While some countries have been able to reduce radicalism, Myanmar is still dealing with violence committed by the government against the Rohingya ethnic group.

The next thing to highlight is the Philippines and Thailand, particularly in the southern part of the countries. The radical groups active in the southern Philippines are the Moro Islamic Liberation Front (MILF) and Abu Sayyaf, which have received great attention from three countries: the Philippines, Indonesia, and Malaysia. With an operation area on territorial waters bordering three countries, Abu Sayyaf has been under oath to Abu Bakar Al-Baghdadi, the highest leader of the Islamic State of Iraq and Syria (ISIS). In southern Thailand, furthermore, we still often hear news about car bomb explosions and violence involving military forces and the locals (Kusuma, 2016, p. 37). Despite differences in view between the Thai government and society, the groups generally accused of radical actions are Barisan Revolusi Nasional (BRN) and Patani United Liberation Organization (PULO).

How, then, can radicalism be very rooted or grounded in the Philippines and Thailand? There is no bright spot about it. Muslims have undergone many experiences living as both a minority and a majority. One example of Muslims living as a minority is that of Muslims from Mecca who moved to Abyssinia and Madinah (Siddiqi, 2006). Like minority groups in other parts of the world, Muslims in the Philippines and South Thailand are sensitive to conflict based on religious and ethnical background.

**The Philippines: After a Controversial Referendum**

In the Philippines, Muslims used to choose peaceful ways to gain the freedom to control their own lives. Along the way, they began to think that constitutional efforts to obtain independence could not be conducted peacefully, considering the condition at that time. Some therefore formed the Moro National Liberation Front (MNLF) under Nur Misuari to organize an armed struggle. At first, the goal of MNLF was to form a sovereign country. This purpose, however, changed when the Philippine government began negotiations with MNLF in 1975. MNLF then began to soften, to discuss, and to compromise. A year later, it agreed upon a conflict solution framework for the southern Philippines.

The agreement, known as the Tripoli agreement, was signed between MNLF and the Philippine government on 23 December 1976. The first point of the agreement is that MNLF receives autonomous administrative divisions for Muslims in the southern Philippines, covering thirteen provinces: Sulu, Basilan, Tawi-Tawi, South Zamboanga, North Zamboanga, South Cotabato, North Cotabato, Manguindanao, Sultan Kudarat, North Lanao, South Lanao, South Davao, and Palawan. Autonomous education and judicial systems were also granted. Defense and international relations, were under the authority of the central government in Manila. The Tripoli agreement caused a serious internal rift in MNLF. Some factions agreed with the agreement, while others disagreed. Some who rejected the agreement formed a new group, the Moro Islamic Liberation Front (MILF). Another more radical and rebellious faction established Abu Sayyaf. Since their establishment, MILF and Abu Sayyaf have been in conflict over their different visions.

After Tripoli agreement, the condition of those living in the thirteen Muslim-majority provinces gradually improved. This, however, did not last long. The agreement, signed in the capital city, Libya was violated by President Ferdinand

Marcos, who held a referendum in the thirteen provinces listed in the agreement to determine whether their residents agreed or disagreed with it. Before the referendum, the government in Manila moved large amounts of people—mostly Catholics—from the northern Philippines to the south. As such, the once Muslim-majority southern region was taken over by Catholics. This was intentionally meant to ensure that the referendum would have the result Marcos expected, namely, to redirect autonomy from the region to the central government. As a result, there was resistance to the manipulative referendum results from Muslims. Social conflicts, claimed as religious, again emerged. These have continued until the present time.

From the above, it seems that social conflicts involving Muslims in the southern Philippines have been influenced by the asymmetric policy of the Marcos regime. This policy is considered asymmetric because it was intended to weaken the position of the Muslim community and influence the result of the referendum on special autonomy. The resistance turned to radical actions as a symbol of its disappointment, frustration, and lack of trust for the regime and its uneven treatment of them. From this analysis, it can be summarized that the government, or the state, was one root cause of radicalism in the Philippines. In other words, the investigation reveals that the state has been a triggering factor for radical actions in the Philippines.

## Thailand: Against Cultural Assimilation

The next country discussed is Thailand, a country still in grief after the loss of its king, Bhumibol Adulyadej. Southern Thailand, a region that is populated mostly by Muslim Malays and covers Pattani, Yala, Narathiwat, and some parts of Songkhla and Satun, has become sensitive to social conflict. Conflict has occurred since the Anglo-Siam Treaty was signed in 1909 between the British colonial government in Malaya and the Kingdom of Thailand. This treaty has had a long-lasting impact on the Malay Muslims living in southern Thailand, who face a new culture, language, government, constitution, and environment. Conflict is often triggered by various Thai regimes, which discriminate against the Malay Muslim community. The most discriminative and repressive of these was that of General Phibunsongkhram, which targeted Malay Muslims for cultural assimilation (Mahmud, 2004, p. 2). Since his two periods as head of state, nationalized cultural policy has been the country's main policy. This began with an attempt to apply the Thai language and its culture throughout the country,

including the southern region. This created confrontation between the Muslim community, which speaks Malay (Kusuma, 2015, p. 11).

The Muslim community in Thailand can be categorized into two groups, namely assimilated and unassimilated.[4] In their social lives, they are frequently addressed with the inappropriate term *khaek*, meaning 'outsider' or 'stranger'. *Khaek* was first used for persons from outside Thailand, but the term gradually became used by the government to describe Muslim Malays in southern Thailand (Aphornsuvan, 2003, p. 5). The Thai government, in this case, has applied a policy of cultural assimilation, which strictly limits the freedom of Muslims in Thailand. The ultimate goal of the policy is Thaification, in which Thai Buddhism serves as the sole identity and culture of the nation. The policy has been conducted through compulsion, intimidation, and threats from the government, particularly the military. It has caused deep culture shock, as the Muslim community in Thailand has had to change its lifestyle drastically and go against its former lifestyle (Kusuma, 2016, p. 112). The social condition has had a heavy and continuous psychological effect on them.

Another regime that greatly discriminated against Muslim Malays, aside from that of Phibunsongkhram, was that of Thaksin Shinawatra, a telecommunication media entrepreneur who became Prime Minister of Thailand in 2001. In dealing with the resistance of the southern Muslim community, the Thai King ordered that a welfare approach be used. Shinawatra, on the other hand, applied a military urgency policy beginning on 5 January 2004. Shinawatra also made several controversial statements: Firstly, that Thai is for those who are Buddhist. Secondly, persons who are not Buddhist must speak Thai. It can be premised, thus, that a Muslim can be called a Thai only if he speaks Thai. Those who are Buddhist, meanwhile, are Thai despite speaking different languages. This asymmetric policy has psychologically caused Thais to have feelings of suspicion towards Muslim Malays.

The conflict in Thailand is closely related to the politics of identity and the creation of conflicts of influence between groups through discriminative policies that

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[4] Here, the assimilated group is defined as a group that absorbs into the majority population, i.e. Thai Buddhists, in all aspects of life but religion. The unassimilated group, meanwhile, is a group of Muslim citizens who do not blend with Thai Buddhists. They only mingle within their own community in southern Thailand, using the excuse that they must maintain Malay Muslim society in names, language, and customs. Their relations with other communities, therefore, is vulnerable to negative effects.

cause intolerance, violence, and ethnic conflict. Conditions under the Thai regime led to the emergence of groups that sought the independence of Patani, including Barisan Revolusi Nasional (BRN) and the Patani United Liberation Organization (PULO). Those resistance organizations have been labeled as radical and terrorist by the government in Bangkok. We can understand that the emergence of social ethnic and religious conflict in Thailand was triggered by the Thai government's policy of cultural assimilation, which discriminates against the Malay Muslim community and negatively impacts their religious and cultural lives. The asymmetric actions, which disturb the psychology of the Muslim community, have bred resistance and ultimately radical action. It can be concluded that the government or state had an important role as the root cause radicalism in Thailand.

## Concluding Remarks

Radical ideology has been a serious problem for countries in Southeast Asia such as the Philippines and Thailand. This ideology is caused by understanding religion in an extreme way, leading to the assumption that those of different understandings may be attacked and subjected to violence. Such understanding has often generated social conflicts that forefront religion but are in reality often influenced by asymmetric policies from the ruling regime that are meant to weaken other groups, for example Muslims in the southern Philippines and Thailand. In the Philippines, social conflict involving Muslims has been created by Manila policy in which the country socially engineered autonomy in thirteen southern regions by massively mobilizing the people from the northern Philippines, who are Catholics. In Thailand, social conflicts involving religion and ethnicity have been caused by the policy of cultural assimilation assimilated adopted by the government and kingdom, which discriminates against Muslim Malays in their religious and cultural lives. It can be surmised, thus, that the government may have an important role in causing radicalism, as found in the Philippines and Thailand.

To end radicalism in the Philippines and south Thailand, they must cease their practice of discrimination and to stop implementing asymmetric policies that subjugate particular groups. Furthermore, these countries must continue to improve the welfare of their populations. When a country is able to be fair to all society, without considering their religious or ethnic backgrounds, and able to improve the wellbeing

of its citizens, radicalism can also be reduced. In a broader scope, if we refer to one of the three concepts of ASEAN society—i.e. political security community—the stability of Southeast Asia is the responsibility of all countries. Each country in Southeast Asia should work together to handle regional security problems, including radicalism.

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# The East Asian Economy Post-rebalancing: Domestic Demand-led Growth, Social Security, and Inequality

Kosuke Mizuno[1]

## Abstract

*East Asian, including ASEAN (Association of Southeast Asian Nations), countries have pursued the export-oriented development strategies, attracting foreign direct investment and promoting export-driven growth. However, after the Lehman shock, these countries adopted rebalancing policies from export-driven growth to domestic demand-driven growth. Chinese measures to promote domestic demand since 2008 had succeeded in boosting the economy until 2011 with domestic investments and increase in consumption. Chinese economic growth until 2011–2012 made possible an international commodity boom that resulted in the economic development of Malaysia and Indonesia. However, since 2012, the Chinese economy has been suffering from excess capacity and bad loans, hence ending the international commodity boom. ASEAN countries promptly started rebalancing by cutting back on their reliance on exports and increasing domestic investment and consumption, with variation among the countries. ASEAN countries pursued inclusive policies such as education, medical care, and social security. These policies promoted consumption and investment, helping grow the middle class. However, technological progress, globalization, and market-oriented reforms have also been the driving inequality in many Asian countries in the last two decades, and these forces have changed income distribution through three channels, namely, capital, skill, and spatial bias. Inequality created by conventional development strategies in this region has become the basis for conflicts among the region's different economic strata. Inequality has had the effect of depressing investment—and thus growth—by fueling economic, financial, and political instability.*

**Keywords**: East Asian Economy, Rebalancing, Domestic Demand-driven Growth, Inclusive Policy, Inequality

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**Introduction**

The global financial crisis, sometimes called the Great Recession triggered by the Lehman shock in 2008, was the worst financial crisis since the Great Depression, involving stock market crashes, credit crunches, housing slumps, and inventory adjustments (Stiglitz, 2010, p. 27). As unemployment rose in the United States, more and more families depleted their savings, lost their homes, and worst of all, lost hope (Krugman, 2012, p. 4). This Great Recession has had deep and debilitating consequences for the American and European economies that are felt until today.

In East Asian countries, the impact of the Lehman shock was not felt as a financial crisis, but as a sudden drop in exports to US and European markets. Before the crisis, more than two-thirds of the region's exports went to markets outside the region, especially in Europe and the United States (Vo, 2012). This paper discusses the implications of the Great Recession on policy making to sustain growth in the East Asian region. The overall theme is the need for "rebalancing," meaning reducing the dependence on western markets and export-led growth. This paper discusses the people's welfare from the viewpoint of social security and inequality.

**Background: From the 1997 Asian Financial Crisis to "Rebalancing"**

By the mid-2000s, East Asian economies had recovered from the 1997 Asian financial crisis. In the short term, they had drastically depreciated their currencies. In the longer term they had reduced imports and increased exports, partly as a result of the adjustment in currency values, also by developing production networks and fragmentation of production processes (Hiratsuka, 2006). Inter-Asian trade had grown, especially in terms of parts and materials, although final products still relied on US and European markets. In 2011, three years after the shock, the demand for consumer goods in the developed world (e.g., Europe, Japan, and the United States) remained sluggish as households were saving in order to defray their debts and to rebuild lost wealth (Asian Development Bank, 2011, p. 4). East Asian economies thus began looking around for alternative sources of demand, especially within the region.

The Lehman shock made people conscious of the structure of global imbalance. East Asian countries, with the exception of Vietnam, had been persistently running a

surplus on their current accounts while the US persistently ran a deficit.[2] In other words, East Asian countries had high savings rates, while Western countries, especially the United States, had high levels of consumption. However, this trend was unsustainable. Consumption growth in the United States was fed by low-income families taking advantage of easy credit to build up unmanageable levels of debt.[3] East Asian countries were saving more than they were able to invest. While the initial responses of East Asian governments to the crisis had been Keynesian policies to boost demand, these were only modestly effective because of the structural conditions in the background, and threatened to result in large budget deficits and growing public debt. This was a time to think about policies that would address the structural problems and thus have a longer-term impact.

Within this new perspective, the first priority for East Asian countries was to find alternative markets to compensate for the drop in demand in Western markets. The second priority was to reduce the dependence on exports as a source of growth. The Asian Development Bank (ADB) and the International Monetary Fund (IMF) dubbed this as "rebalancing" the Asian economy. ADB argued that the emerging middle classes of Asia, especially those in China and India, could spearhead the growth of global consumer demand, assuming the role played earlier by the American and European middle classes. At the same time, reducing the dependence on exports as a source of growth implied a growth in domestic demand, which, in turn, required expansion of stable and well-remunerated employment (Asian Development Bank, 2011, p. 4; Kharas & Gertz, 2010).

The proposed rebalancing represented a major change in direction. Asia's successful emergence over prior decades had been based on a strategy of outward-oriented growth, especially allowing market forces to play a greater role in the economy and encouraging the production of tradable goods. As a result of this strategy, Asia had come to account for over one-fourth of the world economy,[4] and nearly one-fourth of all the world's exports. But this strategy also had its costs. The nontradable sector, particularly services, had been neglected. External dependence

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[2] Across the 2000s decade, the current account surplus in Asian countries had averaged nearly 4.5% of GDP.

[3] In the decade before the crisis, the bottom 80 % of US consumers had been consuming at the level of around 110 % of their incomes (Stiglitz, 2015: 388).

[4] When measured at current exchange rates.

laid economies open to swings in external demand (Arora, Cardarelli eds., 2011, xiii–xv). In order to attract foreign direct investment (FDI) and remain competitive in world export markets, firms and governments prioritized productivity while repressing wages, limiting the provision of social security, and ignoring environmental controls (Holliday & Wilding, 2003; Suehiro, 2008, p. 111–115; Deyo, 1989). This "dangerous obsession" with minimizing labor costs reduced domestic demand and enhanced dependence on exports for growth (Krugman, 1994; Aiginger, 2006). It also increased inequality and damaged the natural environment.

Proposals for rebalancing had three main elements. First, boosting domestic demand through wage- and profit-led policies accompanied with improvement of social security. Stiglitz argued that support for small- and medium-sized enterprises would raise both employment and wage levels, and thus shift the distribution of income in ways that promote more domestic consumption. Enterprises in China retain a large fraction of their income because low wages ensure high profits. Higher labor distribution would have more revenues to finance health, education, and retirement benefits, which would reduce some of the need for high household savings (Stiglitz, 2010, pp. 228–229).

Second, increasing domestic investment, especially in the larger ASEAN countries, where investment had been relatively low since the 1997–1998 Asian financial crisis. Third, reorienting production away from the export sector toward sectors serving domestic markets, including nontradable products and services (Arora & Cardarelli, 2011, pp. xiii–xv). What were the policies adopted to develop domestic demand-based growth? The major areas were: strengthening social safety nets to reduce the need for precautionary savings and thus release money for consumption, improving infrastructure to encourage more private investment, and deepening of the financial sector to support both private consumption as well as investment by small and large firms. The mix adopted in each country differed, reflecting in part the varied patterns of domestic demand (Arora & Cardarelli, 2011, pp. xiii–xv).

Several writers have already broached these issues. Hock (2011) discussed the ASEAN countries' policies to manage the crisis, and assumed a brighter outlook of global economy in 2010 and the recovery of ASEAN economies. Ping (2009); Jwa & Saugyeon (2009) discussed the origin of global financial crisis, and Lim (2009) collected short essays on the global financial crisis. None of these, however, consider

the long-term implications of faltering growth in the economies of the United States and the European Union (EU) and the need to develop alternative sources of demand to sustain the growth of the East Asian economy.

## Current Account Surplus and Savings-over-Investment Characteristics in East Asian Countries

From the 1970s, large trade surpluses appeared in Japan, and then from the 1980s in Taiwan. After the 1997 Asian financial crisis, however, current account balances went into surplus across East Asia except in a few countries such as Vietnam and Myanmar. Countries are now saving more than they are investing. This is a new situation, a structural change from earlier times when countries in this region invested more than they saved. The increase in current account surpluses was a result of increases in exports. The ratio of exports to GDP increased rapidly in many countries immediately after the Asian financial crisis, primarily as a result of the sudden devaluation of currencies.[5] In Malaysia, for example, the export-GDP ratio jumped from 76% in 1996 to 106% in 1999, and stayed in the range of 92–105% over 2000–2007. More dramatically, Thailand's export-GDP ratio almost doubled from 29% in 1996 to 55% in 2000, and remained in the range of 52–62% over 2000–2010. In the Philippines and Indonesia, the export-GDP ratio initially surged, but then decreased somewhat, in the case of Indonesia from 52% in 1999 to a range of 27–30% over 2002–2008. China's currency was not affected in the 1997 crisis, but had been drastically devalued earlier in 1981–86 and again in 1994.[6]

With the increase in exports, interdependence within East Asian countries increased (Sugihara, 2005). The proportion of total exports destined for markets within East Asia rose from 42.3% in 2000 to 46.9% in 2007. There is some variation among different types of goods. In 2007, 57.6% of all exports of parts and accessories were destined for markets within the region, but only 20.7% of consumer goods (Kuroiwa et al., 2009). Inomata et al., (2012) discuss the tripolar trade through China. China exports final consumption goods to the United States while importing parts and

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[5] Taking the dollar exchange rate in 1996 as 100, the rate in Indonesia dropped to 23.4 in 1998, and remained in the range of 22–27 over 2001–2010; the rate in South Korea to 57.4 in 1998 then appreciated somewhat to a range of 62–84 over 2000–2010; in Malaysia, the rate dropped to 66.2 in then recovered to 78.1 in 2010.

[6] Assuming the value in 1981 at 100, the rate was 19.8 in 1994 and 25.2 in 2010. The low level of the Chinese currency may have contributed to the Asian financial crisis (McKinnon et al., 2009).

accessories from other East Asian countries. As a result, Japan, South Korea, and other East Asian countries have a trade surplus with China.

The high ratio of current account surplus is related to the savings-investments gap. China has an especially high ratio of savings to GDP, particularly corporate savings, as a result of the repressed financial system dominated by state banks, subsidies on land and energy, monopolies that deliver high profits, and the incentive to reinvest profits in a fast-growing economy. State-owned enterprises did not have to pay dividends until recently. The ratio of household savings to disposable income has also increased, though the share of household savings in total savings has declined due to the rise in corporate savings. The pattern in India is similar.

The high rate of household savings is partly explained by the demographic structure and the U-shaped pattern in which younger and older generations have a high propensity to save. However, another factor driving high savings is the increasingly heavy burden of education and health expenditure. The development of financial markets could enable households to borrow against future income, as well as allowing households to earn more on their savings through portfolio diversification. Improvements in the social safety net would pool the risks associated with income shocks and health expenditures.[7] To promote rebalanced growth, especially domestic demand growth, Prasad (2009, pp. 2–28) recommends a policy mix that includes improvements in the social safety net and development of the financial market to give more people access to opportunities for credit and savings.

**Stagnation in Investment and Financial Reform in East Asian Countries**

In most East Asian countries, investment (gross domestic capital formation) decreased drastically after the Asian financial crisis in 1997. In Thailand, for example, the ratio of investment to GDP fell from an average of 41.2% over 1991–1996 to 25.7% over 2000–2005, while the ratio of savings to GDP fell much less (from 36.0% to 31.7%). As a result, the savings-investment gap changed from -4.2% over 1991–1996 to +6.0% over 2000–2005. This decreasing trend in investment was found in all major countries of the region except China and Vietnam.[8]

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[7] In China and Taiwan, households where the head is beyond retirement age have high rates of saving, which could be reduced if health and social security systems were more reliable.

[8] In South Korean the ratio of investment-to-GDP decreased from 37.4% over 1991–1996 to 29.7% over 2000–2005, and in Malaysian investment from 39.8% to 23.6% over the same time periods.

Although special reasons for this decline can be found in individual countries,[9] the shared trend demands a common explanation. The financial system in East Asian countries was roundly blamed for the Asian financial crisis. Weak banking surveillance and inadequate legal provisions had allowed financial institutions to accumulate high levels of nonperforming loans. As part of its stabilization policies, the IMF demanded a variety of financial-sector reforms including bank closures, management restructuring, disposal of bad loans, better bankruptcy laws, tighter provisions for management of credit, and reviews of accounting and audit procedures. The IMF's approach was guided by the Anglo-American model of corporate finance, and aimed to change the financing structure in East Asian countries from indirect financing through banks to direct financing through stock markets. Fukagawa (2004) has shown that this attempt failed.

The number of companies listed on the stock market in East Asian countries has remained rather limited. The reforms helped companies avoid drastic expansion and sudden bankruptcy, but corporate governance is not a necessary and sufficient condition. Mieno (2009) has shown that corporates in Southeast Asia now depend heavily on self-financing for growth capital rather than on loans or capital issues. Attempts to develop a bond market have been rather limited, and have been skewed toward nonmanufacturing and finance, which are geared mainly to domestic economic activities. Commercial banks have restructured themselves to concentrate on financial services and personal consumption loans, and provide little capital for manufacturing. What can be done to raise the rate of investment, especially in the manufacturing and agricultural sectors? How do economies increase domestic investments?

**Private consumption**

According to the growth accounting by Prasad (2009, pp. 2–28), in 15 countries of East, Southeast, and South Asia, private consumption accounted for 57.2% of GDP in 2008, and contributed 60.3% of GDP growth over 2000–2008, while net exports accounted for 4.3% of GDP in 2008, and contributed 7.6% of GDP growth over 2000–2008. However, the level of consumption in East Asian countries is typically lower

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[9] For example, Indonesia underwent "deindustrialization," and Malaysia diverted investments overseas.

than that in Western countries. In 2010, the ratio of household consumption to GDP was in the range of 0.5–0.6 in Thailand, Malaysia, and Indonesia compared to 0.84 in UK, 0.86 in the US, and 0.76 in Germany. China is significantly lower at 0.35.

China achieved high levels of growth despite a very low rate of consumption because its final products were exported to US and European markets (Tang, 2005). High savings means low consumption. Kojima (2008, pp. 45–47) found two reasons behind China's low consumption rate. First, the consumption rate in rural areas is extremely low. Although 56.1% of the total population lives in rural areas, rural consumption contributed only 9.5% to GDP in 2006. Second, the labor allocation rate is low at 41.4% in 2005 (hence the high rate of corporate savings).

The Chinese government now wants the country to become not only the factory of the world, but also the market for the world. This will require a major rebalancing of savings and consumption. Can China and India replace western markets as the source of demand growth for the final products of other Asian economies? At present, Chinese consumption is still too weak to perform this role. The recent growth of exports from rest-of-Asia to China have been largely inputs and components for goods manufactured in China for export to western markets. In India, as Bhaduri shows, the rapidly growing income of the top 15% of the population creates demand for a narrow range of goods that cannot be produced by small producers in the unorganized sector or by village artisans. Thus, the majority are not only ruled out from the market as consumers because they do not have adequate purchasing power, but are also excluded as producers because of the sophisticated nature of the demand. Demand stagnation due to growing inequality is countered, paradoxically, by increasing inequality.

East Asian countries cannot rely heavily on the Chinese and Indian markets for the final goods at least in coming years, hence the need to enhance demand in each individual country, or in the regions, including China and India, on their own through various ways such as social security, improvement of labor allocation, and job growth through the development of small and medium enterprises that create a strong middle class while reducing poverty.

The rise of the Asian middle class has already hugely expanded markets for consumer goods in recent years. Sales of consumer durables such as refrigerator, TV sets, mobile phones, and automobiles have expanded significantly in virtually all

countries of the region. China is now the world's largest auto market and India the fastest growing. Since the middle class in Asia is poorer—and so far spends much less—than the Western middle class, firms have had to develop affordable new products and services targeted to this group of consumers. (Asian Development Bank, 2010, p. 48)

**Social security in East Asian countries**

Social security or welfare policies in this region have been discussed extensively. Jones used the term "oikonomic welfare states" for countries such as Hong Kong, Taiwan, Singapore, and South Korea. By this she meant that these states prioritize economic growth as a policy goal and rely on the family to be the main provider of welfare. They emphasize duty and obligation, see order and social stability as the very basis of welfare, have little interest in social justice and social rights, and are equivocal on the need for Western-style politics (Jones, 1990). She listed the main characteristics of Confucian welfare states as "conservative corporatism without [Western-style] worker participation; subsidiarity without the Church; solidarity without equity; laissez-faire without liberalism; an alternative expression might be 'household economy' welfare states—run in the style of a would-be traditional Confucian extended family" (Jones, 1993, p. 214). White & Goodman (1998) used the terms "East Asian Welfare Model" and "productivist welfare capitalism" to describe the explicit subordination of social policy to economic ends, while Holliday & Wilding (2003) titled their book on the subject as *Welfare Capitalism in East Asia.*

These productivist welfare systems give first priority to education, and second to medical care. To prepare for old age, people are encouraged to save in both informal and formal pension systems, and the state draws on these funds for development programs in some countries. Where states do make provision for pensions, they give priority to civil servants and soldiers, and exclude those in the informal sector (Rames & Asher, 2000). The limited extent of these social security systems induce people to save more as provision against risks.

However, as democratization proceeds, pressures emerge for fuller state provisions. Suehiro (2006) argues that democratization since the late 1980s was followed by rising interest in quality of life among citizens, widespread concern over social safety nets and social protection policies in the aftermath of the 1997 Asian

financial crisis, and a specific concern over provision for old age as birth rates decline and the proportion of elderly in the population increases. These factors have pressed East Asian governments to forge new social welfare schemes. We can see the stages in social security among East Asian countries in Table 1.

Table 1. *Social Security System in East Asia*

| | Social Security System | | Economic Development Stage | Industrial Structure | Demographic Transition | |
|---|---|---|---|---|---|---|
| | Current System | Challenges | | | Population Structure | Urbanization |
| Third Phase (Japan, Korea, Taiwan, Hong Kong, Singapore) | Universal system | To reform with population ageing | High income | Service-led structure | Accelerating population ageing | Urban society |
| Second Phase (Malaysia, Thailand, Philippines, Indonesia, China) | System covering public sectors and employee of private company. | To establish universal system covering informal sector and rural people | Middle income | Manufacture-led structure | Rapid Declining of Fertility Rate | Transition from rural society to urban society |
| First Phase (Vietnam, Laos, Cambodia, Myanmar) | System covering only public sector | To expand system covering employee of private company | Low income | Agriculture-led structure | Starting falling of fertility rate | Rural society |

Source: Based on Hiroi & Komamura (Eds.). (2003, p. 11-12)

Oizumi (2010) has correlated these phases with the demographic transition. In the second phase of the process outlined in Table 1, the social security system is expanded, as recently seen in middle-income ASEAN countries such as Thailand, Malaysia, Indonesia, and the Philippines. During this phase, the birth rate rapidly declines, raising the proportion of those of productive age (15–64) in the total population, thus boosting economic growth through the so-called demographic dividend. These countries usually already have social security systems covering employees in the public sector and the formal part of the private sector. The challenge, then, is how to expand these social security systems to include self-employed workers, the informal sector in urban areas, and independent farmers in rural areas, and thus establish a universal social security system (Oizumi, 2010).

**Rebalancing in Asia**

**China's Ten Measures**

In November 2008, the Chinese government put forward the "Ten Important Measures for Promoting Domestic Demand and Economic Growth" and resolved to

spend 4 trillion Yuan on economic stimulus measures by the end of 2010. At the same time, the government stimulated consumption through price subsidies, consumer credit, and measures to improve distribution of targeted products (Tang, 2005). As a result of this huge investment and loosening up of the financial market, the Chinese economy boomed from the third quarter of 2008 until the end of 2011. The terms of trade became the favorite for primary commodity-exporting countries such as Russia, Australia, Indonesia, and Brazil. It was said that where the Chinese sold goods, the price decreased, and where the Chinese bought goods, the price went up (Kan, 2014, pp. 184–202).

Since 2008 China resolved to move away from growth based on exports and investment toward growth based on domestic demand and consumption. The ratio of exports to GDP fell from 34.9% in 2007 to 21.7% in 2014, and the current account surplus dropped from 10.1% to 2.1% over the same period. This change, however, was related to the stagnation in the US and EU economies in those years. The Asian Development Bank (2015, p. 130) argued that "no further progress was made toward replacing investment-driven growth with growth driven by consumption." Investment contributed 4.2% points to GDP growth in 2013, up from 3.8% in 2012, and consumption contributed 3.8% points, down from 4.1% (Asian Development Bank, 2015, p. 130).

Chinese policy is shaped by its past success. Since the 1990s state-owned companies and local governments have played an important role in investment and manufacturing (especially in heavy industries such as steel), real estate and housing, and transportation, resulting in double-digit growth in many years (Kojima, 2008: 40–57). After the Lehman shock, the same strategy of investment-driven development policy along with loosening of the monetary market succeeded in sustaining the trajectory of economic growth. However, two major problems arose. First, excess capacity emerged. In 2013, excess capacity was widespread throughout the manufacturing sector, affecting 19 of 29 subsectors that together shared 87% of sector assets and 84% of profits (Asian Development Bank, 2015, p. 143). Second, bad loans in the financial system increased, especially among borrowers from trust funds. Many of the culprits were real estate developers and companies in industries with excess capacity (ADB, 2014, p. 127). Growth decelerated from 2012 onward.

Despite this slowdown, China shows some positive signs. China's GDP doubled between 2009 and 2015, contributing about a third of global growth. Rebalancing policies have had some effect. In 2015, the service sector contributed 3.7% points to China's total GDP growth, while industry contributed 2.8%, and agriculture 0.3%. Within industry, consumer-oriented manufacturing outperformed heavy industry, which continued to suffer from excess capacity, spillover from an ailing housing sector, and lower commodity prices. On the demand side, consumption was the main growth engine, contributing 4.6% points to GDP, up from 3.7% in 2014, while investment contributed 2.5% points, down from 3.4% in 2014, and the contribution of net exports turned negative (ADB, 2016: 124–125). Rebalancing from export-oriented development to domestic demand is in process.

**US and EU Economies**

The US and EU economies have not fully recovered. In 2015, some eight years after the Great Recession and almost seven years after the collapse of Lehman Brothers, median incomes in the United States are still below the level attained a quarter-century ago. Wages in many European countries are below the level at the start of the crisis (Stiglitz, 2015, pp. 377, 415). In June 2016, unemployment stood at 10.2% in the Euro area, 20.1% in Spain, and 4.7% in the United States (*The Economist*, 11–17 June 2016). The US economy has recovered somewhat, but consumption is too weak to drive the world economy. The US and European economies have not been creating jobs, and stagnant incomes mean stagnant demand (Stiglitz, 2015, pp. 377, 415).

Since the 2008 crisis, the global economy has drifted. Lower international prices for oil and other commodities were supposed to be a boon to most economies, but the benefits have been slow to come while the shock to commodity-dependent emerging economies has been immediate. Less-than-robust recovery in the industrial economies and slowing growth in emerging markets weigh down on growth prospects everywhere. Volatility in global financial markets that stem from weakness in emerging markets and monetary tightening in the United States is deepening the uncertainty stirred by the global slowdown (Asian Development Bank, 2016, p. 3).

**Rebalancing in Southeast Asian Countries**

The high rate of growth in China triggered a commodity boom with a positive impact on many Southeast Asian countries, especially Indonesia and Malaysia. Since 2012, however, the slackening of China's growth and the fall of commodity prices have had a negative impact on the region. Dependence on exports has shown some signs of decline. In Malaysia, the export-GDP ratio decreased from 102.8% in 2006 to 61.4% in 2014. In other major Southeast countries the declines were smaller but significant. Between 2007 and 2014, the export-GDP ratio fell from 61.1% to 55.5% in Thailand, 27.4% to 19.7% in Indonesia, and 34.4% to 21.7% in the Philippines. Current account surpluses also decreased.[10] Only in South Korea did the current account surplus increase from 2.1% in 2007 to 6.3% in 2014.

Domestic demand, especially investment, increased after the Lehman shock. Between 2007 and 2014, the ratio of gross capital formation to GDP ratio increased from 21.6% to 26.0% in Malaysia, from 24.9% to 34.7% in Indonesia and from 16.9% to 20.5% in the Philippines. Only Thailand showed a decrease, from 25.4% in 2007 to 24.6% in 2014. Consumption in Malaysia increased from 45.6% in 2007 to 52.3% in 2014. Rebalancing was under way in Southeast Asian countries to some extent.

In Indonesia, growth is still driven largely by commodities, especially exports of palm oil and coal, but domestic demand has contributed, especially private consumption, as well as nontradable goods production on the supply side. In 2015 GDP recorded 4.9% growth even though commodity prices fell, in contrast to other commodity-exporting countries such as Russia and Brazil, where GDP shrank by -1.2% and -5.4%, respectively (Bank Indonesia, 2016). Mizuno (2016) has discussed the impact of the commodity boom on the Indonesian economy, and the role of consumption or nontradable goods production.

**Inequality in East Asia**

In the last two decades, especially after 2000, inequality has become a serious issue in Asia. Countries such as China, South Korea, and Indonesia where inequality was relatively low at the beginning of 1990s saw sharp rises in the Gini ratio.[11] At the

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[10] Between 2007 and 2014, the current account surplus decline from 15.9% to 4.3% in Malaysia, from 6.3% to 3.2% in Thailand, from 2.4% to -2.9% in Indonesia, and from 4.9% to 2.1% in the Philippines.
[11] In China from 32.4 in 1990 to 43.4 in 2008, in South Korea from 24.5 in 1992 to 28.9 in 2010, and in Indonesia from 29.2 in 1990 to 38.9 in 2011.

same time, countries where the Gini ratio was already high at the beginning of 1990s either showed no decline (Malaysia and the Philippines) or only a modest drop (Thailand) (Asian Development Bank, 2012, p. 47).[12] Inequality causes many problems. For one, it hampers poverty reduction. ADB has shown that the achieved declines in the poverty headcount rate were significantly lower than would have been achieved if the inequality was less severe. For example, extreme poverty fell to 13.1% in China in 2008, but would have fallen further to 4.9% if the effects of rising inequality were removed (Asian Development Bank 2012, p. 41).

Economists once argued that inequality had a positive on growth by creating incentives for hard work and enterprise. That judgment is now under challenge. ADB has shown that long-term growth in an economy can be broken down into phases or "growth spells," in each of which growth accelerates to a higher rate and then falls again (Asian Development Bank, 2012, p. 43). The acceleration can be achieved by a set of conventional reforms, such as liberation of trade or finance, which leads to a burst of investment and output growth. Sustaining this growth is more difficult, and generally requires institutional changes (Rodrik, 2005). Ultimately, the long-term rate of growth depends on how long these growth spells are sustained. Berg, Ostry, & Zettelmeyer (2008) examined the impact of various factors on the duration of growth spells. They showed that income distribution was as one of the most important factors affecting the duration. A 10-percentile decrease in inequality increases the expected length of a growth spell by 50%. They conclude that inequality is a more robust predictor of growth duration than many variables widely understood to be central to growth. The International Monetary Fund (2015) argues that inequality depresses investment and thus growth by fueling economic, financial, and political instability.

A 2011 study by the Organization for Economic Cooperation and Development (OECD) identified various factors contributing to rising inequality, such as increased financial integration and technological change; increased imports from low-income countries, reducing employment prospects for less skilled workers; changes in labor market policies that tend to reduce income and benefits for less skilled workers; increasing prevalence of part-time work; greater numbers of single-headed households; and increasing income shares for capital, benefiting rich households.

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[12] In Malaysia from 47.7 in 1992 to 46.2 in 2009, in Thailand from 45.3 in 1990 to 40.0 in 2009, and in the Philippines from 43.8% in 1991 to 43.0 in 2009.

ADB argues that technological progress, globalization, and market-oriented reform—the key drivers of Asia's rapid growth—are the basic forces behind the rising inequality in many Asian countries in the last two decades, and these forces have changed income distribution through three channels, namely, capital, skill, and spatial bias. The bias toward physical capital reduces labor's share of national income. Spatial disparities are becoming more acute: locations with superior infrastructure, market access, and scale economies—such as urban centers and coastal areas—are better able to benefit from changing circumstances (Asian Development Bank, 2012, p. 73).

In addition to these, other studies discuss the role of the labor market and noneconomic factors on increasing inequality. The International Monetary Fund (2015) finds that a decline in organized labor institutions and the resultant easing of labor markets is associated with rising market inequality because labor market flexibility benefits the rich and reduces the bargaining power of low-income workers. The IMF also finds that government policies can contribute to greater or lower equality. From Piketty's study (2014), investment income tends to grow faster than GDP and thus the trends toward inequality of wealth have implications on income inequality and its sustainability. Wealth can be deployed to acquire the political power needed to protect and even intensify the concentration of wealth.

The conventional strategy of export-oriented industrialization pursued in East Asian countries, especially under authoritarian regimes, tends to promote inequality through various paths including liberalization of the finance sector and trade regime, and labor controls that suppress wages and increase the share of capital in income. Reforms following the Asian financial crisis and the structural adjustment policy that had been pursued by the World Bank, IMF, and ADB also contributed to the worsening of income inequality through measures such as the abolition of subsidies for small-scale businesses and agricultures. In the Philippines, for example, the removal of subsidies for irrigation created an environment in which rich farmers who invested in individual pump irrigation prospered at the expense of the poor ones (Hayami & Kikuchi, 2000).

Pasuk & Pongthep (2016) discuss the factors driving inequality in Thailand and its political consequences. Policy bias in favor of wealth accumulation among the few and a spatial bias in Thailand's development have seriously divided the society, leading to conflict between a largely rural mass and the urban elite and middle class.

The rural mass has a numerical majority that delivers victory at elections, but their opponents wield great informal power and are able to call on the army to remove their opponents by coup, as happened in 2006 and 2014. This political wrangling, with deep roots in inequality, has depressed the rate of economic growth below the regional average. Takamasu (2012) discusses the stagnation of the Japanese economy from the viewpoint of inequality. The prevalence of part-time or irregular workers due to the easing of labor market regulation has dented the conventional Japanese lifetime employment/seniority promotion system, which had been hailed by the OECD as the reason for the strength of the Japanese economy in the 1950s and 1960s.

Inequality has not only created political conflict but also shaped attitudes toward the forces of globalization that lie behind rising inequality, especially the free trade regime, financial liberalization, foreign investment, labor migration, and information technology (Bhalla, 1998; Peterson, 2003). Criticism and opposition have come not only from the right wing, in the form of racism and chauvinism directed against immigrant labor (Doty, 2003), but also from the left wing in campaigns against capital liberalization, free trade regime, and flexible employment. Jong-Woo Lee criticizes the US financial policies based on monetarism and excessive financial deregulation, particularly since the repeal of the Glass-Steagall Act in 1999. The monetarist policy promoted unequal conditions among Americans, enlarging the financial sector while reducing the competitiveness of the US manufacturing sector. Britain's exit from the EU decided by the referendum in 2016 is a right-wing/populistic response (Oliver, 2016) to the issue of immigration especially triggered by the Syrian crisis and inequality. Further, the election of Donald Trump as US president in November 2016 is the result of the right-wing response to immigration and inequality promoted for quite some time now by the policy of globalization and free trade.

## Conclusion

East Asian, including ASEAN, countries have pursued export-oriented development strategies, attracting the foreign direct investment, and promoting export-driven growth. However, after the Lehman shock, these countries adopted rebalancing policies from export-driven growth to domestic demand-driven growth. Stagnation of the US, EU, and Japanese economies have kept these countries from continuing the conventional policy. Chinese government measures to promote

domestic demand since 2008 had worked to boost the economy until 2011 with domestic investments and increase in consumption. Chinese economic growth until 2011–2012 gave rise to an international commodity boom that resulted in economic development in Malaysia and Indonesia. However, since 2012 the Chinese economy has suffered from excess capacity and bad loans, thus putting a damper on the international commodity boom.

ASEAN countries have begun rebalancing by decreasing export reliance and increasing domestic investment and consumption, with variation among the countries. ASEAN countries have pursued inclusive policies such as education, medical care, and social security to drive consumption and investment, and promote the growth of the middle class. But technological progress, globalization, and market-oriented reform—the key drivers of Asia's rapid growth—have also been the basic forces behind the rising inequality in many Asian countries in the last two decades, and these forces have changed income distribution through three channels, namely, capital, skill, and spatial bias. Inequality created by conventional development strategies in this region has become the basis of conflicts among the region's economic strata. Moreover, inequality in the region has depressed investment—and thus growth—by fueling economic, financial, and political instability. Right-wing response to the inequality and immigration triggered big waves of political change in the UK and US in 2016—a trend that could well continue in European countries in 2017.

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# Adaptive Organizational Communication of ASEAN from an Autopoietic Systems Perspective

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## Abstract

*This article focuses on ASEAN after the establishment of its community in a systems perspective. The problem elicited in this research is how the ASEAN Secretariat's adaptive communication is able to cope with challenges stemming from the establishment. To answer the question, a case study is applied, using data collection techniques including document analysis, interview, and observation. The findings reveal that ASEAN adaptive communication has allowed the association to grow rapidly to deal with difficulties. It is not, however, as ideal as a system proposed by Luhmann.*

**Keywords:** ASEAN Secretariat, ASEAN Community, Adaptive Communication, Structural Change, Coordination Function

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**Introduction**

The ASEAN Secretariat has entered a new level in its organizational phase through the establishment of the *ASEAN Community.* As a shared idea among member states, the community was officially declared in December 2015. As conceived, the community consists of three pillars: the ASEAN Economic Community (AEC), ASEAN Socio-Cultural Community (ASCC), and ASEAN Political Security Community (APSC) (ASEAN Secretariat, 2015, p. 2). There have been pros and cons related to the establishment of the community (see Luhulima, 2011; Luhulima, et.al., 2008; Indonesian Foreign Ministry, 2008). However, excluding these issues, it is very interesting to study the association and its community. One thing that should be noted is that the community has gone through a lengthy process before finally being established. The community*, therefore,* is considered ASEAN's greatest achievement in the thirty years of its existence as well as a mark of the association's development towards a new era (Caballero-Anthony, 2014, p. 563). While ASEAN develops, its secretariat, as the core subsystem of its organization, adapts and adjusts to contemporary developments to maintain its organizational existence.

Since the implementation of the ASEAN Community 2015 policy, many developments have made communication and coordination within and without the Secretariat more complex. These developments will be discussed in this study through the perspective of communication systems and adaptive communication to answer question about the adaptability of the ASEAN Secretariat. The dynamics of the Secretariat development, furthermore, are closely related to ASEAN's development as an organization and the dynamics of the environment outside its system.

According to the researchers' investigation, no research into the association has been conducted using a systems approach that discusses adaptive communication in the ASEAN Secretariat. Most ASEAN-themed research takes an economic or international relations perspective (see Ong, 2008; Caballero-Anthony, 2014; Narine, 2008; Severino Jr., 2008; Kraft, 2000). Only a few studies use a communication science perspective to examine ASEAN. The difficulty of finding organizational and communication studies about ASEAN is shown through a survey of journals discussing Southeast Asian studies. As such, field research is necessary to collect related information. Furthermore, the researchers have not found other studies of adaptive communication in the ASEAN Secretariat that use a systems theory approach. It can

therefore be concluded that this research is one of the first studies about the ASEAN Secretariat that uses a communication systems perspective. This research is expected to provide a new perspective in the rife of ASEAN studies using economic and international relations perspectives.

This study is important because the significant development of ASEAN has been closely related to the organization's effort to adapt with the world's challenges and changes. By using a systems approach and adaptive communication analysis, the association as an organization is seen from its ability to identify its own characteristics and capacity; therefore, it can be assumed that the study give new perspective and insight about ASEAN from a systems perspective. Such a perspective is used in this study because using a systems approach tends to be unpopular among and considered unimportant by certain parties. The use of a systems approach is expected to give a holistic and broad view of a problem, in this case the ASEAN organization. Luhmann (2013, p. 121), a philosopher in systems theory, states that a system attempts to reduce complexity within its environment and replicate inside its body to maintain its existence. Therefore, a system will also represent the complexity of its environment. This is the place for adaptive communication. When the environment becomes more complex, the system inside will also adapt using the same mechanisms to adjust and maintain its existence.

Communication by a system done in response to certain demands from its environment is called adaptive communication. Conducting a study of ASEAN, as described above, is important because of the complexity of the organizational condition and environment in which its system is located. Recognizing such environmental conditions, the association must continue adapting to changes. The association faces many demands, and therefore its adaptive communication will determine how it will grow and develop. If ASEAN fails to communicate itself in answering the demands of its environment, it can be smothered by its own problems. Herein lays the importance of adaptive communication: without it, the association will not be able to resolve its problems and will be perceived as underdeveloped, thus leading to entropy.

This study describes the communication system in ASEAN, with emphasis on adaptive communications and values affecting the adaptive organization. Why, then, does this study focus on the adaptive communications of the ASEAN Secretariat? In

Luhmann's theory, every system with adaptive capabilities is assumed to have the ability to extract information from its surroundings and to use said information for adaptive benefits—similar to how ASEAN has demonstrated significant changes, especially after ASEAN Community policy was implemented in 2015. What makes ASEAN unique among other regional organizations is the principles of non-interference and intergovernmentalism that are stipulated in the Charter, its institutional framework. It is undeniable that the organization is highly dynamic in its responses to the vigorous dynamics of its environment. Therefore, the organization's communications in response to the changing environment will be explored here.

**Literature Review**

In social studies, systems theory is an approach that is greatly affected by areas of contact between the natural and social sciences. Similar to how biology sees cells and organisms, some social scientists also try to explain to the public using a systems approach. Biology's study of organisms consisting of smaller composers that unite in a system has inspired social experts to explain the state of society in the same way.

Sociology sees society as a large circle in which there are other small circles with different functions. Each 'circle' is part of the great circle. Among those small circles, there is a power called interdependence. Just like the cells that make up an organism, systems within society affect and depend on each other to form a social system. The social systems approach, based on this systems theory, also includes an explanation of organizations, as organizations are also categorized as social systems (Koskinen, 2013, p. 63). General system theory based on biology was first proposed by Ludwig von Bertalanffy (Miller, 2012, p. 59). Basically, this systems theory divides systems into three elements; system components, system processes, and system properties. System components refer to the parts contained in a system or object. When viewed from the most basic standpoint, a system consists of smaller parts that work together and are interconnected. System properties cover hierarchical arrangement, interdependency, and permeability, that is, the ability to allow information to enter or leave a system.

**Information Systems Approach to Organizations**

According to this theory, an organization is not viewed as a living organism like it used to be, but rather as a result of information processing. Karl Weick, the founder of this theory, put forward a clear distinction between equivocality and uncertainty resulting from information processing (Griffin et al., 2014). Equivocality is a condition in which information processing produces two or more alternatives but no longer requires additional information. Uncertainty, on the other hand, is a condition in which there is a shortage of information. Information processing, furthermore, is called sense making. To be able to do sense making, an organization needs requisite variety, a match between the existing data and the occurred equivocality. How does a loose-coupled organization cope with changing environments and massive amounts of information? This is the role of sense making and requisite variety.

Weick, in addition, introduced three stages of organization evolution (Griffin et al., 2014). The first stage is the enactment or creation/formation. Enactment in this theory means the initiative of the organization to create its own environment. A company, for example, points to those that will be their stakeholders, decides how far the media can cover news about the company, etc. The second stage is selection, which is conducted because of equivocality generated by the first stage. The next stage is retention or repetition. In this stage, the system tries to 'memorize' the results of the selection made and to repeat it so that it becomes a standard pattern. When the selection results in the same continuous retention, it will reduce the flexibility of an organization in responding to complex information (Griffin et al., 2014).

**Luhman's System Theory**

Niklas Luhmann developed a systems theory that combines Talcott Parson's structural functionalism with general systems theory and outlined some different concepts. His most famous systems theory concepts are autopoiesis, differentiation, self-reference, and double contingency. These four concepts are a consequence of Luhmann's approach, which sees each system as having different conditions and needs. The key to Luhmann's thought is the assumption that a system is different from its environment, which has greater complexity. A system should be able to develop a new subsystem to adapt to its environment. Luhmann's understanding of systems, therefore, is very similar to the depiction of cells in living organisms, which likewise

are very dynamic in nature and have the automatic capability to adapt to their environment.

The difference between general systems theory and Luhmann's systems theory is the assumption that adapting systems are simultaneously closed and open (Luhmann, 2013, p. 64). Systems have the capacity for autopoiesis, to produce their own basic elements. Luhmann (2013, p. 43) also offers the concept of self-reference, which is considered very important in explaining the differences between systems and environments. Unlike the system boundaries offered by Parson, open systems do not have a clear distinction with their environment. Therefore, Luhmann (2013, p. 46) puts forward the concept of self-reference to explain how systems distinguishes themselves from their environments.

For Luhmann, when a system is not capable of self-reference, it fails as a system that acts as "itself" (Ritzer, 2003, p. 242). The interesting point in Luhmann's system theory is the way systems perform self-reference, that is, through communication (Luhmann, 2013, p. 53). In his theory, Luhmann emphasizes the importance of communication for social systems (Ramage & Shipp, 2009, p. 211) as the basis for adaptive communication.

Considering the concepts of autopoiesis and self-reference, Luhmann's systems theory considers complexity part of systems. In his book, Luhmann (2013, p. 125) explains that complexity exists both in the environment and the system. They are mutually influential. Basically, a system will produce certain complexity in response to its environment's complexity. However, it is unlikely to be more complex than its environment.

This understanding is based on the concept of "reduction of complexity", in which systems make formulations within themselves to reduce environmental complexity (Luhmann, 2013, p. 121). Luhmann argues that the concept of complexity can be considered in two ways, namely 'elements' and 'relations' (Luhmann, 2013, p. 124). The more elements possessed by a system, the more relationships contained within it. At that point, the system is considered to be complex. The complexity of a system will affect its communications, which will create disproportion due to the increasing number of elements and relationships within the system.

Communication forms change to become more hierarchical as a result of complex systems. This can be seen from the differences between a large enterprise

and a group of ten people. In a large enterprise, communication does not occur at the individual level, but at the division level. In a group of ten people, however, communication can involve each member. Within a large enterprise, therefore, communication is done hierarchically to avoid ineffective communication. The idea that 'everything is connected with everything' is impossible in a complex system (Luhmann, 2013, p. 125).

Adaptive communication, basically, is an emerging concept based on Luhmann's systems theory about autopoiesis and complexity. Drawing on Luhmann's concepts, explained above, adaptive communication has emerged as a way for systems to respond to their environments. In Luhmann's systems theory, the essence of a social system is communication, which negates human function (Luhmann, 2013, p. 53). Communication terms, therefore, are used to describe systems' tendencies in duplicating their environment's complexity.

Luhmann's systems theory, especially the concept of adaptive communication, does offer an abstract concept. As expressed by Pace and Faules (2010), the systems theory of Luhmann (2010, p. 67) serves to create an abstract concept for organizing thoughts and directing them to a particular goal. An example of this is the food transportation system in trees. The roots obtain water and how the water flows to leaves through plant's capillaries. Then, the water is used for photosynthesis and the products are sent back to all parts of the plant through the capillaries. These concepts cannot be seen. One cannot see how water flows through the capillaries or the process of photosynthesis. However, these things serve to provide an understanding of a tree's function in sending food so that its growth can be better realized.

**Research Method**

The method used in this study is a qualitative approach using a case study method, in which a study serves to describe an event or object as a unique case. According to Yin (2009, p. 18), the case study method is an empirical study to investigate a phenomenon in depth without relinquishing the social context. The study, in addition, has the novelty of the approach and the theory used, namely systems theory. The modern systems theory by Niklas Luhmann in particular is expected to provide unique value in this study.

Data collection techniques used in this study are document analysis, interviews, and direct observation. The search of archival records has provided data that includes the opinions and statements of ASEAN officials. Document analysis was selected because much of the association's important information is stored in the form of documents, be they agreements, charters, etc. Selected documents were obtained either from the official website or from the ASEAN Resources Center at the ASEAN Secretariat. Interviews were conducted with expert sources, both academics and practitioners in the ASEAN field. Data were also obtained through direct observation of activities; this was done to understand the facts or natural setting in ASEAN as an organization.

## Research Findings

Based on the theory described earlier, development in ASEAN is triggered by changes and challenges arising in the environment. The ASEAN Secretariat, as the main institution in the association, follows its developments in order to respond to those challenges. Over time, it has been inevitable that an international organization should meet the challenges arising from technological developments. These challenges require the Secretariat to adapt to maintain its existence. Otherwise, the ASEAN system will not be able to survive and will be eroded by the challenges faced.

## ASEAN and Globalization

According to the "Dictionary of the Social Sciences" (2002, p. 192), globalization is a term used to describe political, economic, and cultural activities beyond national borders. In Southeast Asia, globalization began before the 1990s and has become more rapid after the end of the Cold War (Wuryandari, 2011, p. 12). Globalization in Southeast Asia has led to another phenomenon, namely faster and easier interaction between individuals and corporations. This has, in turn, affected on the economies, politics, and cultural dimensions of ASEAN member states. Citizens of Malaysia, for example, can communicate easily with citizens of Brunei Darussalam by using the internet and various other cultural exchanges. Meanwhile, in industry, a foreign company can establish production bases in countries with lower production costs, such as Vietnam. This has exceeded the boundaries of conventional state, which used to be one of the obstacles blocking cross-country interaction in the community.

Globalization has had many effects, both positive and negative (Wuryandari, 2011, p. 72). This is an unavoidable part of the economic globalization trend. Today, a country's economy tends to have a dependency with other countries, as well as the easy mobility of labor, investment, and capital. The dynamic environment of globalization has also pushed ASEAN to transform. In the 1990s, the association expanded, with four new member states being admitted: Vietnam (1995), Laos and Myanmar (1997), and Cambodia (1999). Thus, the ten members of ASEAN are now Singapore, Malaysia, Indonesia, Thailand, Philippines, and Brunei Darussalam (known as the ASEAN 6), and Cambodia, Laos, Vietnam and Myanmar (also known as CLMV). At the same time, the rhetoric of "One Southeast Asia"—intended to create a safe, peaceful, and prosperous area—also appeared (Ba, 2009, p. 105).

Many questions have arisen about CLMV countries' incorporation in ASEAN and the problems that have occurred since; however, ASEAN has proven that it is capable of surviving despite conflict. This, however, does not mean that there will be no conflict or other friction in the future, given the differences in Southeast Asian countries (Ba, 2009, p. 120). To face the possibility of disintegration in the future, ASEAN has taken various anticipatory steps to bring the association into a more integrated new era. One of these is the politics and rhetoric of "One ASEAN", which was translated into institutional restructuring and the making of new agreements or specific amendments. To renew the Bangkok Declaration, ASEAN's leaders have also enacted the ASEAN Charter, which serves as the organization's institutional foundation.

As a regional organization, ASEAN has made a relatively good impression, particularly in facing globalization. The association has also been regarded as the most successful regional organization after the European Union (Weatherbee, 2009, p. 91). Although the EU and ASEAN have different ways of organizing and running their organizational mechanisms, it is nevertheless undeniable that globalization has had a great impact on the politics, economies, and culture of both regional organizations and on other countries in the world. It has significantly changed the face of these two organizations.

In the context of economics, according to the book *ASEAN 2030: Toward a Borderless Economic Community* (ASEAN Secretariat, 2014, p. 13), economic development in Asia, including ASEAN, was affected by the 2008–2009 recession

experienced by the United States, which later spread to other countries. This is one weakness of integrated economic policy and international trade in which a country has dependency with other countries. If one of these countries' economies collapses, it will affect the economies of other countries. In this case, the United States had poor credit with high levels of consumption, whereas people could not pay their bills (Wuryandari, 2011, p. 73). High consumption levels were also triggered by low mortgage interest rates and a variety of lures tempting people to use credit. As a result, an economic bubble emerged when consumers' were unable to pay the bills. These economic problems did not only affect the United States, but also financial institutions in Europe and the Americas. As mentioned above, this is caused by the connection among such financial institution networks, which have become interdependent with one another.

Despite the economic problems caused by interdependence, the economic crisis in the United States and other countries in 2008 had a positive impact on the economy in Asia. As a result of financial paralysis in the United States and Europe, the flow of money began to shift to Asia and resulted in the expansion of business. The value of the Chinese Yuan began to rise against the US dollar and trade in China and India increased. The crisis thus had enhanced regional competitiveness in Asia, and the shaft of ASEAN cooperation began to turn to Asian countries such as China, Japan, and India.

In the context of the Asian region, China's economic growth began to encourage trade and investment from the country to ASEAN countries. This, of course, led to intense competition between China and Japan, which had first penetrated the ASEAN market. Japanese companies in ASEAN, therefore, have had to increase performance efficiency to boost productivity in the face of annual increases in the value of trade and investment between China and ASEAN. It is projected that the ASEAN's economy will experience high growth in the future, and there is the possibility of other countries investing in the region.

China's desire to become a superpower is one example of multi-polarity in post-Cold War international politics (Wuryandari, 2011, p. 8). With the world axis shifting to China, it is expected that ASEAN can take advantage of this momentum effectively. Liberalization and trade integration in the association could create a larger market and allow it to compete with major countries in the world (Ba, 2009, p. 137). However,

the liberalization of trade in ASEAN would bring new challenges. Correct economic policies are necessary to ensure positive results for the association.

To address economic challenges, ASEAN is currently focusing on the agenda of its community, one pillar of which is the ASEAN Economic Community (AEC). Economic development has become a hot issue in many parts of the world, including Southeast Asia. Through the ASEAN Economic Community, Southeast Asian countries, most of which are developing countries, are hoped to become a world economic power equal to well-developed countries such as the United States, China, Japan, and the EU. To keep pace with economic lag, ASEAN cooperates with these countries while reinforcing regional integration through the AEC "ASEAN 2030: Toward a Borderless Economic Community" (ASEAN Secretariat, 2014, p. 3). In addition, in 2030, ASEAN is projected to be a region without borders between countries in economic terms. This may involve a single market and a single currency or a common currency. The question is whether the association will be able to achieve this vision by 2030.

A book titled *ASEAN 2030: Toward a Borderless Economic Community* elaborates ASEAN's vision for 2030 and how it will be achieved. As a starting point, this book provides an overview of how ASEAN should distinguish itself from the EU. Economic cooperation and integration in ASEAN should not duplicate that in the EU. Instead, the association should set points of cooperation that are in accordance with its own values. More robust cooperation can be achieved, though care should be taken to avoid too fast and high economic growth, which may cause various social problems and political tensions (ASEAN Secretariat, 2014, p. 4). Steps should be taken by ASEAN through appropriate policies, such as reforming the governance principles to keep pace with the world economy, politics, and society. Establishing new institutions is also necessary to implement ASEAN's policies. However, both of these solutions require much time to be fully implemented by ASEAN's members and to take root. The establishment of new institutions at a given point, in addition, can lead to potential complexities within the ASEAN policy system itself.

**Development of ASEAN and ASEAN Community**

The ASEAN Vision and ASEAN Charter became the main foundation for ASEAN development in the 2000s, as the association entered its fourth decade. With the vision and charter, ASEAN has more clearly entered a new phase towards realizing the

ASEAN Community. Here are policy adaptations made by ASEAN with regard to the ASEAN Community:

Table 1. *List of ASEAN Agreements in ASEAN Community Framework*

| Year | Treaty |
|---|---|
| 1997 | ASEAN Vision |
| 1998 | Hanoi Plan of Action |
| 2003 | Bali Concord II |
| 2007 | Kuala Lumpur Declaration |
| 2009 | Cha-am Hua Declaration on the Roadmap of ASEAN Community (2009–2015), 1 March 2009 |
| | Cha-am Hua Declaration on Intergovernmental Commission on Human Rights, 23 October 2009 |
| 2010 | Hanoi Declaration on the Adoption of ASEAN Connectivity, 28 October 2010 |
| 2011 | Bali Concord III, 17 November 2011 |
| 2012 | ASEAN Human Rights Declaration, 18 November 2012 |
| | Phnom Penh Declaration on ASEAN: One Community, One Destiny, 3–4 April 2012 |
| 2013 | Bandar Seri Begawan Declaration on the ASEAN Community Post-2015 Vision, 9 October 2015 |
| 2014 | Nay Pyi Taw Declaration on Realisation of ASEAN Community by 2015, 11 May 2014 |
| | Nay Pyi Taw Declaration on the ASEAN Community Post-2015 Vision, 12 November 2014 |
| 2015 | Kuala Lumpur Declaration on a People-oriented, people-centered ASEAN, 27 April 2015 |
| | Kuala Lumpur Declaration on the Establishment of the ASEAN Community, 22 November 2015 |
| | Kuala Lumpur Declaration on ASEAN 2025: Forging Ahead Together |
| 2016 | Vientiane Declaration on the Adoption of the Initiatives for ASEAN Integration (IAI) Work Plan III, 6 September 2016 |

(Source: ASEAN Document Series 1997/1998–2015/2016)

On the agreement table, we can see ASEAN's dynamic development in realizing the Community. Between the first agreement in 1998 and the drafting of the final blueprint in 2008 (Bali Concord II), ASEAN continued to develop to manifest the establishment of the Community. Agreements, however, did not only engage the ASEAN pillars, but also involved other areas supporting the realization of the ASEAN Community, such as human rights (see the agreements in 2009 and 2012). After its community was officially implemented in December 2015, ASEAN formulated policies for the future (see the agreements in 2013–2015). This demonstrates ASEAN's dynamic development to face challenges and to see how the association maintains its

existence. Additionally, the Secretariat has responded to environmental challenges by adapting its structure through policies at the ASEAN level.

Table 2. *Structure Changes of ASEAN Secretariat since 1992*

|  | **Changes** |
|---|---|
| **1992** | Structure consisted of four directorates, ten director assistants, and an ASEAN Cooperation Unit. |
| **2012** | General Secretary Deputy structure was removed and replaced by four divisions. The name "directorate" was changed to "department"; "director assistant" was changed to "division"; department naming was adjusted with AC pillars; and "General Affairs" was renamed "Corporate and Community Affairs". Total division addition: 37 divisions. |
| **2016** | Strategic Planning and Coordination division removal. Total division addition: 57 divisions, mostly in the Economic Community Department. |

(Source: ASEAN Secretariat Structure in 1992, 2012, and 2016)[3]

Observing the changes above, it is apparent that the structure of the ASEAN Secretariat is adaptable in the face of environmental challenges. This can be seen in the division, addition, or subtraction of the structure to meet environmental demands and challenges and thus adjust to changes over time. The considerable time span between the first and second amendment is particularly interesting to notice. In the first structural change, it took 20 years for ASEAN to replace its structure. Meanwhile, the distance between the second and the third structural changes is only about four years (2012 and 2016). This difference cannot be separated from the history and the condition of each era, when ASEAN 'woke up' after the economic crisis of 1997–1998. Since then, the association attempted to organize its institution until finally, in 2012, structural changes to support contemporary and future ASEAN activities was approved.

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[3] The structure of the ASEAN Secretariat in 1992 can be seen in *Selayang Pandang ASEAN tahun 1987* (available from the ASEAN Resource Center, ASEAN Secretatriat, Jakarta). The structure in 2012 was derived from website www.asean.org in 2015. Presently, the structure of the ASEAN Secretariat on the website has been changed to the 2016 structure.

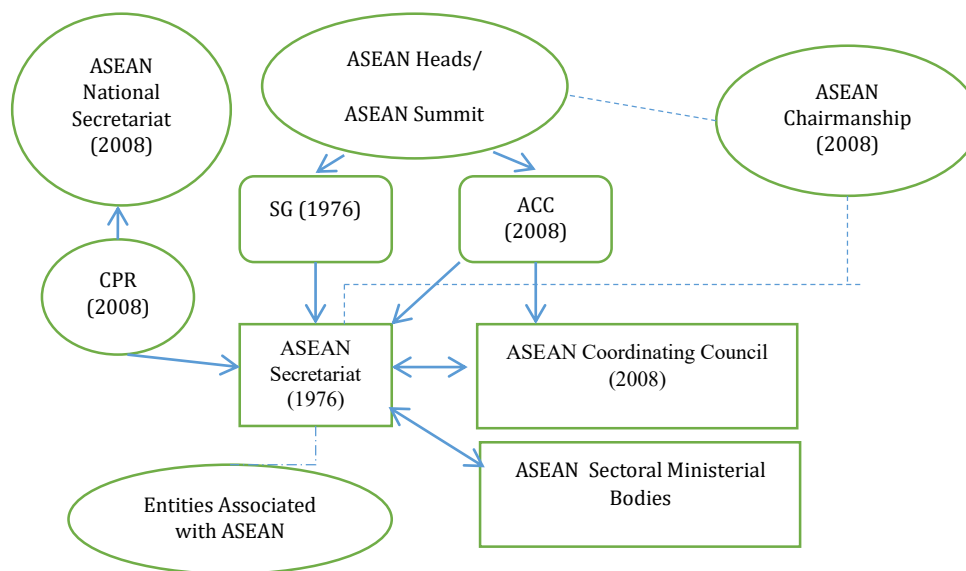**Inter-Institutional Relations in ASEAN**



*Figure 2.* A diagram of inter-institutional relations in ASEAN
(Source: Indonesian Foreign Ministry 2008)

Adaptive communication by the ASEAN Secretariat is also illustrated through the relationships among institutions in the association. The above diagram is the simplified version[4] of the inter-institutional relations in ASEAN. The difficulty in mapping systems in the organization emerges because there are many bodies or institutions, resulting in each system having extreme complexity. From the above diagram, the system in ASEAN can be surmised to consist of three main systems: the elite system, technical system, and institutional system affiliated with the association. Each year, new institutions are established, adding to complexity in the organization. Anytime a new institution is added to the association, relations within it also increase. Inter-institutional relationships in ASEAN, therefore, are adaptive to environmental changes.

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[4] The existing structure in ASEAN is more complex and needs further investigation to map its overall function and inter-institutional relations in ASEAN. The diagram above is meant to provide a general depiction of the main institutional relations in ASEAN and its connection to the association's activities.

**Events/Programs in ASEAN**

Every year, new activities and programs tailored to the needs of the association and stakeholders (communities, governments and other international organizations that work with ASEAN) are proposed. The organization can be quite adaptive to environmental changes in terms of activities and programs. Based on the annual report of the ASEAN Secretariat, every year a significant increase in the number of meetings is also recorded due to the addition of institutions and policies.

**Discussion**

From the findings above, the evolution of ASEAN can be divided into several stages. The first is the embryo stage, in which the association had been established based on the Bangkok Declaration of 1967 but lacked any formal institutions or governance mechanisms. The second stage is the genesis or early stage, in which the association began forming institutions that became the basis for its future, namely the establishment of the ASEAN Secretariat. However, at that time, it had neither a special function nor an institutionalized assignment. The third stage is the increase from five ASEAN member states to ten with the joining of Brunei Darussalam, Cambodia, Myanmar, Laos, and Vietnam. Those five countries did not join ASEAN simultaneously, but at different times.

The fourth stage was when the economic crisis of 1997–1998 struck and devastated Southeast Asian economies. After this incident, leaders of Southeast Asian countries began to realize ASEAN's role as a regional organization may involve becoming an economic stabilizer for the region. Following the emergence of this awareness, the fifth stage was the ASEAN Charter, signed as the institutionalization and formalization of the association. After the charter, the organization also agreed to sign its vision for 2020 as a long-term goal as well as a cooperation agreement to establish the ASEAN Community in 2020, which was then advanced to 2015. The sixth stage was the establishment of ASEAN Community in December 2015. The founding of this community marked a new era of the association and a push for a new vision, namely the ASEAN vision 2025. Lastly, the seventh stage is ASEAN integration, which it is still the association's final goal and has yet to be achieved by its leaders.

Currently, ASEAN is still in the sixth stage. Each stage has been marked by the establishment of new institutions in the association. Furthermore, each year

cooperation with other countries has also increased. Presently, ASEAN has become a complex organization with a plethora of institutions and with international cooperation with many countries around the world. Adaptive communication in ASEAN, however, is still not effective, as seen from the fact that the association has yet to be able to adjust to the dynamics of rapid development. Processing information effectively via websites or a dynamic medium to coordinate member states in responding to ongoing phenomena must still be done continuously. Knowledge transfer is crucial to the open system function of the adaptive organizational system. To be able to maintain its existence, the ASEAN Secretariat must be able to conduct effective knowledge transfer as feedback for the environment, which in turn will encourage future input for the organization.

**Conclusion**

The ASEAN Secretariat is an organizational structure that is able to represent the level of development and maturity of the organization. From field observations and interviews, adaptive communication in ASEAN has not optimally met the autopoietic and self-referential context outlined by Luhmann's systems theory. The key concepts of autopoiesis, differentiation, and reduction of complexity are the basis of measurement and assessment of this system. It can be said that the association has not had effective capability in any of these. ASEAN has indeed grown, evolved and adapted to the environment. However, it cannot be said to be optimal in conducting differentiation and self-reference related to its own needs. The organization must still improve its systems and mechanisms. In the future, ASEAN must continue developing the process of enactment or creation of its environment, the process of selection or information sorting, and retention or organizational memory development as a guide to making organizational decisions. This must be further developed to demonstrate ASEAN's ability to adapt to its environment and the complex challenges it faces.

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# Why ASEAN is Cooperating in the Education Sector?

**Jan Gawron[1]**

## Abstract

*Over the last few years ASEAN member states have begun collaborating more tightly in the tertiary education sector, which has led to a cooperation agreement with the European Union to help harmonize and lift the overall standard of tertiary education in the region. However, the broader question is - why is that the case? Education is not considered a classical field of regional integration, and this chapter seeks to analyze various sources - which include references from elitist circles, as well as the public sphere - in order to identify the motivation for cooperation in the education sector through qualitative content analysis. The analysis is based on a theoretical framework, which incorporates both a neofunctionalist approach and a norm diffusion approach which show that the predominant factors behind this cooperation process are economic.*

**Keywords:** ASEAN, Cooperation, Education Sector

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## Introduction

*"'Looking at all the challenges that our education system has faced, I don't think we're going anywhere soon if we don't take action right now,' Dr Van Chanpheng, deputy director general of higher education at the Ministry of Education, told University World News"* (Keo, 2012).

In January 2015 the Association of Southeast Asian Nations (ASEAN) and the European Union (EU) agreed on a cooperation in the field of tertiary education. It aims on sharing experiences of the European harmonization process in order to help propel tertiary education further in ASEAN (Delegation of the EU to Indonesia, Brunei Darussalam and ASEAN, 2015; ASEAN University Network, 2015). Besides this recently stated cooperation, various steps towards integration in the education sector have already been taken: the establishment of the ASEAN University Network, ASEAN Education Ministers Meeting on a regular basis since 2006, the establishment of a quality assurance mechanism (AUN-QU) or the AUN-ASEAN Credit Transfer System, to name only a few (ASEAN Work Plan on Education, 2013). This development, combined with the fact that even cooperation with the EU is pursued, allows for the assumption that a shared interest for further and deeper collaboration in the education sector is present. This appears especially interesting when taking into account that education policy is not a classical field of regional cooperation. Additionally, not much work has been done looking into this rather new phenomenon. Hence, this chapter aims on investigating these circumstances and eventually pointing out key motivations and justifications for cooperation in the field of education among ASEAN members.

Therefore, a sample of documents from different sources will be analyzed along three hypotheses, carved out using both deductive and inductive approaches in order to find motivations and justifications for regional cooperation among ASEAN members. In doing so, H1: "Education Integration initiatives are spillovers from the economic sector" can be confirmed, whereas H2a: "Integration in the education sector is a result of political learning" and H2b: "Integration in the education sector is a result of appropriate acting" cannot be verified. The findings allow to confirm the central research question "Does economic integration create functional needs for education

integration?". 60% of the text passages which were allocated to the underlying category system fit into categories which support hypothesis H1 and subsequently confirm the central research question. That is, I argue that ASEAN member states strive to cooperate in the sector of education for mainly economic reasons in moving closer to meeting the central requirements of a single market; "In particular, the Leaders agreed to hasten the establishment of the ASEAN Economic Community by 2015 and to transform ASEAN into a region with free movement of goods, services, investment, skilled labour, and freer flow of capital" (ASEAN, 2008, p.5). The motivation for heightened cooperation in the region serves more to contribute toward a freer flow of skilled labor to foster economic performance than anything else. It is - as James Carville, campaign strategist of Bill Clinton's successful presidential campaign in 1992 famously put it - about "the economy, stupid."

**Historical Review**

When looking at the early stages of regional integration in Southeast Asia, which was founded in 1967 following Indonesia's *konfrontasi* against Malaysia and was primarily meant "to alleviate intra-ASEAN tensions, to reduce the regional influence of external actors, and to promote the socio-economic development of its members" (Narine, 2008, p. 6), integration in the education sector cannot be considered a logical or even necessary development. Now, ASEAN consists of ten member states and aims on bringing peace and stability to the region (Narine, 2008, p. 6). Additionally, economic growth, social welfare enhancement and tighter collaboration in sectors of shared interest are aspired (ASEAN Secretariat, 1967). Likely due to the great heterogeneity of the member states, the integration process has not always been smooth and linear.

In order to face and eventually overcome this complexity, the Treaty of Amity and Cooperation (1976) was implemented (ASEAN Secretariat, 1976). It describes a certain way of behavior and communication when interacting with each other. It centers around the strict compliance with the norms of non-interference with domestic politics of other member states, informal conflict management and respect for territorial integrity of all member states, the abstinence of direct confrontation with other member states and also the pursuit of unity and harmony (Busse, 1999, p. 39; Narine, 2008, p. 8; Rother, 2004, p. 29). During the course of the Asian Financial

Crisis 1997/98, however, the so far developed cooperation system, which was founded on these norms, turned out to not be efficient enough. As a response to this obvious shortage of room for maneuver (Narine, 2008, p. 18; Rüland, 2012, p. 251), the development of the ASEAN Vision 2020 as well as the establishment of the ASEAN Community 2015 was announced.

The ASEAN Community rests upon three central pillars: the Political-Security Community (APSC), the Socio-Cultural Community (ASCC) and the Economic Community (AEC), (see Declaration of ASEAN Concorde II, in ASEAN Secretariat, 2003). With the introduction of ASEAN Community 2015 regional cooperation in the economic sector was significantly broadened and was expanded to the social-cultural sector. Originally the start of the ASEAN Community 2015 was set to January 1st, 2015, but was then postponed in 2012 to the end of 2015 (Ashayagachata, 2012). As the AEC - the framework for economic integration measurements - is included in the ASEAN Community, it was subsequently postponed as well. That contributed to the rising critical voices towards the overall well-being of the new common market, which had been ever present from the early stages of planning until the finalization of the implementation process (Frenquest, 2015). Above all, the member states' disparate education situation and the subsequent performance level of the AEC were subject to criticism.

**Theoretical Framework**

The connection of economic integration as one thematic complex and education integration as another, appears to be a valid starting point for the investigation on justifications and motivations for joint efforts to further integrate in the field of education. This is emphasized by the fact that this discussion is not only present in the public sphere but also in the scientific community; Chia et al., (2009, p. 53) state in their edited analysis of the AEC the necessity of free movement of skilled workers and the therefore needed regional education standards. Still, this is a very new and ongoing phenomenon and subsequently not much research on the matter has yet been produced.[2] That is, no commonly accepted baseline for a theoretical approach can be identified and therefore has to be developed independently. For this reason, a

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[2]For a brief overview on education research in Southeast Asia, see: Feuer & Hornidge, 2015; Hawkins, 2012; Koh, 2007; Neubauer, 2012.

deductive approach based on established theories of regional integration, and ASEAN research, respectively, is chosen. Here, Neofunctionalism (NF) as a classical theory of regional integration is suggested. Deducted from this theoretical approach, the central research question is derived: "Does economic integration create functional needs for education integration?" Taking into account that different variables might also be in play, the results of this analysis will additionally be contemplated through the perspective of norm diffusion and later contrasted with the neofunctionalist perspective.

## Neofunctionalism

Deriving from idealist thinking and inspired from the belief that state's aggressive egoistic actions can be overcome, Functionalism was developed (Conzelmann, 2006, p. 157). Looking at the shipwrecking of the League of Nations, Functionalism postulates cooperation "from below", which is to decrease relevance of military power and enhances the possibility for peaceful relations at the same time. This means cross-border cooperation mostly in the low politics sector - in contrast to elite-driven cooperation "from above" (Conzelmann, 2006, p. 158). The appeal to cooperate comes from interdependency, meaning reciprocal dependencies between nation states (Keohane & Nye, 1977). Military power then loses relevance in the light of interdependency and the "long shadow of the future", and additional trust in cooperation can be achieved through iteration. Therewith the game theory cooperation dilemma can be overcome and a way to strive for absolute gains can be paved (Schimmelfennig, 2008, p. 95). This cooperation then enables further cooperation on other issues (ramification). That is, the institutional design follows functional appeals; "form follows function" (Conzelmann, 2006, p. 158).

Neofunctionalism, an evolution of Functionalism, shifts its focus from "formulating recommendation for actions" to "intersubjectively comprehensible analysis of real world integration processes" (Conzelmann, 2006, p. 163). Integration is defined as a process, which leads to a certain feeling of community, common institutions and actions, as well as a long term expectation of peaceful change for a group of individuals within a specific territory (Deutsch et al., 1957, p. 5; Dougherty & Pfaltzgraff, 2001, p. 510). Neofunctionalism, most notably coined by Ernst Haas, asks how economic cooperation could turn into political cooperation and is more a "social

scientific analysis" compared to Functionalism (Conzelmann, 2006, p. 163). Neofunctionalism is largely developed around the empirical example of the European integration project. That becomes obvious through the emphasis of development of a "political community" and supranational organs (Conzelmann, 2006, p. 164). Central to this theoretical strand is the "spillover" concept (Haas, 1958, p. 238; Lindberg, 1963, p. 10) as a dynamic variable. The idea here is, that technical cooperation in one sector spills over to neighboring sectors, as this is likely to reduce costs (Conzelmann, 2006, p. 166). That is, political integration follows economic cooperation immediately and subsequently Haas points to the "expansive logic of sectoral integration" (Haas, 1958, p. 311). This sectoral integration eventually extends to higher political integration (Conzelmann, 2006, p. 166; Haas, 1958, p. 292; Rosamond, 2005, p. 244). Furthermore, the distinction between integration as a status quo and integration as a process is important. Haas describes integration as a process and subsequently incorporates the dynamic spillover. To sum up: "Without inclusion of neighboring sectors, expected welfare gains through cross-border cooperation in the original sector cannot be achieved permanently or completely" (Conzelmann, 2006, p. 167).

It is also to be noted that Neofunctionalism also takes social groups and supranational bureaucracies into account (Dougherty & Pfaltzgraff, 2001, p. 511). In Haas' eyes this automatically leads to a steady integration process (Haas, 1961, p. 268). This automatism, however, was subject to major criticism and was later taken back (Conzelmann, 2006; Lindberg & Scheingold, 1970; Schmitter, 2004). Also, the empirical focus on the European integration project has been criticized (Mattli, 2005), as well as overvaluing functional needs and the neglect of national interests. In sum, Neofunctionalism has been highly criticized for being too "optimistic" towards linear integration processes (Conzelmann, 2006; Lindberg & Scheingold, 1970; Schmitter, 2004).

## Neofunctionalism and ASEAN

When looking at the ASEAN area through a neofunctionalist perspective, a few shortages and limitations can be revealed with regard to its application. Built around the European integration project, NF perceives democratic pluralism during regional decision-making processes (Kim, 2014, p. 379). However, most of ASEAN member states are not democracies. Additionally, no member state is considered "free"

according to the Freedom House Index. Six states are listed as "not free" and four as "partly free".[3] Another limitation is NF's emphasis on the role of civil society groups which pressure the government. In Europe those are mainly economic interest groups (Kim, 2014, p. 383). Those type of groups, however, do not play a significant role in ASEAN's decision making process. The integration process in ASEAN is much more an elite-driven project, which is only hardly under institutional influence of economic interest groups (Ravenhill, 2008, p. 483). Furthermore, that applicability of the concept "form follows function" needs to be questioned here. Kim concludes that very often integration steps in ASEAN follow the very opposite logic. Kim argues that decisive steps are taken during meetings of state leaders in order to support their own interests and not because economical appeals in one sector made deeper cooperation necessary in another sector (2014, p. 381).

Even in light of these limitation NF still holds a certain value when analyzing integration processes in ASEAN. NF highlights the importance of socialization among the elites (Dougherty & Pfaltzgraff, 2001, p. 516; Kim, 201, p. 378). Not only the European Union but also ASEAN can be described as an elite project (Kim, 2014, p. 378). This socialization occurs during common decision-making procedures in ASEAN, which is largely driven by expansion of regional cooperation with respect to sovereignty, strong national interests and the explicit refusal of supranational bodies. At this point NF is able to explain how and under which circumstances the integration process is developing using its argument of elite socialization (Kim, 2014, p. 378). It is also worth taking a look at the heart of neofunctionalist thinking: the spillover. Generally, NF concentrates on political integration that is derived from economic cooperation. Although this logic might not be fully applicable to every step of ASEAN's integration process, the idea of the spillover should not be overlooked completely - especially with regard to the central research question and the relationship between economic entanglements and education integration.

In summary, it can be said that NF, which was clearly built around the European integration project, has its limitations when applying it to the case of ASEAN. Nevertheless, NF contains several components - first and foremost the functional logic

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[3]Data taken from https://freedomhouse.org/regions/asia-pacific#.VYP8God1pdf. Not free: Brunei Darussalam, Cambodia, Lao PDR, Myanmar, Thailand, and Vietnam. Partly free: Indonesia, Malaysia, The Philippines, Singapore.

of the spillover - which justify an analysis of aspects of ASEAN's integration efforts through this perspective. However, it is acknowledged that also different, non-functional variables might be essential to the integration efforts in the education sector. In order to take this possibility into account and to strengthen the following discussion, norm-diffusion processes will also be considered.

**Norm Diffusion**

Another potential problem of Neofunctionalism when connected to qualitative content analysis could be the so-called "rhetoric-action-gap" (Jetschke & Rüland, 2009). It describes the discrepancy between speech and resulting action.[4] A second theoretical approach, namely norm diffusion research, will be introduced to expand the theoretical frame work in order to tackle this potential problem. Especially third generation norm diffusion approaches operate on the rhetoric-level and subsequently present a good opportunity to review hypotheses deriving from neofunctionalist argumentative logic from a reflexivist's perspective. Therewith it contributes to a more profound answer to the central research question.

The empirical starting point is the observation of processes of adaption, imitation and reproduction of norms within the international system. It was introduced to the field of international relations through the research on Europeanization at the beginning of the 21st century (Börzel & Risse, 2000; Radaelli, 2000). Within norm diffusion research, three generations can be identified (Archaya, 2009). Influential concepts for the first generation are the Life Cycle Model (Finnemore & Sikking, 1998), the Boomerang Model (Keck & Sikking, 1998), as well as the Spiral Model (Risse, Ropp & Sikking, 1999). These approaches have later been criticized for their Western-based perspective and the passiveness of the norm recipients (Acharya, 2009, p. 14). The second generation takes local, norm-receiving structures into account in order to deduce the hypothesis of cultural fit (Acharya, 2009). This generation mostly focuses on Europeanization (Börzel & Risse, 2000, 2009; Radaelli, 2000).

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[4]"Over the past few days I have had the opportunity to meet a few high-profile people, and it's been interesting to listen to them speak, but at the same time frustrating that actions don't always match words." (The Bangkok Post, 2013).

The third generation decouples itself from the concentration on Western-based norm agents and reacts to the lasting criticism regarding the focus on the West and the passive local actors. The introduction of the premises that local actors react differently to incoming norms enhances the analytical framework. Thus, norm recipients are treated as active actors and their room for maneuver is put in the spotlight (Acharya, 2009, p. 14). Additionally, a new form of flexibility is created, which allows for more detailed analyzation of norm diffusion processes between the two poles of outright rejection and full transformation. Four different types of norm diffusion processes can be observed (Rüland, 2012). According to that, norms can firstly be fully rejected (see "Asian Value Debate" Rüland, 2012, p. 250). Norms can secondly be adopted rhetorically (isomorphic adaption). That means a formal adoption of institutional or organizational structures or terminology while local identities remain unchanged.

These strategies usually serve to secure legitimacy or pacification of normative pressure deriving from the international community (Di Maggio & Powell, 1982; Rüland, 2012). Thirdly, external norms can combine themselves with already existing norms and create a fusion (localization). The prevailing set of rules, which are deeply rooted in the society - the so called cognitive prior - are not meant to be substituted completely in this case. Through the participation of local norm entrepreneurs in the norm diffusion process and the combination of local and external norms, local identities can partially change (Archaya, 2009). Fourthly, norms can be fully adopted and internalized (Radaelli, 2000; Rüland, 2012).

Not only has the degree of identical change had to be considered but also the activator for such a change. Normative change can arise step by step, in a discursive interplay of affected actors, or as a reaction to an external shock (Rüland, 2012, p. 250). Furthermore, two types of diffusion mechanisms can be observed. On the one hand diffusion through coercion; for example by a hegemonic power or an international organization. On the other hand, voluntary diffusion can be contemplated at this point. This voluntary diffusion can utilize different mechanisms, depending on the theoretical perspective. Rational-choice Institutionalism follows a rationalist approach and the sociological Institutionalism follows a reflexive, or cognitive approach, respectively.

The rational approach follows the logic of rational acting, meaning a cost-benefit calculation as a reaction to either positive or negative appeals through diffusion. A positive appeal could be the prospect of financial or technical aid. Negative would be potential sanctions (Börzel & Risse, 2009, p. 10). Diffusion is then related to political learning (Braun & Gilardi, 2006, p. 306) Learning can then be a result of either functional pressure or competition; institutional arrangements which make others better are adopted.

Reflexive, or cognitive approaches follow the logic of appropriate acting. Actors aim to meet social standards and principles. Hence, norms do not diffuse as result of competition but because an external norm satisfies standards of appropriateness. Essential for local actors, meaning norm recipients, is, to secure legitimacy and to ensure socialization within the international system here. These two approaches are usually separated. According to Jetschke & Lenz (2011), however, legitimacy can be generated through learning and the search for legitimacy and appropriateness can, in turn, contain learning (bounded learning).

## Norm Diffusion and ASEAN

It has already come to light that initial approaches of norm diffusion offer explanations for integration processes in ASEAN. After the Asian Financial Crisis 1997/98, forms of rational learning could be observed. In that case, the deeper cooperation in the economic sector facilitated through the founding of the ASEAN Economic Community (AEC) can be seen as a result of functional  needs for institutional adjustments modeled after the European common market. This alteration of economic cooperation is an obvious product of rational learning (Jetschke & Murray, 2012).

Also, processes of appropriate acting can be found with regard to central parameters which are decisive for the international acknowledgement of states. That is, an at least rhetorical shift towards central norms such as democratizing, good governance and the recognition of human rights can be observed in the ASEAN Charter ("people-oriented regionalism", Rüland, 2012, p. 238) - which was drafted in ASEAN Charter 2007 (ASEAN Secretariat, 2007). This shift cannot be fully explained with functional needs to adopt institutional arrangements which are shaped after EU-institutions and ideas (Jetschke & Murray, 2012, p. 181).

**Research Design**

Based on neofunctionalist assumptions the first hypothesis is derived: H1: "Education Integration initiatives are spillovers from the economic sector". In that sense, economic integration efforts would lead to functional appeals for political integration. This question - and also the general suitability of NF in the context of ASEAN - will be analyzed on the basis of the evaluated material. In order to test H1 and also to offer an additional theoretical framework to the neofunctional logic, two hypotheses - one following rationalist thinking and one following reflexive thinking - will be deduced from norm diffusion research.

H2a: "Integration in the education sector is a result of political learning."

H2b: "Integration in the education sector is a result of appropriate acting."

The examination of the material and the following discussion about these two hypotheses will be limited to references of the European integration project. The EU is presumed to be the state-of-the-art integration project and is subsequently very well suited as a reference point for processes of learning and diffusion. As it has already been mentioned above, this chapter aims on pointing out justifications and motivations for the ongoing integration process in the education sector. The central research question on functional needs from the economic sector shall then be answered within these parameters. A prerequisite for this undertaking is the evaluation and structuring of articulated motivations and justifications available in the material. Therefore, a content-structured content analysis is proposed (see Kuckartz, 2012; Mayring, 2010; Schreier, 2012). The main aim of this method is the "analysis of material, which derives from any form of communication" (Mayring, 2010, p. 11). The material is analyzed along a theory-based question or problem; "the results are interpreted based on the underlying theoretical framework and also each analytical step is guided by theoretical considerations" (Mayring, 2010, p. 13).

Additionally, the material will be processed according to Mayring's (2010, p.13) frequency analysis. That means the counting of the previously structured elements in order to compare them to each other and generate deeper insight into the material. The connection of content-structured content analysis and frequency analysis enables the development of not only a distinct and comprehensible overview of the material in comparison to a strictly qualitative approach but at the same time also a deeper understanding of the material, as opposed to a purely quantitative approach such as

simply counting words. The concrete *modus operandi* is oriented after Schreier's suggestions for a content-structured content analysis (Schreier, 2014, p. 24), as well as Mayring's approach to a frequency analysis (Mayring, 2010, p. 15). The central research question is derived from the prevailing context of ASEAN's integration efforts, as well as from Neofunctionalism; does integration in the economic sector lead to functional appeals for integration in the education sector?

In order to find answers to this question, material from three thematic clusters will be analyzed using a content-structured content analysis in combination with a frequency analysis. The first cluster contains documents coming from the respective national states and is therefore referred to as "national". The second cluster consists of documents coming from sources directly related to ASEAN and is subsequently referred to as "regional". The third cluster persists of press articles from newspapers which operate in the ASEAN area and is therefore referred to as "press". The analyzed material covers the time span from 2003 - the ratification of Bali Concord II, which confirmed the establishment of the ASEAN Community 2015 and subsequently the AEC - to 2015. Deductive reasoning, however, leaves us with limited options regarding the sample. Its size is thus limited. The analyzed units will not be restricted or shortened artificially. Thus, every message and text message from the material which are compatible with the categories can be captured.

In the light of the research questions' strong theoretical relation, it appears to be fruitful to not only develop inductive categories along the material, but also to derive deductive categories from the theoretical framework. Two categories are established based on the neofunctional spillover-logic and alongside central targets anchored in the AEC. Additionally, two categories following the logic of norm diffusion are presented to counter the first two categories. Five further categories are developed inductively according to the pre-analyzed material.

Table 1. *Categories along the Theoretical Framework*

| Category | Approach |
|---|---|
| K1: Labor Migration of Skilled Workers | deductive (Neofunctionalism) |
| K2:  Diminution of the Developmental Gap Between ASEAN-6 and CLMV States | deductive (Neofunctionalism) |
| K3: Human Capital | inductive |
| K4: Creation of Cultural Awareness | inductive |
| K5: Creation of Regional Identity | inductive |
| K6: Knowledge-based Society | inductive |
| K7: Economic Performance | Inductive |
| K8: Rational Diffusion through Political Learning | deductive (Norm Diffusion) |
| K9: Appropriate Acting | deductive (Norm Diffusion) |

**Analysis**

The documents under consideration will be closely examined in order to find justifications and motivations for deeper integration in the education sector using the category system. The category system can additionally be summarized into three umbrella categories (UC) under which the nine categories can be subsumed after two rounds of pre-coding and reviewing the material.

1. Umbrella Category: Enhancing the economic performance by integrating in the education sector.

   Subcategories: K1: Labor migration, K2: Development Gap, K3: Human Capital, K6: Knowledge-based Society, as well as K7: Economic Performance

2. Umbrella Category: Regional Awareness.

   Subcategories: K4: Cultural Awareness, K5: Regional Identity

3. Umbrella Category: References to political learning or appropriate acting referring to the European Union.

   Subcategories: K8: Political Learning, K9: Appropriate Acting

The analyzed material is constituted by sources from the above mentioned clusters. The national and also regional cluster mirror arguments and motivations from the elites, whereas the press cluster adds arguments and dispositions from the

public sphere to ensure an acceptable degree of representativeness. The following chapter shows several considered text passages to illustrate the analysis.

**The National Cluster**

The state of source material in this cluster is not ideal. Nevertheless, various documents from different ministries, such as education and economy were available and analyzed. In order to illustrate the analysis, few examples of assigned text passage are shown below:

1. Malaysian Government News (2015): ASEAN Committed to a Harmonised Higher Education System. With 6,500 higher educational institutions and 12 million students in 10 nations, ASEAN is committed towards improving quality in education to achieve a harmonised higher education system in the region, said Malaysia's Second Education Minister Datuk Seri Idris Jusoh. He said higher education played a vital role in enhancing human resource development, fostering cultural understanding, generating knowledge and promoting networking, all of which had an impact on ASEAN's ability to be competitive globally.

2. The Government Public Relations Department (2014): Thailand Steps Up Educational Cooperation with ASEAN Partners. Dean of the Faculty of Education, Chulalongkorn University, Associate Professor Bancha Chalapirom, said that, in the exchange program, Thai-language teachers will be sent to help develop Thai language skills in other ASEAN nations, especially neighboring countries. At the same time, he said, teachers of other ASEAN languages will be accepted to teach students at Chulalongkorn University. The exchange program will create a new environment in which Thailand can become familiar with ASEAN matters and Thai students can learn more about the cultures of other ASEAN countries. [...] The Lao Deputy Minister of Education said that Laos is in the initial stage of using IT to help in education and would like to learn from Thailand, so that they move together toward the ASEAN Community in the future. The Lao Ministry of Education is in the process of conducting education reform to develop its education quality to the ASEAN standards.

**Cultural Awareness + Regional Identity**

The categories K1 and K2 are not mentioned in the analyzed material. However, category K3 - part of umbrella category 1 related to economic performance - is the category which contains the most mentions in the material. 44% of the mentions are allotted to UC 2 which covers regional awareness. Messages concerning UC 3 cannot be found in the material.
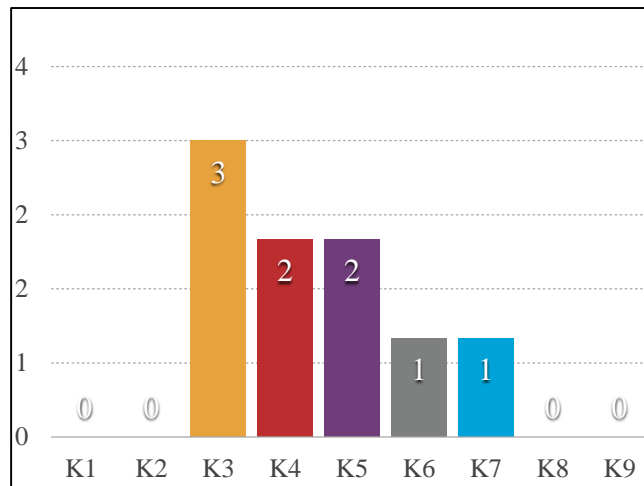


*Figure 1.* Frequency Distribution National Cluster

The fact that 44% of the allotted text passages correspond with UC2, which is not supported by any hypothesis presented here, should not be overlooked. However, the evidence here also shows that most text passages analyzed are assigned to UC1 (55%) which supports neofunctionalist reasoning and H1. Norm diffusion arguments do not seem to be in play, as no text passage corresponds with categories K8 and K9, which were deduced from norm diffusion logic. Support for hypotheses H2a and H2b cannot be observed in this segment.

**The Regional Cluster**

In order to be applicable to this cluster, the sources must have a direct link to the regional organization. For example, various joint statements from the ASEAN Education Ministers Meeting (ASED; see ASEAN Secretariat, 2015), the Southeast Asian Ministers of Education Organization (SEAMEO), or the ASEAN 5-Year Work Plan on Education (2011-2015) are considered here:

1.  Joint Statement of the 5th ASED Meeting. The Ministers were pleased with the progress in AUN activities, including the projected implementation of the ASEAN Credit Transfer System (ACTS) in AUN Member Universities this year. The ACTS seeks to enhance and facilitate student mobility among AUN Member Universities, which is one of the targets to be achieved under the 'Free Flow of Skilled Labour' of the ASEAN Economic Community Blueprint.
2.  ASEAN Secretariat: ASEAN 5-Year Work Plan on Education. Promoting ASEAN Awareness: ASEAN aims to build the ASEAN identity by promoting awareness and common values at all levels of society and in the education sector.

It is worth noting here that the high percentage of messages are assigned to UC 2 (K4: 18% and K5: 18%). Categories K1, K3 and K7 - which relate to economic performance - are also very frequently mentioned. Categories K8 and K9, which are deduced from norm diffusion research, do not seem to play an important role in the regional cluster.
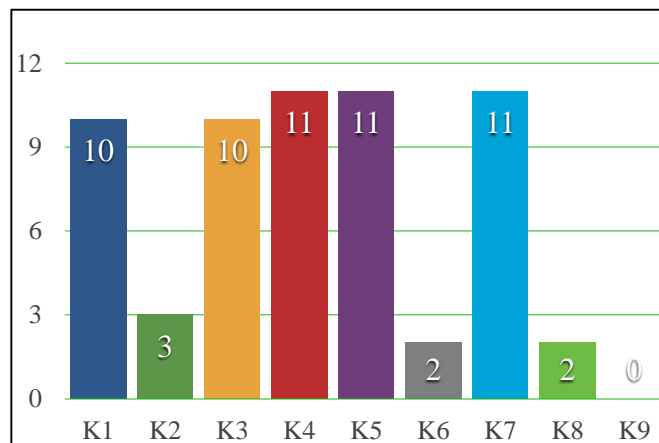


*Figure 2.* Frequency Distribution Regional Cluster

Again, UC1 is the most mentioned umbrella category. The evidence clearly supports hypothesis H1. UC2 is mentioned very frequently as well. And much like in the National Cluster, UC3 does not seem to be significant.

**The Press Cluster**

Here, articles from newspapers are analyzed in order to add a public perspective. In order to fit the sample, sources must come from a newspaper that demonstrably operates in at least one ASEAN member country.

1. The Nation Thailand (2014): Moves to Boost Education. Ministers from the 10 ASEAN states held talks at the 8th ASEAN Education Ministers Meeting (8th ASED), held in Vientiane from September 8-13. The ministers' discussions focused in 'Future Considerations on the Post-2015 Vision', in which they identified priorities for the next five-year plan 2016-2020. The move is aimed at further narrowing the development gap on education and human-resource development among ASEAN countries, notably between older and newer member nations.

2. The Jakarta Post (2011): Promoting ASEAN Identity in Education. The benefit of the current integration process should not be targeted exclusively for economic purpose, but also to introduce a regional identity to each person in ASEAN. And education could be used to achieve this objective. [...] All we have to do is to start understanding our neighbors and communicating with them. We want to see a future where ASEAN is an inclusive community where the grassroots could also participate, not only elite institutions where politicians and high-profile figures make agreements in closed meeting rooms.

In the Press Cluster UC 3 also does not seem to play an integral role. Only 8% of the included passages refer to K8, none to K9. Also, it is worth noting that the repeatedly high percentage (19%) of passages are allotted to K5. K4, however, is less present with only 8%. K1 contains most mentions (22%) followed by K7 (19%), which both belong to UC 1.
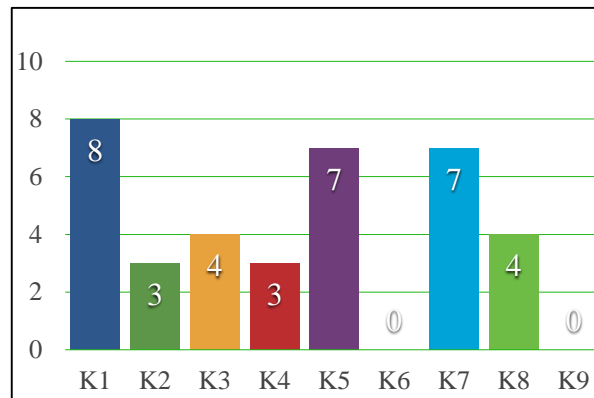
*Figure 3.* Frequency Distribution Press Cluster

In general, the same tendencies as in the two previous segments can be observed in the Press Cluster as well. The frequent mentioning of UC2 member category K5 is not explainable with the hypotheses presented here. Although being mentioned in this cluster, K8 and K9 do not seem to be significant categories. Moreover, categories which firm under UC1 are mentioned the most, A fact, which supports H1.
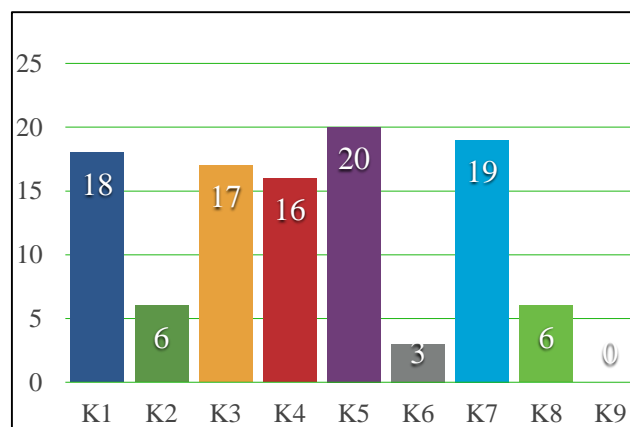


*Figure 4.* Total Frequency Distribution[5]

The most passages can be allotted to Category K5: Regional Identity - 19% of the analyzed sample fit into this category. K7: Economic Performance and K1: Labor Migration follow second and third, respectively. K2: Development Gap (5%), K3: Human Capital (16%) and K6: Knowledge-based Society (3%) complete UC1. K4: Cultural Awareness - K5's counterpart contains 15% of the analyzed passages. Not a

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[5]Exact distribution in percent: K1: 17,14 / K2: 5,71 / K3: 16,19 / K4: 15,24 / K5: 19,05 / K6: 2,86 / K7: 18,1 / K8: 5,71 / K9: 0,0.

single passage fits into K9: Appropriate Acting and only 6% of the passages go into its co-category under UC3 (K8: Political Learning).

The results translate into the following UC-percentages: 60 % of the passages fall upon UC 1 which represents economic performance. 36% are allotted to UC 2 (Regional Awareness) and UC 3, standing for references to both political learning and appropriate acting contain 6% of the sample. UC1 is most mentioned in each of the three clusters. Despite this clear distribution it needs to be acknowledged that K4 and K5 are strongly represented in every cluster (except for the Press Cluster where only 8% of the passages fall upon K4).

**Discussion**

Looking at the analyzed material and the distribution of the assigned passages, it becomes apparent that 60% of the justifications and motivations for education integration are connected to migration of skilled labor, the narrowing of the developmental gap between ASEAN-6 and the CLMV states, the promotion of a knowledge-based society, as well as generally enhancing the economic performance.[6] Hence, it can be deduced that functional appeals from the economic sector play a vital role to justify education integration. It becomes clear that arrangements need to be made in order to meet economic targets which are expressed in the AEC blueprint (see ASEAN Economic Community Blueprint in ASEAN Secretariat, 2008). The ASEAN State of Education Report, for example, states several measures that serve economic integration:

> "To strengthen the economic pillar, it was agreed that there should be: (i) a national skills framework in each of the ASEAN Member States, as an incremental step towards the establishment of an ASEAN skills recognition framework; (ii) conditions supportive of greater cross-border mobility for students and skilled workers; (iii) an ASEAN competency-based occupational standard; and (iv) a common set of competency standards especially for technical and vocational education and training (TVET) as a basis for benchmarking with a view to promoting mutual recognition" (ASEAN State of Education Report, in ASEAN Secretariat, 2013, p. 14).

This shows that education integration does also play a role in achieving economic targets. This process can be called spill-over. Therefore hypothesis H1:

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[6]See distribution in Figure 4.

"Education Integration initiatives are spillovers from the economic sector" can be confirmed. This argumentation is additionally supported by the fact that in all three clusters the most passages fall upon umbrella category 1.

Moreover, the central research question can be explained and answered with the help of neofunctionalism's spillover component; Functional appeals for integration in the education sector are derived from economic integration measures. This assumption becomes strengthened when taking the hypotheses H2a: "Integration in the education sector is a result of political learning" and H2b: "Integration in the education sector is a result of appropriate acting" into account. Neither H2a, nor H2b can be confirmed. Category K8: Political Learning accounts for 6% of the mentions found in the material. K9: Appropriate Acting cannot be found in the material at all. If the spillover is accepted as bearing the applicable concept to this issue, this point serves well as a starting point for a reflection about the eligibility of Neofunctionalism for this part of the integration process in ASEAN, as well as to answer the central research question.

Neofunctionalism postulates that integration depends on cooperation initiated by a high degree of interdependency in one sector which then spills over to others, rather than on specific national policies. This aspect cannot be detected easily in ASEAN's integration process. Decisive steps are usually decided in official meetings of the heads of states in order to boost national interests (Kim, 2014, p. 382). But at this point, it can also be argued that the tables have turned with the implementation of the AEC. National economic interest can absolutely be driven by functional appeals - especially with regard to the AEC. Neofunctionalism generally asks how economic integration turns into political integration, or as Haas puts it: "Political integration follows economic integration immediately" (Conzelmann, 2006, p. 163; Haas, 1968, p. 311).

This development is accompanied by the dynamic spillover component. When looking at the entire course of the integration process in ASEAN since its foundation in 1967, the clear order "form follows function" does not hold true. If turning to the considered part of this process, however, at least the "expansive logic of sectoral integration" (Conzelmann, 2006, p. 166) can be ascertained when taking the AEC or economic integration in general as motivation for education integration into account. Further arguments for the application of Neofunctionalism in the context of the ASEAN

integration process can be observed. For example, the overall focus on political elites (Kim, 2014, p. 378). But here, the focus lies on the eligibility of neofunctionalism as a theoretical framework for the question of justifications and motivations for deeper education integration.

The principle focus on the starting point of cooperation in more technical sectors is generally in accordance with Neofunctionalism. The lacking desire for supranational solutions can be explained with the degree of the elite's socialization, which is decisive for further vertical development (Dougherty & Pfaltzgraff, 2001, p. 516; Kim, 2014, p. 388). The strongly functional justification for further sector-overlapping cooperation from elitist circles is also in accordance with the neofunctionalist argumentative logic (Dougherty & Pfaltzgraff, 2001, p. 513). The analysis of the material supports this assumption. Most mentions fall upon UC1, both in the national and regional cluster, which represent the justifications and motivations of the political elites. H1 and also the central research question can be explained with the help of the spillover component.

As mentioned above already, H2a and H2b cannot be confirmed. Subsequently norm diffusion approaches do not offer explanation or further understanding of integration initiatives in the sector of integration. If anything, this only cements the confirmation of H1. Nevertheless, the frequent mentions of categories K4 and K5, summarized under UC2, cannot be ignored. K5 is the most mentioned category of all (19%) and at least ranked second in each cluster. The creation of a regional identity with respect to all cultures of ASEAN member states is a declared goal. The ASEAN Work Plan on Education even formulates this as top priority:

"Priority 1 - Promoting ASEAN Awareness: ASEAN aims to build the ASEAN identity by promoting awareness and common values at all levels of society and in the education sector" (ASEAN 5 Year Work Plan on Education, in ASEAN Secretariat, 2012, p. 17).

None of the considered theoretical approaches offers a plausible explanation here. Only if regional identity is being understood as an act of socialization within the context of the EU, this result could be seen as a sign of norm diffusion. However, the emphasis of cultural awareness can rather be related to central codes of conduct; the respect for territorial sovereignty and non-interference with domestic issues of other member states. Furthermore, no clear references to the regional identity of the EU or

its advantages can be detected in the material which could point to strategies of socialization or legitimation. The emphasis on respect for other states' cultures and a shared identity of the member states could also be seen as a low-cost alternative to actual, costly measurements for the development of integration in the education sector.

## Conclusion

This chapter tried to detect justifications and motivations for integration in the education sector in the ASEAN area. This relatively new phenomenon in the course of the ASEAN integration process is an interesting case to study because no extensive scientific analysis has yet been written on the topic. Through the visible connection of the public sphere, facilitated through the Press Cluster as well as official ASEAN statements, a connection of education integration and economic integration can be observed. Therewith the central research question for functional appeals for education integration deriving from economic integration could be answered.

Justifications and motivations for further education integration have been presented on the basis of a content-structured content analysis with a following frequency analysis. Two major theoretical perspectives were presented to form a theoretical framework, from which three hypotheses were deduced. On the one hand Neofunctionalism as a classical theory of regional integration, which seeks to explain how cooperation spills over from one sector into another and propels regional integration further. H1: "Education Integration initiatives are spillovers from the economic sector" was derived from this argumentative logic. On the other hand, a rational, as well as a reflexive understanding of third generation norm diffusion research was introduced as the countering approach to Neofunctionalism.

Hypotheses H2a: "Integration in the education sector is a result of political learning." and H2b: "Integration in the education sector is a result of appropriate acting." were deduced. By classifying 40 documents into a category system which contains four deductive categories (K1, K2, K8, K9) and additional five inductive categories (K3, K4, K5, K6, K7), justifications and motivations for education integration could be presented in a structured way. Most passages were allotted to Umbrella Category 1, followed by UC2 and UC3. H1 has been confirmed on the basis of this categorization - pointing at the fact that 60% of the passages have been assigned

to UC1. H2a and H2b, however, have to be negated. Thus, the central research question can be answered; Functional appeals for integration in the education sector derive from integration in the economic sector. Additionally, it can be noted that Neofunctionalism offers valuable input to the understanding of the Southeast Asian integration process. We can then conclude that ASEAN members' major interest lies in enhancing economic performances through strengthening the education sector, rather than emphasizing the education sector itself.

Furthermore, the frequent mentions of K4 and K5 should not be disregarded. None of the here presented theoretical perspectives offers viable explanations. It would be interesting to further apply Neofunctionalism to the context of different phases of the ASEAN integration process and to develop a more specific theoretical construct for the context of ASEAN. Moreover it would be insightful to analyze domestic debates concerning the constitution of interest of the political elite before they take it to the regional level, in order to determine in what way and to what extent they are driven by processes of diffusion and subsequently to understand the focus on cultural awareness and regional identity better. At this point, another research design is needed, which builds on these findings and then aims on understanding these processes better. Especially with regard to the future and further developments after the official implementation of the ASEAN Economic Community, as well as the progressing ASEAN-EU cooperation in the sector of education.

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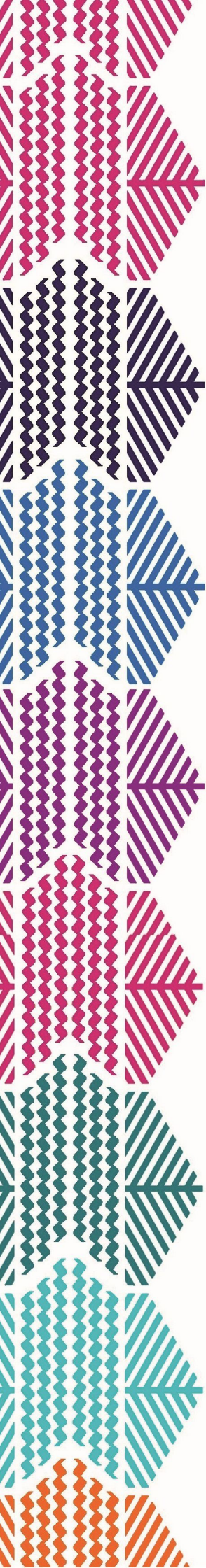
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