Asian Studies

Changing Labor Markets in a Globalizing Asia:
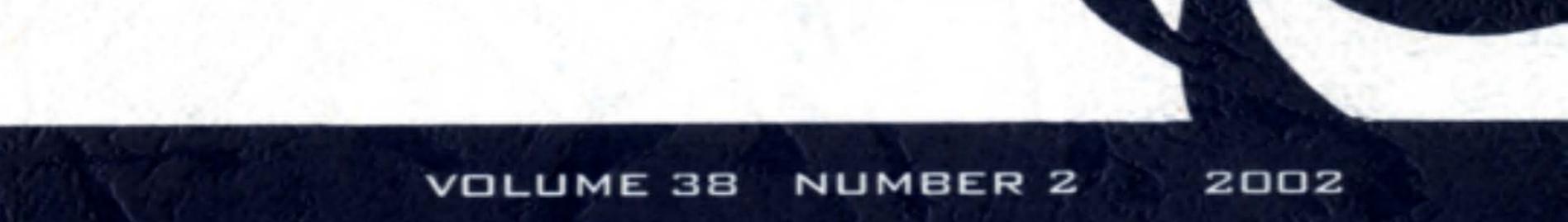Challenges for Asian Trade Unions
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Asian Studies

Changing Labor Markets
in a Globalizing Asia:
Challenges for Asian Trade Unions*

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The trade union movement in Asia and the Pacific continues to face difficult challenges in navigating around the perilous seas of economic globalization.

Industry in each country keeps on changing and adjusting to the pressures of international and regional competition amidst a global economic slowdown, pushing companies to undertake varied organizational adjustments with technology often serving as a facilitating midwife. With the accession of the People's Republic of China to the World Trade Organization (WTO) and the decision of the WTO's Qatar Ministerial Conference to push through with the general liberalization agenda, competition in the region has further intensified and hastened structural changes in industry.

All these developments naturally have a direct impact on the supply, demand and utilization of labor not only because there are winners and losers in the globalization process but also because structural changes under

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global competition mean changes in the way workers are deployed, re-
deployed or worse, made redundant, in each industrial undertaking.   In
turn, these changes in the economy and in the deployment of workers
have serious ramifications, often dire, on the labor movement as these
changes affect the size and composition of the workforce in each firm, the
readiness of workers to join a union, the ability of union organizers to
lead in the representation and bargaining processes and the overall capacity
of the unions to provide a protective mantle to the working men and
women on the shop floors, in the shops and in the business offices.

This paper is an attempt to summarize the developments in the
Asian and the Pacific labor market and the challenges facing the trade
union movement of Asia and the Pacific.

Never-ending changes in the work process

Changes in organization and work process are virtually non-stop
under globalization. There are three major drivers behind this
phenomenon.

First, **technology**. Changes in technology alter the demand for
certain products while the varied applications of technology in the work
process create changes in the size and composition of the work force. For
example, in   the telecom industry, the rise of the wireless and internet
communication technologies has transformed the industry several times
over, creating new telecom products and services such as wireless phones
and text messaging services while consigning to history old telecom products
and services such as telex machines and paging services.

Moreover, in the world of work, the widespread application of IT
or information technology has enabled employers to rearrange work and
to deploy workers in the leanest and most flexible manner possible. IT is
used in endless re-engineering exercises, which often lead to downsizing
of personnel. For example, IT has enabled companies to reduce layers in

the organizational hierarchy, as IT allows top managers broader span of control. IT is also used in classifying jobs into simple and complex tasks. Simple tasks are given to semi-skilled casual workers, who are usually hired through labor contracting or subcontracting arrangements. Complex and technical tasks are given to core workers, whose work productivity is sustained through various human resource management/human resource development (HRM/HRD) strategies, including multi-skilling programs for multi-tasking purposes. In short, IT facilitates the division of work into core and peripheral jobs, a division which has made the flexible contracting out of jobs to outsourcing companies a profitable business by itself. With modern communication, transport and IT, principals do not have problems monitoring the quality of work in the outsourcing companies.

With greater IT application and the adoption of various technology-related adjustments in the work process, jobs in the formal sector of the economy have become less and less stable. The process of informalization of the economy has resulted in the significant increase in casual, part-time, contract, non-standard and other forms of precarious work.

Second, **structural changes in an open economy.** The general liberalization of the economy, meaning the opening up of the economy to the free flow of goods and capital through policies promoting greater integration in the world economy, often leads to what economists dub as 'structural changes' or 'shifts' in industry and the economy. Some industries emerge as winners, others as losers. However, the complaints of many workers is that even if industries turn out to be winners, they still lose – as some structural changes are undertaken at the expense of the workers, e.g., mergers and consolidations which lead to bigger corporations but a smaller regular work force (with most of the work subcontracted to contractual or casual labor).

Economic liberalization policies include privatization of government-owned corporations (e.g., banks) and services (e.g., postal and telecom services), deregulation of entire sectors of an economy (e.g.,

importation and distribution business), import liberalization (e.g., tariff reductions and removal of import restrictions), and general opening up of the economy to foreign participation. The IMF and the World Bank label such policies as 'structural reforms', more popularly known in some quarters as the 'Washington Consensus' for they are the universal recipes for growth recommended by Western neo-liberal economists.

For many developing economies, the concrete and practical consequence of structural reforms is a general shift of economic orientation in favor of the export sector. In the more successful economies, the export-led growth has created new jobs and new economic opportunities. China is often cited as an example. Before the Asian crisis, the Asian NICs (newly-industrialized countries) such as South Korea, Taiwan, Malaysia, Singapore and Hong Kong were also bandied around as the models. The problem is that in many developing economies with a large domestic-oriented sector, a shift in favor of export orientation usually means a decline in support and protection to local industries, which are the main sources of formal sector jobs and the base of traditional unionism. If domestic industries are unable to withstand the flood of imports arising from the greater openness of the economy, the likely consequence would be the collapse of jobs and the 'hollowing out' of the domestic economy such as what happened in Mexico in the mid-1990s, in Southeast Asia in the late 1990s, and more recently, in Argentina. And if the growth of the export sector is limited or marginal, the global integration process can even become a national catastrophe.

Structural changes in the economy means new industries or sectors may arise, e.g., IT-related industry, wireless telecom industry, etc. However, structural changes may also mean the collapse of old or existing industries, especially those which are not able to compete either in the export market or in the globalized domestic market of a given country.

Also, within industries, there are structural changes. For example, in the garment industry, a country may lose out in the low end of the industry because its labor cost has gone up vis-à-vis the cheaper-producing

exporting nations. So it may decide to concentrate on the high end (focusing on quality and high-value products) and relocate their low-end processes to the cheaper labor sites. This is what the Asian NICs such as Hong Kong, Taiwan and South Korea did in the 1980s and 1990s by concentrating on global marketing and relocating low-end production processes in Indonesia, the Philippines, Vietnam, Cambodia and China.

Third, **pressures of global and regional competition.** Business has to adjust constantly to the reality of global competition – in both their domestic markets (which have been liberalized by the free traders) and the export markets (which have also been opened up by the free traders). In this globalized competition, success is measured in terms of expansion in the export market as well as in the globalized domestic market. Of course, smaller, undercapitalized and less prepared industries must do considerable upgrading and niching, to survive and grow. Otherwise, they will be eaten alive by the big global players or transnational corporations (TNCs) as what is happening in many areas of the economy. One example is the complaint of Bangkok's supermarket and department store operators over their losses due to the entry of big Western retailers such as Carrefour. The TNCs generally have an edge in certain markets given their 'global reach'. In fact, the merger mania that has swept the big corporate world, including those of Asia, is obviously due to the efforts of the TNCs to position themselves in the most strategic manner in key industries of the world under globalization.

Also, there is the reality that economies of the world are really competing against each other, not necessarily complementing or supplementing each other's growth requirements. This is the reason why there is so much uneasiness in many Asia-Pacific countries about China and its membership in the World Trade Organization (WTO). China is seen as a giant economy capable of producing a wide range of products – from the most simple household tools and appliances to the more complicated machines and industrial raw materials – at prices way below those of other Asian producers.

In the past, the most worried about China were economies producing cheap labor-intensive products; today, even Singapore, Korea and Japan have expressed increasing apprehension as China is able to steadily increase its industrial sophistication. Thus Singapore Prime Minister Goh Chok Tong warned the Singaporeans in a National Day speech in August 2001 as follows: "Our biggest challenge is ... to secure a niche for ourselves as China swamps the world with her high-quality but cheaper products" (cited in Panitchpakdi and Clifford, *China and the WTO*, 2002).

In the less developed economies of Asia, China is seen as a major threat even by cheap-labor countries. For example, the motorcycle industry of Vietnam and Indonesia cannot match the price of Chinese-made motorcycles, which can sell as low as $300-400 a unit. In labor-intensive products such as garments, toys, etc., China is seen as a runaway winner.

Of course, there are widespread complaints that China's competitiveness is due partly to the repression of labor rights in China. Without free and democratic trade unions, Chinese workers cannot effectively bargain for a fair share of their efforts. The explosive growth of wildcat strikes and spontaneous labor protest actions in China in recent years is clearly a result of the repression of basic labor rights of the Chinese workers as well as the absence of clear rules and procedures in the settlement of labor demands and disputes.

But overall, in relation to those of China, the industries of a number of Asia-Pacific countries are less competitive. Naturally, countries with more losing industries are bound to have more unemployment problems compared to those with more winning industries. To survive China, they must become more competitive. Often, this is done by repressing wage increases and labor rights, citing the fact that China's labor is relatively cheap.

Major Economic Trends Affecting
Labor Absorption In Asia

In the light of the foregoing, what are the major economic developments that are shaping or likely to shape the pattern of labor absorption or labor creation in Asia and the Pacific? What are the job prospects in the region?

This is difficult to answer given the inherently unpredictable nature of the growth process under globalization as outlined above. However, some developments cannot be ignored, such as the following:

Decline of the Japanese dragon

In the 1970s and 1980s, most of the East Asian and Southeast Asian economies became the destination of Japanese foreign direct investments. With a rising yen and rising cost of labor, Japan began regionalizing its famous industrial pyramid based on industrial subcontracting, transforming the neighboring NICs as sites for medium-technology manufacturing and the less developed Southeast Asian economies as sites for labor-intensive manufacturing. This development gave substance to the economic doctrine advanced by some Japanese economists – a flock of geese flying in inverted V formation led by the mother gander, Japan.

The flying geese doctrine is best exemplified by the car industry. The production of parts and components of the car such as axle, transmission, engine, chassis, body, etc. has been distributed to different countries, with Japan concentrating mainly on R & D and global marketing of cars.

To a certain extent, the flying geese doctrine as propagated by Japan is somewhat beneficial to Asia. Japan's growth tends to pull up the second tier of geese – the NICs, which, in turn, tend to pull up the next tier of geese – the less developed Asian and the Pacific economies.

But the strength of the flying geese – Japan – is also the weakness for the members of the flock. If Japan's economy gets sick, as what has been the situation since the early 1990s, the rest of the flock are adversely affected. Today, Japan's economy is in the doldrums and there are wild speculations that the weakness of the Japanese banking industry portends of further economic decline.

The Japanese economic malaise means less demand for Japanese products made under international subcontracting arrangement. Thus, one reason for the economic and employment slowdown in Indonesia, Thailand, Malaysia and the Philippines, which have heavy Japanese investments, is due to weakening product demand from Japan. Japan is pulling Asia down.

On the other hand, the crisis in Japan means more and more Japanese are getting unemployed - now around a post-war high of 5.6 per cent and growing.

Rise of the Chinese dragon

China is the other Asian dragon. But its rise and impact are somewhat different from Japan. Unlike Japan, the Chinese dragon woke up only in the late 1970s and had to start at a very low level of development. In the 1980s, its southern provinces became the favorite site of cheap manufacturing for Hong Kong's exporters, who now have over six million workers in their various enterprises in China. Despite contrary admonitions by their political leaders, Taiwanese investors followed their Hong Kong counterparts in relocating their labor-intensive enterprises in China. Soon almost every multinational was investing in China, hoping to exploit its cheap labor, weak or compliant trade unions, huge market, stable business environment and good infrastructures. Thus, in recent years, China has been sucking in over $40 billion a year in foreign investments, second only to the United States and double what the ASEAN countries are getting (see table 1). Moreover, some of the foreign

Table 1. Foreign direct investments, 1995-2000 ($ billion)

ASEAN	$112
China	231

Source: *Newsweek, September 3, 2001.*

investments, especially those coming from Japan and Taiwan, are in high-tech manufacturing such as IT-related products and car parts.

But unlike Japan, China's amazing growth, about 9 per cent a year since the 1980s, tends to affect other Asian countries in an adverse manner.

One explanation for the Asian financial crisis was that the hardest hit countries ran huge trade deficits in the mid-1990s because of their inability to stop China's export offensive. China exports were displacing the labor-intensive exports of these economies in the global market. On the other hand, these economies were themselves being flooded with cheap Chinese products such as garments, watches, household appliances, etc. But instead of correcting the trade deficits, these economies developed economic bubbles – in the stock market, real estate and commodities – which burst in 1997.

Today, even the more developed Asian economies such as Singapore are now feeling the pinch of competition by a fully-awakened Chinese dragon, as the latter is slowly succeeding in developing depth and quality in its industrial structure. Aside from low-priced labor-intensive products such as baby dresses, China is now producing more and more low-priced medium-tech products such as electric appliances, color television, washing machines, photocopiers and various electronic products such as computer peripherals, computer keyboards, hard-disk drives and desktop personal computers. Thus, for almost all the Southeast Asian economies, China is now seen as a competitor.

China's continued growth, especially after its accession to the World Trade Organization (WTO), is considered a threat rather than an

opportunity. Many economists are predicting a quantum leap in imports for China. Most of the imports needed by China will come mainly in four forms — grains, raw materials, petroleum and high-tech products. Some of these can be sourced by China from Southeast Asia, but most are likely to be sourced from the United States, Japan and Korea.

In terms of two-way trade, it appears that China's leading trading partners in Asia are Japan and South Korea. Japan is China's biggest export market, while China is becoming the favorite destination of Japan's investors. Korea has become the major source of steel and petrochemicals for China, as a result of which Korea has been running a huge trade surplus with China.

Asian economies producing raw materials and agricultural products such as Indonesia and the Philippines may also be able to sell such products to China. However, it is doubtful if these will be sufficient to correct any trade imbalances in favor of China.

In the global market, China, as an emergent manufacturing center of the world, is likely to eat into the global shares of Asian economies, both developed and developing. One major concern of some Asian economies is the garments industry. With the quota system coming to an end by 2004, China can easily get additional shares of the global market. As it is, the biggest rival of Mexico in the biggest garment market of the world, the United States, is China.

In the more sophisticated products, China is likely to increase its capacity and its share in the global markets, sometimes at the expense of the Asian exporters. One indication of this is the rising share of China in the US consumer electronics market. In 1995, China was able to garner 6.9 per cent share of this market compared to Korea's 9 per cent. In 2000, Korea's share went down to 7.8 per cent, while China's went up to 10.5 per cent (Panitchpakdi and Clifford, 2002).

The AFTA dilemma

As in Europe and North America, the members of the Association of Southeast Asian Nations (ASEAN) have their version of a free trade area – the ASEAN Free Trade Area (AFTA), which is supposed to be implemented through a mechanism called the Common Effective Preferential Tariff (CEPT).   Launched on January 1, 1993, the CEPT-AFTA project calls for the gradual reduction of tariffs among the ASEAN member countries by targeting 15 major product groups.   After numerous discussions, the ASEAN came to an agreement that by the year 2003 or in just over a month's time, ASEAN member countries shall reduce to between zero and five per cent the tariff on ASEAN products with at least 40 per cent "ASEAN content".

Will AFTA strengthen ASEAN as an economic bloc and will AFTA shield ASEAN from the Chinese export juggernaut?

Unfortunately, progress is very limited in the formation of ASEAN as an economic bloc as there is very limited industrial complementation among them except in car part manufacturing. But in the case of the latter, this is only because the different car parts manufacturing plants in various ASEAN countries were set up by the Japanese car makers in line with their regional division of labor. In fact, Malaysia has been making noises over the scheduled application of the 0-5 per cent tariff rates on its Proton car project.

The truth is that the ASEAN member countries are competing with each other in certain commodities and industry lines. Thus, in garments, competition is fierce among producers from Kampuchea, Indonesia, the Philippines, Thailand and Vietnam. With the 0-5 per cent tariff schedule, it is likely that the more organized and developed economies in the ASEAN such as Singapore, Malaysia and Thailand are likely to gain from the arrangement in terms of added exports, while cheap-labor countries such as Indonesia and Vietnam are likely to attract more investments in labor-intensive production.

It is doubtful if the ASEAN constitutes a major countervailing force vis-à-vis China. Japan showed the relative weakness of ASEAN when it forged a bilateral free-trade agreement with Singapore. Japan and Australia have also initiated talks with some of the ASEAN countries regarding the possibility of bilateral free-trade agreements. There are also discussions on a China-ASEAN free trade bloc.

India: the Hidden Dragon

Some commentators view India not only as China's rival in Asia but also as the new Asian dragon. Like China, India has a huge population which can support the growth of a large and diversified domestic economy. Like China, India joined the global economy in earnest only recently in the last decade. And like China, India is flooding Asia and the world with cheap products such as textiles and chemicals. India is the second fastest-growing economy in Asia, next to China.

However, even India is steeling itself against the onslaughts of cheaper Chinese products such as motorcycles.

One area where India appears to have an edge over China and the rest of Asia is on the high end of the IT industry – software engineering. India's software engineers and programmers are providing engineering solutions to the requirements of big IT players in California's Silicon Valley such as Cisco. However, in the data encoding and call center business, India's rival is the Philippines. As to the production of computer parts and peripherals, this is completely dominated by China, Malaysia and the Philippines based on subcontracting arrangements with Japan, United States and the Asian NICs.

India is using its IT savvy in modernizing some of its old industries such as steel. However, there is a great deal of unevenness – and inequalities — in the growth process just in like most countries of Asia. The growth of IT and other industries is accompanied with the collapse of existing industries, especially the big public enterprises established under the post-war mixed-economy model of India.

Recovery prospects from the Asian financial crisis and the global economic slowdown

A major determinant of labor absorption in Asia will be the rate of economic recovery for most of the Asian economies from the 1997-98 Asian economic crisis and the global economic slowdown, which started in the year 2000 and which seems to be deepening, after the September 11 2001 bombing and the crisis in Argentina.

With the notable exception of China and Vietnam, most of the East and Southeast Asian economies have been severely bruised by these events. The 1997-98 economic contagion also demonstrated how tight is the integration of these economies in a globalized and liberalized economic order.

In the 1997-98 Asian financial crisis, the most severely hit countries are Thailand, Malaysia, Korea, Indonesia and the Philippines. But in the 2000-2001 global economic slowdown, nearly all the Asian economies were affected, with Taiwan and Singapore joining Japan on the recessionary path. Korea, which registered a strong recovery in 1999-2000, is also sputtering. All of this shows the high dependence of Asia, particularly East and Southeast Asia, on the global export market, especially the market of the United States and Europe. This also shows the great dependence of the Asian economies on the IT or electronic markets.

Hence, for most of the Asian economies, individual national recovery will depend on the global economic recovery led by the United States. However, such individual national recovery will also depend on how well a country is positioned to take advantage of such global recovery – as there are other players in the world market today, China and India among them. This means they need to be able to find a niche in the global market.

But what if the global economic recovery proceeds in a slow and agonizing manner, as what seems to be happening? What if Japan's much-anticipated financial restructuring brings the United States economy deeper into the recessionary path as Japan's banks hold trillions of US bonds and T-bills?

The changing Asian labor market –Less regular workers and more irregular and 'floating' workers

Under globalization, jobs for many in the formal sector are no longer what they used to be – **stable and for life**.

This observation is true for almost all the Asia-Pacific economies.

In **Japan**, which invented the term 'lifetime employment', more and more jobs are becoming precarious and contingent. Official estimates put the ratio of non-standard employee to regular employees at 1:3 or 25 per cent of the employed (see table 2). 'Non-standard' employees are "workers under contract to a dispatching agency, who are entrusted with specific duties by the companies to which they are assigned". Accordingly, there has been liberalization in the use of dispatch workers in recent years, meaning dispatch

Table 2. Number of Employees by Employment Status,
excluding Managers, in Japan*

	Total			Male			Female		
	Number	Increase since 1999	%	Number	Increase since 1999	%	Number	Increase since 1999	%
Total	4,903	(-10)	100	2,892	(-25)	100	2,011	(15)	100
Regular Employees	3,690	(-58)	74	2,553	(-41)	88.3	1,077	(-16)	53.6
Part-time employees	1,078	(54)	22	232	(25)	8	846	(29)	42.1
Agency w'kers, workers rehired after retirement and others	195	(-6)	4	106	(-10)	3.7	88	(3)	4.4
Agency workers	33			9			25		

*Source: Report on the Special Survey of the Labor Force, The Management and
Coordination Agency, Feb. 2000

workers can now perform "any type of work" (JIL, 2000). The non-standard employees also cover   the part-time casual worker, dubbed in Japan as 'freeter', from the English word 'free' and German 'arbeiter' for worker. Estimates put the number of freeters at around 3 million.

Apart from the decline of lifetime employment, other Japanese industrial relations practices such as   seniority-based pay or *nenko* and promotion from within are also being eroded. Like other global corporations, Japanese companies are increasingly adopting flexible labor measures and hiring and retaining personnel on the basis of individual performance, not sheer loyalty or commitment to the company. There are also criticisms that the Japanese   trainee system for overseas workers is really a means of hiring cheap foreign skilled labor in the guise of traineeship as the trainees are assigned to do the regular work of regular employees.

As to unemployment, this reached 5.6 per cent in 2001, the highest recorded since 1953. This unemployment rate continues to rise, given the continuing economic crisis of Japan.

In the **Asian NICs**, trends towards labor flexibilization are also emerging.

In   South Korea, protective labor laws were relaxed in 1998   in order to facilitate the dismissal of workers for 'managerial reasons'. The government used the Asian financial crisis as the main excuse in liberalizing the labor laws. Companies have taken advantage of these laws by replacing the regular full-time employees with 'irregular employees', who were described by the *Korea Herald* as follows:

> "The number of irregular workers, which includes part-timers and short-term employees whose contracts run for a year or less, has rapidly grown since the currency crisis in 1997 sent the unemployment rate to a record high... As of June (2000), irregular workers made up 53 per cent of the nation's 13.3 million paid workers" (cited in Hart-Landsberg and Burkett, 2001).

What the above-cited figures indicate is that the well-publicized rapid economic recovery of South Korea from the 1997-98 Asian crisis has been attended by the rapid hiring of casuals or non-standard employees. South Korea has also allowed the recruitment of cheap overseas migrant workers for deployment in the construction industry, remaining garments factories and other labor-intensive companies. Like Japan, South Korea also has a traineeship system, which migrant NGOs criticize as a front for the hiring of cheap overseas workers.

In Taiwan, many manufacturing jobs have disappeared as a result of the relocation of labor-intensive industries to China and other Asian countries. Like Korea, Taiwan has been importing cheap migrant workers from the Philippines, Thailand and Indonesia for the labor-intensive factories remaining in this island state. In 2001, it also relaxed Taiwan's protective labor laws.

Despite the official policy of Taiwan encouraging Taiwanese firms to invest in other Asian countries such as Vietnam and to avoid mainland China, Taiwanese investments in China follow closely those of Hong Kong's. It is estimated that about $60 billion were invested in the mainland by 80,000 Taiwanese enterprises between 1990 and 2000 (Panitchpakdi and Clifford, 2002).

Singapore and Hong Kong have also been importing overseas migrant workers, to fill up shortages of local skills. They were also not as harshly affected by the Asian financial crisis as Malaysia and Korea, partly because of their policy of maintaining strong currencies backed up by large foreign exchange reserves. However, they have not escaped the impact of the recent global economic slowdown. In particular, Singapore, which has a strong tripartite consensus to maintain jobs of regular employees or to give them maximum transition assistance if their separation cannot be avoided, was rocked last year by the decision of Union Overseas Bank and Tokai Bank to dismiss redundant workers with just a day's notice. Is this the beginning of a more flexible labor market arrangement in Singapore as it braces for the China challenge?

Among the Asian NICs, Malaysia probably hosts the largest number of foreign migrant workers. It has around a million Indonesians working in various parts of its sprawling territory. Malaysia's efforts to rapidly industrialize and develop high-tech industrial parks force her to look for supplementary skilled and semi-skilled overseas such as computer programmers and construction workers. However, Malaysia's medium- and high-tech electronic products are now in peril with the ominous rise of Chinese electronic production, facilitated by investments in the mainland in these areas by Taiwan, Japan and lately, South Korea.

Among the **developing Southeast Asian economies**, Thailand, Indonesia and the Philippines were the hardest hit by the Asian financial crisis. The 2000-2001 global economic slowdown also adversely affected their labor-intensive exports and tourism services. In the case of the Philippines and Indonesia, the plunge in tourism receipts was aggravated by the political instabilities in these countries. Indonesia and the Philippines have the highest unemployment rates in Asia, while Thailand lost over two million formal sector jobs at the height of the Asian financial crisis (AMRC, 2000).

Moreover, these three Southeast Asian countries are the most threatened by the China challenge. With cheaper labor and increasing productivity, China has been eating into the labor-intensive export niches of these countries such as garments and electronic product assemblies. Cheap China products are also flooding the domestic markets of these countries, displacing in the process their less competitive domestic industries. China's WTO accession is likely to sharpen the dilemma of Thailand, Indonesia and the Philippines on how to position themselves vis-à-vis China's expanding role in the global and regional markets.

Flexible or casual labor is widespread in all the three countries. The Philippines has a relatively well-developed body of protective labor laws. But this has not prevented companies from hiring more and more casual and temporary workers, who easily outnumber the regular workers in most industries. The casuals are now known as the '5-5 workers' (a

term first coined by the author) since their services or contracts are terminated after five (5) or less than six (6) months of work to avoid the provision of the law which mandates the regularization of probationary workers after six months.

In the case of Vietnam, Kampuchea and Laos, which have cheaper labor vis-à-vis China, they are facing the twin problems of how to increase their labor productivity and how to match the overall attractiveness of China as an investment destination. Moreover, these countries are still recovering from the damages inflicted by the long Indochina wars and are having difficulties in managing the transition towards a market economy. In particular, there is the challenge of how to transform state-owned enterprises (SOEs) into more efficient entities, whether under government or private hands.

Mainland China, which is touted by the media as a big winner in its accession to WTO, has equally difficult problems to sort out, especially in its labor market. While its market reforms and global export offensive have increased the incomes of around 200 million Chinese, not everyone has benefited and social inequality has consequently deepened.

As of the year 2000, it was estimated that there were 24 million unemployed (8.5 per cent of the total labor force), 70 million 'floating labor force', 42 million poor farmers and some 12 million *xiagang* workers (Leong and Frost, 2001).

By any global standard, an unemployment rate of 8.5 per cent (some authors give a 7 per cent figure) is high. With the exception of Indonesia and the Philippines, the unemployment rates in the other Asian countries range between 3 per cent of Taiwan and 6.3 per cent of South Korea (see table 3). But the absolute size of China's unemployed – 24 million – is even more stunning, as this is more than the population size of many small and medium-sized countries of the world. The ranks of the unemployed are a good breeding ground for any social unrest anywhere in the world.

And so are the floating work force, rural poor and the *xiagang* workers. Accordingly, the floating work force consist of those who have

Table 3. Foreign direct investments and unemployment rates
for select Asian countries (1999)

	FDIs (US $ billion)	Unemployment (%)
South Korea	15.5	6.3
Taiwan	4.2	2.9
Hong Kong	N.A.	6.3
Singapore	3.7	3.5
Thailand	3.6	4.2
Malaysia	2.9	3.5
Indonesia	10.9	N.A.
Philippines	2.7	9.7
China	40.3	3.1 (urban areas only)
Vietnam	1.5	7.4 (urban areas only)

Source: RIM Pacific Business and Industries, I, 50, 2001.

left their area of residence, usually the rural areas, and have flocked to the cities or industrial areas in search of jobs, picking up odd and casual jobs at below standard wages or compensation. The poor farmers are those earning very little from farm plots that are increasingly narrowing in size, given the population of China and the rapid urbanization of the mainland.

But the *xiagang* phenomenon is one problem altogether. The *xiagang* workers are those made redundant as a result of the privatization or restructuring in the state-owned enterprises or SOEs. Technically, they are still entitled to certain SOE benefits but studies indicate most of the *xiagang* workers can not get any benefits, especially from the bankrupt

SOEs. Without jobs, the *xiagang* workers can technically be lumped together with the unemployed or the underemployed floating work force. Without the protection of strong and independent trade unions, the workers are subject to exploitation. Majority of the workers' riots and protest demonstrations that have rocked China in recent years are led by the *xiagang* workers.

What are the prospects for these workers with China's WTO accession?

First, the ranks of the *xiagang* workers are likely to grow as the privatization of SOEs is bound to intensify. In fact, with the entry of foreign and private domestic investors in the banking industry and other areas traditionally reserved for the public sector, some of these SOEs' might be merged with private enterprises, or decimated in the process of competition with the more agile private sector enterprises.

Second, the ranks of the rural poor and the floating population are likely to grow also. To comply with the WTO, China will reduce whatever subsidy it is extending to the grains farmers and will increasingly liberalize the importation of grains. Already, American and other foreign grain companies are poised to dump wheat, corn and other agricultural products commanding higher prices in China. According to the US-China accord, imports of wheat are going to rise from 200,000 tons to 10.6 million tons annually, while corn imports will increase from 55,000 tons to 7.9 million tons annually (Weil, 2000). Agriculture is clearly one area where the United States expects to gain in its trade with China under the WTO rules (the other area is in the high-tech products).

The WTO means the end of the long-held principle of grain self-sufficiency in China. How many will be displaced from the rural areas as a consequence of the opening up of China's agriculture? It is anybody's guess. Some say that the floating population might double. However, it cannot be denied that the floating population, a source of potential social tensions, is also a source of competitiveness for the triumphant labor-intensive industries of China. They provide a source of cheap labor and,

as a reserve army of labor, they tend to weaken the bargaining power of those with regular jobs. This is further compounded by the fact that the existing trade unions in China are not ready to cope with the challenges in the new economy. The trade unions still have and must evolve into strong and free trade union organizations and develop their capacity to be able to protect and promote the interests of workers.

Of course, China can be a new market for certain agricultural products such as fruits and rice as well as mineral and other raw materials from Indochina, Thailand, Indonesia, Malaysia and the Philippines.

Deep down south, in **Australia and New Zealand**, the situation is somewhat similar to those of Japan and the Asian NICs.

In Australia, employers, backed by conservative governments at the federal and state levels, have been pushing aggressively for greater flexibility of labor laws, meaning greater flexibility in the hiring, firing and bargaining arrangements with workers. However, unions have been vigilant in opposing these insidious efforts of governments and employers to subvert labor rights. Such union vigilance and militance have encouraged the national conservative government to monitor and even spy on union activities as evidenced by the attempt of the Australian military to eavesdrop on the conversations last year between the officials of the Maritime Union of Australia and those of the International Transport Federation. In the meantime, what some Australian industries are doing is to minimize the hiring of regulars by resorting to greater casual hiring and outsourcing of services such as the contracting out of customer services to the so-called call centers.

In New Zealand, the employers' success story in rolling back workers' rights through the infamous 1991 Employment Contracts Agreement (ECA) turned out to be living proof that downward labor flexibility is in fact a formula for industrial and economic decline, as such flexibility is a disincentive to investments on industrial upgrading. Thus, there is some policy re-thinking on labor protection going on in New Zealand under a new labor government, which is phasing out some of the anti-union laws. However, the damage

done by the previous right-wing government is incalculable: decline of unionism from 43.5 per cent in 1985 to 17.7 per cent in 1998.

In **South Asia**, the vigorous implementation of the privatization program in India, Bangladesh, Pakistan and Sri Lanka has caused industrial turmoils and joblessness as these countries used to have large public corporate sectors. In Pakistan and Sri Lanka, unions have to work under extremely difficult conditions because of police and even military harassment of union officials, including ransacking of union offices and headquarters.

IMF-imposed structural adjustment programs in these countries have perpetrated a dualistic type of economic development, creating pockets of growth in some industrial zones but stagnant development elsewhere. However, jobs in special economic or export processing zones such as those in Bangladesh and Sri Lanka are strictly regulated and workers are denied their fundamental rights to join trade unions and bargain collectively. In Bangalore, the supposed Silicon Valley of India, gung-ho promoters of the IT industry suddenly found that like any other industry, IT jobs are vulnerable to the cycle of market booms and busts.

Like in China, South Asian cities are attracting a large and continuing exodus of rural migrants who literally constitute the reserve army of labor.

The plight of the 'invisible' workers

Finally, Asia also has a large army of invisible workers, workers who are not amply recognized by national labor laws and given appropriate legal protection because of the nature of their hiring and the kind of work they do.

First, Asia has a large floating trans-national migrant population. Japan, the Asian NICs, Australia and the Middle East are the major destinations of overseas migrant workers coming from the Philippines, Indonesia, Thailand, China, India, Pakistan, Bangladesh, Sri Lanka and other developing economies.

Majority of the overseas migrant workers perform the '4D' jobs (dirty, dangerous, difficult and degrading jobs) or the SALEP jobs (shunned by all except by the poor) such as those performed by 'care givers' (home makers or maids), semi-skilled construction workers, night club entertainers (or 'guest relations officers'), cleaning and maintenance crew, etc. Stories of abuses of overseas migrant workers are numerous – ranging from contract substitution to sexual abuses. With the Asian crisis, the softening of the demand for foreign workers in the Middle East and the global economic slowdown, jobs held by overseas migrant workers have also become very precarious and vulnerable to wage and benefit cuts unilaterally imposed by employers. The situation is aggravated by the reality that most of the overseas migrant workers are not allowed to join unions.

There are, of course, skilled migrant workers and professionals who enjoy higher pay and better protection. Many of the skilled migrant workers and professionals are in the IT industry (e.g., programmers), engineering, construction and medical services.

Second, as one author (Balakrishnan, 2002) put it, Asia has a 'hidden assembly line' of subcontracted labor, especially in the global and regional garments and other labor-intensive industries.

It is well known that many factories in the various export processing zones (EPZs) are extensions or parts of the global commodity chains of TNCs, producing parts, assemblies and sometimes whole products for the TNCs. However, in the garments and other labor-intensive low-technology industries, the production chains of subcontracting sometimes go all the way to the rural households of some villages, involving the cheap labor of women and youths paid miserably on a per piece rate. Often, embroidery work, patching and even sewing are farmed out to smaller subcontractors by the big trading firms. Such an arrangement gives big exporters flexibility in avoiding the management of a large work force gathered under one roof and susceptible to union ideas, on one hand, and added flexibility in increasing or reducing work based on the fluctuating market demands, on the other. Of course, piece rate workers invisible to

the labor inspectors of Pakistan, India, Sri Lanka, Thailand, Vietnam, Indonesia and the Philippines are usually paid a pittance.

Global competition, race to the bottom and eroding base for unionism

The changing environment for labor organizing as reflected in the above outline of the emerging trends in the labor market of Asia and the Pacific poses a major and difficult challenge to trade union organizers.

In the past, unions thrived with the growth of jobs in expanding national industries either protected by the State, through policies of industrial protection and promotion (pursued by Japan, the Asian NICs and some Asian countries), or owned and directly managed by the State such as the SOEs of China and Vietnam, the postal industry of Japan and Taiwan and the national industries in South Asia. With economic globalization and trade-investment liberalization, policies of industrial protection and State involvement in business are receding to history. They are being replaced with policies promoting foreign investments and the free flow of capital and goods.

In this new economic environment, formal sector jobs have become uncertain and flexible, with the lifetime of jobs becoming shorter and shorter. This is happening all over Asia and the Pacific.

Moreover, with the accession of China to WTO, there are strong pressures from investors for nations to become competitive by having cheap, productive and flexible labor. This pressure also applies to China, which is now experiencing the painful pangs of labor adjustment in a market economy. Although there are no formal written laws in support of these pressures, the mere threat of an investor to move on to another place, another country or another clime is enough to create nervousness on the part of government officials and weaken the bargaining power of unions and union organizers.

As a result, globalization is virtually pitting workers against workers and nations against nations in the race to get foreign investments and jobs. This, in turn, is deteriorating into a race to the bottom, subverting the traditional processes of industrial relations such as tripartite consultation and collective bargaining.

Globalization is also creating a new class of unemployed or underemployed – the formerly employed who are now unemployed, or the *xiagang* workers in the case of China. Endless re-engineering and reorganization exercises due to mergers, acquisitions, consolidations, outsourcing of work, adjustments to new technology and new markets, pressures of competition and the likes mean many workers will never reach normal retirement age and that jobs will never be secure even if a company has no intention of transferring operations in another country. In the public corporate sector or the SOEs of China, Japan, Korea, Taiwan, Vietnam, Indonesia, India, Pakistan and others, privatization is putting jobs en masse on the chopping block.

Privatization and corporate restructuring are the two main reasons for the decline of the base of unionism in Asia and worldwide. As it is, studies emanating from the International Labour Organization show that unionism is on the retreat almost everywhere. Union membership is declining. In China and Vietnam, unions have a presence in the crumbling SOEs, and yet have very little presence in the emerging private sector enterprises. Without free and strong trade unions, workers are subject to widespread exploitation and trade unions are forced to resort to collective begging. Ironically, it is in a situation of joblessness and job uncertainties that unions are most needed, and yet, it is this same situation which is subverting unionism.

Clearly, unions today must re-think some old practices, come up with a clear vision of development under economic globalization and strategize new approaches in organizing and representing the workers. And they should make their position clear on many of the issues confronting the movement. Below is a list of issues which trade unions must answer:

Some challenges for Asian trade union organizers and trade union researchers

In strategizing the trade union role in a globalizing Asia, some strategic questions must be answered by the leaders of the trade union movement and those assisting them in the research and conscientization work.

Can unions live with the present model and trajectory of globalization under WTO? What exactly are the new rules that the global unions are proposing as part of the global financial and economic architecture? Are the unions prepared to challenge the 'Washington Consensus' and the neo-liberal economic orthodoxy it represents?

Are there ways of securing job, income and union security under the new global economic order? Is employment security (understood to mean as employability of a worker because of education and skills upgrading) sufficient substitute to the traditional issue of job security or tenure? Does employment security really work? Do the so-called safety nets for workers really work? Can the campaign for the observance of core labor standards epitomized by the ILO's Decent Work advocacy program really succeed?

How can Asian unions get together and prevent capital, foreign and local, from pitting workers against workers, from raising the threat of capital flight and from rolling back hard-earned workers' rights and benefits? What are the new forms of solidarity in the era of globalization?

Can non-standard employees such as the casual and temporary workers be organized and be represented by the unions? Can the professional, technical and managerial employees be organized and be represented by the unions?

Can the unions of labor-receiving countries overcome their ambivalence over the plight and situation of the migrant workers by covering them in their organizing and representation drives?

Do the unions have alternatives for subcontracted labor and the floating workers who tend to pull down the wages and bargaining power of the regular workers?

Finally, can the old social contract based on traditional industrial relations be saved and given new meaning? Or is tripartism passé? Is collective bargaining passé? Are there new models that should be developed? What exactly is the meaning of union work in the 21st century?

These are difficult questions. They are best answered through the wisdom of collective discussion by people committed to assert their humanity in a fast-changing economic world.

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A Comparative Study of Chinese Education in the Philippines and Malaysia[*]

ELLEN H. PALANCA

Introduction

Malaysia is the only country outside of Greater China today where education using Chinese Mandarin as the medium of instruction is available.[1] The quality of such instruction of the Chinese language and other Chinese courses has been notably superb, as it is comparable to that of Taiwan, Hong Kong and China. For the Philippines, "Chinese schools"[2] continue to exist—a distinctive difference from the situation in Thailand and Indonesia. These schools in the Philippines are, for all practical purposes, Filipino schools; except that they cater to the ethnic Chinese and teach Chinese Mandarin as a language course in the curriculum. Using Chinese as a medium of instruction ended with the Filipinization of these schools in 1975. Unlike the Chinese schools in Malaysia, the quality of Chinese language instruction in these schools in the Philippines has deteriorated alarmingly. Most of the students from these schools cannot speak or read the language well even after going through 13 years of learning it.

In Malaysia today, Chinese Mandarin used as the medium of instruction is allowed at the primary level within the Malaysian national

education system. This is not so for secondary schools within the national system. National-type secondary schools that cater to students of minority ethnic groups (Chinese or Indian) may however offer their vernacular, or what is called "Pupils' Own Language", class. There are nevertheless some Chinese secondary schools that did not convert to the national type in 1961 when the Education Bill required all schools to be under a unified system, and continue to use Chinese as the medium of instruction. These schools, called Independent Chinese Secondary Schools, are not recognized by the government and hence do not receive any government subsidy. Graduates of these schools do not take the government exam and so cannot enter Malaysian universities.

Presently in Malaysia, with a Chinese population of around 5.5 million, there are 1,284 National-Type Chinese Primary Schools, 74 National-Type Secondary Schools that were formerly Chinese schools, and 60 Chinese secondary schools that do not operate within the national education system. Roughly, the student population is 600,000 in Chinese primary schools, 99,000 in Chinese secondary schools in the national system, and 60,000 in Independent Chinese schools.[3]

In the Philippines, the total number of Chinese schools is 142, serving 92,760 students. All of these schools are privately owned. Except for a few provincial schools, almost all of these schools offer both primary and secondary levels of instruction. The ethnic Chinese population has never been precisely determined, but is said to be less than 2 per cent of the country's population.

The reasons for the significant difference in the quality of Chinese education between the Philippines and Malaysia are quite complex. This paper reviews the century-old Chinese education in these two countries, which actually started out in quite similar fashion. The divergence in development can be explained by the difference in government policies and interference as well as the responses of the Chinese community to them. The latter is dependent on the size of the Chinese community, its status in national politics, and its internal politics and commitment to Chinese education. Lastly, the paper also looks at the effect of China's rise

as an economic power in the last couple of decades on the development
of Chinese education in the Philippines and Malaysia.

Ethnic Chinese in the Philippines and Malaysia

Malaysia is a multi-ethnic society, the major ethnic groups being
Malays, Chinese, and Indians. Before Singapore became an independent
state in 1965, the Chinese made up about half of the Malaysian population,
outnumbering the indigenous Malay population. In the last few decades,
it has declined from a share of 35 per cent in 1970 to around 27 per cent
in 1991 (Chan and Tey, 2000). However, in certain geographical areas—
notably Penang, the ethnic Chinese still predominate.

The Philippine population is relatively more homogenous although
the people are a mix of races. Malay, the main component, is mixed with
Spanish, Chinese, American, and other heritage. "Pure" Chinese are a
very small minority—estimated to make up only 1 to 2 per cent of the
country's population, with most of them concentrated in the metropolitan
areas.

The Chinese in Malaysia are more diverse in terms of the dialect
groups they belong to than those in the Philippines. The dialect groups
that make up Malaysian Chinese are: Hokkien (35%), Hakka (24%),
Cantonese (18%), Teochow (11%), and a few others such as Hainanese
and Hokchiu (Tan, C. B., 2000). On the other hand, 90 per cent of the
Chinese in the Philippines can trace their ancestry to the Minnan (southern
Fujian) region, with 70 per cent of them from the Quanzhou area.

Languages Spoken

In terms of their spoken languages, the present generation of Chinese
in the Philippines speaks very fluent Tagalog (the Philippine national
language) or the dialect of the region they live in or originated from (for
example, Bisaya or Ilokano). Among the young generation - i.e. those below
thirty- conversing in Filipino among themselves is very common. The

Chinese in Malaysia- except for the *peranakans*, Malay-acculturated Chinese
who make up a miniscule per centage of Chinese Malaysian-use their own
dialect or Mandarin when they converse among themselves (Tan, C.B.,
1988). As the *peranakans* are not Muslim, in communal politics, they work
more for the interests of the Chinese rather than against them. There is also
a minority group of English-educated Chinese (before the implementation
of the National Language Policy in 1977) who are more comfortable when
speaking English than Chinese. These English-educated Chinese Malaysians
do not know Mandarin but can speak their Chinese dialect. Hence they
tend to mix their dialect with English in everyday conversation (Tan, C.B.
1988). This way of speaking is very common among the Philippine Chinese,
who tend to mix Hokkien dialect, English and Tagalog in everyday
conversation. It is not uncommon to notice all three used in one sentence.
(In the Philippines, English has been the medium of instruction in private
schools and so even among the indigenous Filipinos, very few speak "pure"
Filipino.) The observation is that older generation Chinese use the Chinese
sentence structure but inject English and Tagalog words while the younger
ones use the Tagalog sentence structure and inject the few Chinese dialect
words they know in the sentence. The latter therefore conjugate the Chinese
dialect words the way they do for Filipino words. Present generation
Malaysian Chinese are educated in Bahasa Malaysia. They can read and
write in this language very well, in fact usually better than they can in
Mandarin or English (Chang, 1995). But ironically it is not used in their
everyday conversation among themselves.

Political Participation

One major factor for the development of Chinese education in
Malaysia is the political role of the ethnic Chinese since the colonial
period. The relatively large size of the Chinese community has made it
possible and necessary for them to be active in political decision-making.
Such participation was most prominent and significant during the
decolonization period, i.e., the period immediately after the Second

World War till August 31, 1957, when independence was declared. During this period, the Chinese had to close ranks with the Malays in demanding earlier independence and at the same time, negotiate with the Malays to ensure a more equitable footing with them on many issues. Since then politics in this country, the Federation of Malaya, which later became the Federation of Malaysia, has been communal. One of the most important issues where political struggle has been intense is the issue of education, which up to this day remains a sensitive one.

However, for about half a century, Malaysia developed its unique politics where different ethnic groups—Malays, Chinese, Indians, and other indigenous ethnic groups from East Malaysia—negotiate, compromise and cooperate. The Chinese have been one with the Malays and the other ethnic groups in governing the country although the Malays are expected to enjoy "Special Rights and Privileges", as enshrined in the Malaysian constitution. The major Chinese political party, the Malaysian Chinese Association (MCA), was part of the Alliance Party, which became the ruling party when Malaya got its independence. It has remained a component of the ruling coalition, after the Alliance expanded to become the Barisan Nasional (National Front), which has been Malaysia's ruling party since it was formed in the 1970s. There are always a few cabinet ministries headed by ethnic Chinese. Another Chinese-based political party, the Democratic Action Party (DAP), is the major opposition party.

In the Philippines, as a small minority, the Chinese have never been active in Philippine politics. They played no major role in the independence movement,[4] and were not represented in the drafting of any constitution. Of relevance to this paper are: the Commonwealth Constitution of 1935, the one ratified in 1973 under Pres. Ferdinand Marcos, and the more recent one prepared after the People Power revolution and ratified in 1987. Despite the fact that most ethnic Chinese have obtained Filipino citizenship, there are only a couple of ethnic Chinese who are now in Congress and only a handful are in government service. In fact, no Chinese has ever reached the level of department or ministry secretary in the government bureaucracy.

Citizenship

One important factor that differentiated the capability of the Chinese in Malaysia and the Philippines in political participation is the issue of citizenship. In Malaya, this particular issue was resolved during the decolonization period. In the negotiations for rights and privileges among the different ethnic groups in Malaya, the Chinese and other non-Malay residents then were granted citizenship in exchange for the granting to the Malay special privileges and the right to rule. Children of these naturalized citizens became citizens by operation of law.

On the other hand, in the Philippines, until the liberalization of the naturalization process in 1975, very few Chinese residents were Filipino nationals as it was very difficult and expensive to obtain citizenship through the naturalization process. The conditions as provided by the 1935 Commonwealth Constitution were very stringent. At the time of Philippine Independence in 1946, hardly any Chinese had Filipino citizenship. But after the war some Chinese opted to become Filipino citizens because a number of nationalization bills that discriminated against aliens in business and the practice of certain professions were implemented. However, only very few could afford the expense, satisfy the strict requirements and go through the tedious process of naturalization. As a matter of fact, during this era, many applicants for citizenship had to withdraw their children from attending Chinese schools as sending one's children to Chinese schools could be perceived as an issue against their intention to become Filipino citizens. This meant that only wealthy businessmen who could afford the cost and were willing to go through the process could acquire citizenship. Moreover, acquiring citizenship was done for the sake of convenience and did not have much positive impact on the integration process. Instead, the discriminatory policies of the state contributed to the patriotic sentiment of the Chinese toward China. The Chinese in the Philippines remained alienated from the mainstream of Philippine society. They therefore found the Chinese nationalism expounded in Chinese schools relevant. The topic of integration into the mainstream society was not a welcome one.

The mass naturalization process, decreed by then President Marcos under Martial Law in 1975, made it possible for the average Philippine Chinese to acquire Filipino citizenship. By then most of the ethnic Chinese were born in the Philippines, spoke the Filipino language fluently and were in all senses, qualified to be Filipino citizens. With this development, being Chinese Filipinos started to become in the consciousness of the majority of the ethnic Chinese. Aside from gaining economic rights, which was what they sought after, the right to vote and participate in politics became available to them as well.

Chinese Schools Before Nationalization

The development of Chinese schools in the early part of the 20th century reflects the gradual process of Chinese settlement in Southeast Asia. Immigration took place as early as the 15th century from China, but, in both the Philippines and Malaysia, it was not until the turn of the 19th century that the Chinese built their first schools. The development of the Chinese schools up to the fifties resulted from immigration pattern, the policies of the respective colonial masters and later, the policies of the governments of the newly independent countries towards them.

The Early Chinese Schools

The need to establish Chinese schools became evident when the immigrants began to bring in their families. In Malaysia, the first Chinese schools, which were informal "family" or "neighborhood" schools, were established in the second decade of the 19th century in Penang, Malacca, and Singapore, the earliest centers of Chinese immigration. It was only in 1904 when the first formal Chinese school, the Chung Hwa Confucian School, was founded in Penang (Tan, L.E., 2000). In the Philippines, the first Chinese school, Anglo-Chinese Academy, was established in 1899, a year after the American occupation started, succeeding the 377 years of Spanish rule. It was built in the compound of the Chinese Consul General,

Tan Kang. The Americans placed much emphasis on the development of education in the Philippines. A significant number of Chinese schools that exist up to this date can trace the date of their establishment to the American occupation period (1898-1946).

The proliferation of Chinese schools in the Philippines was due to the fact that the new colonial regime allowed the existing Chinese immigrants to bring in their families.[5] The reform movement going on in China at that time by revolutionaries such as Kang Yu-wei and Liang Chi-chao also contributed to the rapid increase in the number of Chinese schools (Hsiao, 1998). In Malaya, the 1904-1941 period saw a boom in Chinese education as well. The dedication of some wealthy Hokkien immigrants led by Tan Kah Keh contributed greatly to this development (Yen, 2002).

In both countries, the establishment of the first formal Chinese schools signified the transition of the Chinese from being temporary immigrants to a more permanently settled community. The ratio of Chinese women to men started to increase in the 20th century. In Malaysia the ratio increased from approximately 1 to 5 in the first decade, to 1 to 3 in the thirties, and became more or less balanced only in the sixties (Chan and Tey, 2000). In the Philippines, the census of 1903 showed a female-male ratio of 13 to 1000 for the Chinese. This ratio improved to 1 to 13 in 1918, 1 to 5 in the thirties, 43 to 57 in 1960, and became balanced only in the early seventies (McCarthy, 1975). In both countries, the proportion of Chinese population born in the host countries increased dramatically since the sixties.

Both countries experienced a wave of increase in student enrollment after the Second World War. In the Philippines, the number of Chinese schools increased from 58 in 1935 to 78 in 1946 and 150 in 1970 (Hsiao 1998) while in Malaya it rose from 15 in 1946 to 32 in 1950 and 70 in 1956. (Tan, L.E., 2000) The take-over of China by the Communist Party meant that going back to China was restricted. For the Malayan Chinese, L.E. Tan (2000) believes that the acquisition of citizenship in 1953, which provided a feeling of permanency among the Chinese from the sojourners' mentality before that, also played a role.

Orientation of the Pre-Nationalization Chinese Schools

In both the Philippines and Malaya, the colonial policy towards the Chinese schools in the first decades of their establishment had been non-interference. This was basically because the Chinese schools were financially self-reliant. China, on her part, "recognized Chinese living abroad as nationals under the principle of *jus sanguinis*, and considered the Chinese schools outside China to be an integral part of its education system." (Tan, L.E., 1997) With the setting up of the new Republic of China in 1911, supervision, particularly with respect to Kuomintang (KMT) ideology, was done by the government in Nanjing, which sent delegates to perform such functions (McCarthy, 1975).

Due to this kind of supervision, the Chinese schools became a strong agency of political socialization for the agenda of the Chinese government then. This was manifested in the rituals, e.g., flag ceremony during which the flags of the host country and of China were raised or lowered and their national anthems sung, and in the curriculum which prepared the students to be good citizens of China. The curriculum also exalted Chinese culture and civilization, thus instilling in the students the feeling of cultural chauvinism. (McBeath, 1973)[6] These practices were required for all Chinese schools. But the ones with stronger political orientation (towards Taiwan and the KMT government) were those set up by the KMT and by the chambers of commerce all over the country. Students of religious sectarian schools also received the same political inculcation through the textbooks and the rituals. There were a few schools and institutions where the political platform was different. Chastisement by the KMT came in many forms for these. The most evident case was that of the Yuyitung brother of the Philippines. They were the publisher and the editor of the *Chinese Commerical News* that did not want to toe the KMT line. Through the instigation of the KMT, in the early seventies they, even though they were born and grew up in the Philippines and had never set foot in China or Taiwan, were deported to Taiwan and were jailed there for many years.

Host Country Government Interference

The non-interference policy of the British government in Malaysia towards the Chinese schools, as compared with the supervision and support it gave to Malay schools, changed in 1919. That year, a month after the May 4th Movement in China,[7] the ethnic Chinese in Malaya held strong and violent anti-Japanese demonstrations. The British colonial government was alarmed and started to assert its control and surveillance over the Chinese schools. A bill requiring all schools and teachers to register with the Education Department was passed in 1920. Textbooks were examined and those containing KMT propaganda and anti-imperialism materials were banned. However, the focus of the textbooks continued to be China-·centered.

After the Second World War, the British colonial government continued its control over the Chinese schools in Malaya. In fact, as proposed by the 1950 Barnes Committee Report, it wanted to phase out the vernacular schools and have instead a unified education system teaching only in English and Malay. However, the Chinese schools were many in number and spread out to the remotest areas. In 1950, there were more than 1300 of them, hiring 6,240 teachers and catering to 216,465 students. This extensive operation of the Chinese schools posed a constraint to the British who could not possibly establish that many schools to replace them (Tan, L.E., 1997).

The British also saw the need to support the Chinese education system so as to be able to get the support of the Chinese for constructive partnership in nation building. Moreover, because the Communist Party of Malaya was gaining strength at that time, the British government believed that providing the Chinese the proper education would keep them in the mainstream ideology. The British therefore decided to give more subsidy to the Chinese schools but instituted reforms, particularly in the areas of teachers and textbooks. A full-time training school was established to train the Chinese teachers so that they would have the necessary Malayan orientation. Syllabi and textbooks were reformulated and rewritten to suit

the local setting and orient the Chinese to the Malayan society. Therefore, "it was, ironically, the British who initiated the transformation of the Chinese schools from being remnants of a *huaqiao* (or overseas Chinese) past to becoming schools that could serve to produce future Malayan citizens." (Tan, L.E., 1997, p.5)

In the Philippines, however, the American colonial government, during the whole of its half-a-century occupation (1898-1946), adopted a very *laissez-faire* attitude towards the Chinese schools. This was in fact the attitude it had towards private education in general, as private schools lessened its education burden. Left to their own, the Chinese schools "pursued the objective of cultivating the 'national consciousness' of the young Chinese and preparing those who might one day wish to go back to China to make a living."(See, 1985) Unlike the case of Malaya where syllabus and textbooks were changed in preparation for independence, there was no revamp in the Chinese education system in the Philippines. It was under the direct supervision of the Chinese Consulate General in the beginning, and later, under that of the Chinese Embassy. Perhaps because the number of Chinese schools was not big, the Philippine government did not feel that they posed a threat to national security. Therefore they were never an item in the agenda of the Commonwealth government as it prepared for the country's independence. Instead, after World War II, in 1947, the Philippines and China signed a Treaty of Amity that allowed the two sides to freely establish schools in each other's territories for the education of their children. The treaty set up the basic legal structure for the Philippine Chinese schools system and provided that the Nationalist Chinese Embassy would oversee these schools.

The accommodating attitude of the American colonial government also resulted in many Chinese schools being established without seeking recognition by the government. Even the first Chinese school, Anglo-Chinese School, sought recognition only in 1915 when it, in addition to the Chinese curriculum, also adopted the English curriculum of the national education system. Thus started the double-curriculum system of Chinese schools in which students took up simultaneously an English curriculum

under the Department of Education of the Philippine government and a separate full Chinese curriculum under the supervision of the Chinese government through the Consulate General or Embassy. This means a duplication of many subjects, such as mathematics and science, as they were studied once in English and another time in Chinese.

By 1935, most Chinese schools were registered with the Philippine Commonwealth Government as this enabled their graduates to proceed to universities and colleges in the country. However, a small number continued to operate without government recognition. The noncompliance problem of a few was ignored until 1955 when the government was prompted by a report of alleged communist infiltration in Chinese schools. Other than demanding registration of all Chinese schools with the government, however, not much was done in the area of textbook supervision. The Philippine government admitted that it could not afford to hire inspectors who knew the language to do the job. Also, perhaps because the Philippine government, faced with the growing *Hukbalahap* communist movement, found the strong anti-Communist stance of most of the Chinese schools consistent with its political orientation and so did not feel that supervision was imperative.

Because of the strong dominance of the KMT government over the Chinese schools of the Philippines in the fifties and sixties, the Chinese in the Philippines had lesser sense of loyalty to the host country compared to their counterparts in Malaya. The students in the Philippine Chinese schools were instilled a very strong Chinese political nationalism by Taiwan's Kuomintang government, which had almost full control and supervision over these schools.[8] Another factor why the Philippine Chinese did not have much sense of loyalty and allegiance to their host country was because of their uncertain political status and low social standing at that time. Unlike their Malayan counterparts who were granted citizenship before the independence of Malaya, they were still considered aliens, despite the fact that most were born in the Philippines. This also reinforced the desire of the Chinese community leaders in the Philippines for a very China-focused Chinese curriculum, which involved learning Chinese

cultural values, civics, history and geography, as it would prepare the Chinese for education in China just in case they were forced to go back to China or Taiwan.

The differences in the policies of the British and American colonial governments in Malaya and the Philippines respectively, and subsequently the independent governments, had their corresponding effects on the political consciousness of the Chinese in the two countries. In Malaysia, due to the supervision of the syllabus of the Chinese schools, national language (*guo-yu*) to the ethnic Chinese refers to the Malay language and motherland (*zu-guo* or *wo-guo*) refers to Malaysia, not China. In the Philippines, for a long time, for many Chinese, motherland or homeland among the ethnic Chinese referred to China while national language referred to Chinese Mandarin.[9]

Nationalization of Chinese Schools

After the Second World War, the political development of nationalism became widespread throughout Southeast Asia. Naturally the issue of Chinese education in countries in the region became a heated one. In fact, it was during this period when Chinese education in Thailand and Indonesia ceased to continue.

The Philippines

In the Philippines, the approach towards Chinese education since 1955 shifted from increase in control of the schools to their nationalization. Eventually, the 1973 Constitution prohibited the ownership and operation of alien schools. Presidential Decree 176 on April 16, 1973 ordered the phasing out of all alien schools within four years. The status of Chinese schools was changed to "former Chinese schools". The time devoted to Chinese curriculum, which used to be 160 minutes for grade one and two and reached up to 200 minutes per day for senior high school classes, was reduced to 120 minutes per day, devoted only to the teaching of Chinese

language arts. Filipinization of these "Chinese" schools included ownership and administration. Also, a maximum ratio of alien students was specified at one-third. Because the naturalization process was liberalized in 1974, the Chinese schools had no problems meeting these requirements.

The move to nationalize the Chinese schools naturally elicited defensive measures from the Chinese schools and the Chinese Embassy. The litany from the schools involved their functions in education, provision of employment to Filipino teachers, their high standards in English as well,[10] etc. The Chinese Embassy would also cite the Treaty of Amity signed in 1947 which, with the 1974 mass naturalization of the Chinese, was no longer applicable.

Even before the Filipinization of the Chinese education in the Philippines, there were already debates on the direction and focus of the Chinese schools within the country's Chinese community. A few Chinese schools even decided to become Filipino schools and gain independence from the control of Taiwan. The major issue was the strong focus on China of the curriculum and schools. This had been easily accepted by the older generation Chinese, although the students did not see much relevance of the Chinese studies courses in their everyday life since most of them were born and raised in the Philippines and had very little idea of China and the Chinese society, either in China or Taiwan. This impracticality problem felt by the students was not articulated because they had no role in the curriculum design, which was imposed by the Taiwan government. In fact, not even the schools themselves could influence the curriculum. Hence in the mid-sixties, the Jesuit-run Chinese schools decided to break away from the existing system. Led by Xavier School, these schools applied to become Filipino schools and not to be accredited in the education system of the Republic of China. The students continued to be ethnic Chinese, although the new status of these schools attracted some Filipinos to enroll, too. The Chinese curriculum included only Mandarin language and some elements of Chinese culture. In-house textbooks oriented to Philippine settings were prepared. These textbooks eliminated the KMT political propaganda which had been very dominant in the textbooks imposed by Taiwan.

The strong proponents of this reform were administrators of Xavier School, Jesuit priests who escaped from mainland China in the fifties because of the Communist take-over. Since they did not emerge from within the country's Chinese education system, they had a broader and more objective perspective. They aimed for the Chinese to become integrated into the Philippine society, and therefore felt that the effort of the KMT "to extend the internecine KMT-Communist antagonisms ...to the emigrant enclaves in Southeast Asian cities" was against this process. (McCarthy, 1974) Such a viewpoint had actually been expressed in 1958 by the *Chinese Commercial News* when it criticized the Chinese education in the Philippines to be very detached from Philippine society and caring only about Chinese nationalism (*Chinese Commercial News*, 1958, found in McBeath, 1973). The newspaper also charged the Chinese education system then to be chauvinistic and that it did not contribute to the Philippine society. Despite the practical perspective of this viewpoint, the Chinese community then took it more as a criticism against the Kuomintang, rather than as a policy issue, which was expected, given the general political stance of the newspaper. Moreover, at that time, the integrationist view was not popular at all.

Malaya

In Malaya, the nationalization process of the Chinese schools occurred earlier. During the period of decolonization (1946-1957), the country's education policy went through a whole overhaul process, adjusting to the tide of nationalism that was going on in the region and preparing the country for its independence. In 1961, the pre-war education systems were adjusted into one unified national system, with the aim of "fostering a national consciousness among the various racial and religious groups of Malaysia." (Wong & Ee, 1975) Under the unified system, where primary education was made compulsory and provided free of charge, a common curriculum with the same national perspective was adopted. Following a common curriculum with the same national perspective was not difficult to do as the textbooks and syllabus reform had been made

since the 1920s. Chinese as a medium of instruction was allowed within the national primary schools system, but not for secondary schools. Hence, ethnic group secondary schools were converted to National-Type Secondary Schools, where the teaching of the ethnic vernacular, Chinese or Indian, was allowed only if there was a demand from at least 15 students.

The strong commitment and unity of the Chinese community in Malaya played an important role in the struggle for the teaching of the Chinese language. The struggle started in 1950 when the Barnes Report proposed the abolition of separate vernacular schools. The Report triggered a strong reaction from the Chinese community. It brought together all 1400 associations (*shetuans*) to discuss this government legislation. The discussion ended with the formation of the United Chinese Schools Teachers' Association (*Jiaozong* in Chinese). A few years later, the United Chinese Schools Committees Association (*Dongzong*), an association of the managers of Chinese schools, was formed. In the decade of the fifties, the Chinese, through these two associations and the Malayan Chinese Association (MCA), struggled to safeguard Chinese education and culture in Independent Malaya. Together they fought for the principle of education in mother tongue (*mu-yu*), referring to Mandarin,[11] and demanded that the Chinese language be one of the official languages of Malaya. They succeeded in having Chinese primary education officially made part of the national education system by compromising to drop the demand to make Mandarin an official language of Malaya.

The Chinese community was not as successful with their secondary schools. The 1961 Education Act did not allow the use of Chinese as a medium of instruction, if they were to be part of the unified system and to avail of full financial support from the government. Hence those that insisted on being Chinese schools such that they retained the use of Chinese as the medium of instruction, would not be part of the national education system and could not receive any government support. This dilemma resulted in the first major conflict between the United Chinese Teachers' Association and the MCA political party, which, as part of the Alliance, supported the position of the national government (Kua, 1999).

Since then up till the present, the *Jiaozong* and the *Dongzong* have been extremely strong in promoting the many causes of Chinese education in Malaysia as well as maintaining the quality of the Chinese schools. The two together, called the *Dongjiaozong*, generally has the overwhelming support of the Chinese community, including MCA. At the initial stage of the struggle of the *Dongjiaozong* on behalf of the Chinese schools, it was the MCA that brought these two organizations—teachers and management—of the Chinese schools into the mainstream of inter-ethnic bargains. Together they undertook the Chinese Education Movement.

However, as seen earlier, there have been instances of intra-community conflicts on the Chinese education issue between the education sector and MCA. Although the stand of the MCA is also to preserve the Chinese culture and education as part of Malaysian multi-ethnic culture, at times it considers the position of the *Dongjiaozong* too extreme and uncompromising. However, because of the influence of this joint education organization in the Chinese community, in most occasions, the MCA has lent its support to the *Dongjiaozong*. The strong support of the Chinese community for the position of the *Dongjiaozong* was demonstrated in 1969 when MCA lost in the elections due to its lukewarm support for the Chinese community's proposal for a Chinese university, Merdeka University (Kua, 1999).

Post-Nationalization: Adjustments and Developments

Adjustments in the Philippines

In the Philippines, in general, the Chinese schools adjusted smoothly to their nationalization. The liberalization of the naturalization process made it easy for them to fulfill the requirements of ownership and administration by Filipinos, and two-thirds Filipino enrollment. Many of these schools had to change their names to take out the word "Chinese". To keep their English acronyms, the word "Chinese" in

their names was changed to a word starting with the letter "c". For example, Philippine Chinese High School was changed to Philippine Cultural High School while Iloilo Chinese Commercial High School to Iloilo Central Commercial High School. Ironically, Chinese transcriptions, which actually sound very Chinese, were allowed. Hence Anglo-Chinese School, the oldest Chinese school in the Philippines, changed its name to Tiong Se School, a transcription of its Chinese name in Hokkien dialect.

Filipinization also means that the number of hours Chinese can be taught is limited to two class periods of one hour each, both to be devoted to the teaching of Chinese Language Arts. However, most Chinese schools which follow this two-hour allocation teach language arts for one hour and for the other hour, a "combination" course. The "combination" course includes Chinese history, geography, and culture. This allotted time limit was exceeded in most cases. Some have two "combination" courses, the other one devoted to mathematics, an area in which the Chinese want to maintain their competitive edge. A few still maintain a "double-curriculum" by devoting the afternoons entirely to the study of Chinese courses; however, it is far less complete than the one of the pre-nationalization period.

Unlike in Malaysia, the Chinese education system in the Philippines does not have a community leader like the *Dongjiaozong*. Hence the response to problems and major crisis like its Filipinization was not uniform. For example, on the issue of revising textbooks, there was no one set of textbooks that all were willing to adopt. There have been at least four sets of textbooks. Two were prepared by the *de facto* Taiwanese embassy. Another was prepared by the Philippine Cultural High School, which later set up its Chinese language research center. Jesuit-Chinese schools use the set prepared by Xavier School, when it decided not to be with the Taiwan-controlled Chinese education system in the sixties, years before the Filipinization law was implemented.

Deterioration of Philippine Chinese Education

Despite all the efforts to prop up the Chinese curriculum in the face of Filipinization, the standards of Chinese education in the Philippines have deteriorated very much. The decline cannot be attributed entirely to the Filipinization process, but was said to have started since the sixties (Gan, 1993). It was the result of the natural social assimilation process, whereas the Filipinization of Chinese schools only accelerated it. The social phenomenon of hiring maids to take care of children was the most direct means of Filipino influence on them. In the sixties, due to emerging economic prosperity and the transformation of the Chinese families, the phenomenon of entrusting children to the care of Filipino "yayas", or child caregivers, became a very prevalent practice. Mothers usually join the fathers in taking care of the business, or have jobs of their own. For many, the children's first language became Tagalog, in which the parents are also fluent. Hence Tagalog became the lingua franca at home. Some Hokkien may be picked up from the parents or other relatives, but Mandarin is as foreign to these young people as any other language. On the other hand, for decades, schools did not make any adjustment in the method of teaching Mandarin, which in most cases uses the first language approach. The lack of environment for speaking the language and the difficulty of learning it created not just a lack of interest, but even great disgust towards it.

Adjustments in Malaysia

In comparison, Malaysia has a much bigger Chinese community, which provides a speech community for speaking Chinese. Moreover, because there are many Chinese dialect groups, an easier way for communication is to use Mandarin. Hence, the incentive to learn Mandarin is greater in Malaysia because it is much more popular and useful.

Despite the nationalization of Chinese secondary schools, the unity and undying effort of the Chinese community pushed for the continuation

of Chinese education beyond the primary level. Below is a discussion of Malaysian Independent Chinese Schools that carry on secondary Chinese education despite its prohibition within the national system.

Independent Schools

The 1961 Talib Report, which unifies the Malaysian education system into one and provides free education to grade school students, resulted in three types of high schools today. One is where Malay as a medium of instruction enrolled in mostly by ethnic Malays. The second is the National-Type High Schools for ethnic Chinese and ethnic Indians. Malay (before 1977, could be either Malay or English) is used as the medium of instruction in these schools, but a course on the vernacular of the ethnic group may be taught as long as there is a demand from at least 15 students in one class. The third type of high schools is those that did not want to conform to the National-Type High School: the Independent Chinese Secondary Schools (ICSS). They are not part of the national education system and receive no subsidy. However they continue to use the language of the ethnic group as the medium of instruction. In 1961 out of the 70 Chinese high schools, 54 conformed to the National-Type system and 16 became Independent Schools. Essentially under the care and supervision of the *Dongjiaozong*, these independent schools are present in all 11 states of Malaysia.

Initial Difficulties

Initially, in the sixties, these Chinese schools which chose to be independent of government support and supervision, confronted many problems, to the extent that even their existence became questionable. They suffered a severe decline in standard. The lack of financial support from the government was one reason. But the decline was also because some of the National-Type Secondary Schools for Chinese decided to become Independent Schools as they wanted to accommodate students who were over-aged and those who did not pass the government exams

for elementary graduating students. However, a concerted effort to revive confidence in the Independent Schools was made in the early seventies by the Chinese community led by the *Dongjiaozong*, which argued strongly for these schools. The main argument was that only the Independent Schools could complete the education of Chinese culture introduced by the Chinese primary schools and, with Malay and English in their curriculum, promote the multi-ethnic orientation of the Malaysian culture. The fact that students in the Independent Schools generally excel in math and science was also pointed out. To ensure high standards and seek accreditation abroad, an examination for graduating students from Independent Schools called the Unified Examination was instituted, the first one being taken in 1975. The schools also offer services such as tutoring and preparing students who may want to take the exams given by the government for high school graduating students. This means that students who take the government exams as well have to do two curricula: the Unified Examination Certificate curriculum (in Chinese) and the Government PMR/SPM curriculum (in Malay).

Renewal

The last twenty-some years saw a renewal of the Independent Schools, which occurred since the early eighties. Enrollment rose from 15,900 in 1970 to 36,633 in 1983 (Tan, L.E., 1985). Presently, There are now more such secondary schools (60) than the National-Type Secondary Schools (Chinese) (50).

Several factors contributed to this change. Foremost was the solidarity of the Chinese community. The Chinese associations (*shetuans*) gave financial support to ensure the survival of the Independent Schools while the working committee of the *Dongjiaozong* worked aggressively to improve the standard. The Unified Examination Certificate established in 1975 enabled the *Dongjiaozong* to work for the recognition of Independent Schools graduates to universities in many universities abroad.

The implementation of the National Language policy in 1977 also improved the enrollment of the Independent Schools. All English secondary schools were converted into National Schools, where the medium of instruction had to be Malay. This policy led many Chinese parents to shift their children to Independent Chinese Secondary Schools. National-Type Primary Schools (Chinese) also experienced a significant increase in enrollment as they prepare students for the Chinese-medium education of ICSS.

The increase in enrollment in ICSS was also due to the implementation of the New Economic Policy (NEP) which limits the opportunities of ethnic Chinese graduates from National-Type and National Secondary Schools for entry to national universities. Development in China since the last seventies has also contributed to the revival of the ICSS. China's opening up increases the pool of resources from which these schools can get their teachers while the emergence of China's economy increases the importance of literacy in Chinese.

Malaysia's New Economic Policy (NEP)

At this point a digression to explain the New Economic Policy in Malaysia and its effect on the ethnic Chinese is necessary. This policy, which to this day is still being implemented, was introduced in 1971 during the start of the government headed by Tun Razak. The policy's goal of equality and poverty alleviation was indisputable. Through this policy the government wanted to equalize opportunities, i.e., lessening the gap between the haves and the have-nots, and hence eradicate poverty. Politically it tried to concretize the concept of "Malay supremacy" which is enshrined in the constitution, thus assuaging the discontent the Malays had regarding their generally lower social and economic position over the non-Malays. However, the policy emphasizes the distinction between the *bumiputras* (indigenous Malay) and non-*bumiputras*. It creates a quota system (affirmative action) for employment and education opportunities for the Malays and limits the exploitation of natural resources to them. In

this way, the NEP intensifies the ethnic politics since the redistribution of resources and growth benefits are now along ethnic division (Malays vs. non-Malays). The argument was that the redistribution effect would be towards greater equality as proportionately more non-Malays are in the higher economic classes. However, this result would have been achieved more effectively and with less repercussion on ethnic divisiveness had the discrimination been along economic class. The very distinctive racial divide of the program has created resentment among the non-Malays as the program openly discriminates against them by giving the Malays more economic and social opportunities. Critics have said that it has been the elite Malays and non-Malays with connection who have benefited more from the policy than the poor Malays (Cheah, 2002; Jayasuriya & Rosser, 2001), and for the middle-class Malays, the program instilled in them a subsidy or dependence mentality. Moreover, the interpretation of the quota system by government institutions in many aspects (for example, promotion of faculty in universities) can create even greater unfavorable bias against the Chinese.

To some extent the sense of injustice felt by the non-Malays has somehow been tempered by the coincidental economic growth of the Malaysian economy in the eighties and nineties that allowed them to gain substantial benefits from business. But the effect on opportunity for higher education is very much felt by the non-Malays. Very often they cannot enter a university or course of their choice despite good grades because of the quota system. They very much resent the fact that the academic records of many of the Malays who fill the quota are poorer than theirs.[12]

Tertiary Level Chinese Schools

In Malaysia

Malaya had its first Chinese university, the Nanyang University in Singapore, in 1953.[13] Since the separation of Singapore from Malaysia in 1965, having a Chinese university in Malaysia has been the desire of the

Chinese community. With other developments in recent history, the need to have one grew even stronger. First, the graduates of the Independent Chinese Secondary Schools are not recognized by the government and so cannot enter universities in Malaysia. Second, even for those who graduated from secondary schools within the national system, the New Economic Policy has affected their opportunities for higher education.

In 1969, the Chinese community proposed to have an independent university, named Merdeka University. The reaction for it was very positive among the ethnic Chinese. The enthusiasm and support did not come from the community leaders alone. Fund raising for it with the *"yi ren yi yuan"* (one person one dollar) campaign received the support of the whole community, including ordinary wage-earners.

The proposal, however, was not approved by the government. Till this day the *Dongjiaozong* continues to push for a Chinese-medium university even while it put in place alternative solutions to solve this problem of lack of higher education opportunities for the Chinese. It has worked for the recognition of its Unified Examination Certificate by universities abroad where the graduates of the Independent Chinese Secondary Schools can continue higher education. Accreditation has been obtained not only from universities in Taiwan, Hong Kong, Mainland China and Singapore, which are more "Chinese" in their orientation, but also from several universities in United States, Japan, Australia, and the United Kingdom.

For those who cannot afford to study abroad, the Chinese community has worked for the establishment of private colleges that are not subject to the quota system and to allow the enrollment of Independent Schools graduates. These colleges establish sandwich programs with colleges and universities abroad, which in many cases are the institutions that grant the degrees. Among these colleges, it is important to mention two politically significant ones. One is the New Era College set up by the *Dongjiaozong* a decade ago with the help of the MCA. Using Chinese as the medium of instruction, the school has as its target students the graduates of the Independent Schools. The other is the Tunku Abdul Rahman College which was established by the MCA in 1969. Although its objective was

also to provide educational opportunities to the Chinese high school graduates who could not get into universities, its diversity of courses has attracted students of all races. Its present enrollment is over 34,000.

Fully aware of the social implications of the situation brought about by the implementation of the NEP, the Malaysian government has adopted a rather accommodating and compromising attitude. Making higher education accessible within the country to those who cannot enter the national universities also reduces brain drain and saves the country precious foreign exchange. In fact, in 1996, the government undertook a liberalization policy in education, allowing the setting up of more private colleges and universities.

Heeding this new policy, the MCA proposed to upgrade the Tunku Abdul Rahman College to university status. The Ministry of Education approved the establishment of the University of Tunku Abdul Rahman but with the retention of the college as it is. Opened only in June 2002, this "Chinese" university accepts students who passed either the certified exams of the government or those of the Independent Schools. With five faculties and one institute, it offers business, computer, medicine, engineering and liberal arts courses. The latter includes Chinese studies, taught in Chinese, as a major course. Members of the MCA feel that such a university is a good compromise for the proposed Merdeka University. However, the *Dongjiaozong* is still not satisfied with this compromise and continues to push for a Chinese university where Chinese will be used as the medium of instruction for all curricula.

In the Philippines

In the Philippines, two Chinese institutions, Chiang Kai-shek College in Manila and Chinese Eastern College in Cebu City, offer tertiary education. The latter never succeeded in offering Chinese courses.

Chiang Kai-shek School, a KMT-backed institution, was established in 1915. In 1965 it became a college by offering tertiary level education aimed to provide Chinese-medium courses on teachers

training with experts from Taiwan. The demand for such courses was so small that by the eighties, this college shifted to offer mostly popular courses such as commerce and computer science which are taught in English. Only one course, bachelor of science in education, major in Chinese literature, is related to Chinese studies, since the literature subjects are taught in Chinese. Enrollment of the college is small—the total does not exceed 1200 students, and the number of graduates approximates 250 per year.

In 1976, following the nationalization of the "Chinese" schools, Chiang Kai-shek College attempted to fill the gap between the Chinese curriculum of the Taiwan government and the shorter curriculum of the Philippine government. Secondary Chinese education became just four years instead of the six years (three junior high and three senior high) before. Chiang Kai-shek College offered a two-year college course in Chinese Language Arts as an attempt to enable students to finish the usual six years of Chinese education provided by the old curriculum. However, most high school graduates are more concerned about pursuing a regular college course, not many were interested in spending two more years to "complete" their Chinese education. After just a few years' of existence, the course was terminated.

Students of Chiang Kai-shek are mostly ethnic Chinese who find the location in Chinatown convenient. The other reason for attending this school is the socialization aspect. Some conservative parents send their children there so that they do not end up marrying Filipinos. On the other hand, the students at the college level of Cebu Chinese Eastern College are mostly indigenous Filipinos. No Chinese-related courses are offered. High school graduates from the college or other "Chinese" schools prefer to attend the more prestigious and mainstream universities run by the state or sectarian groups. With lower tuition rates at this college, it caters to indigenous Filipinos who cannot meet the financial requirement of the sectarian or other proprietary schools.

Other Problems of Chinese Education

We have looked at the development of Chinese education in the Philippines and Malaysia given the social and policy circumstances each encountered. This section discusses more specific problems Chinese schools in both countries face.

Urbanization of the Chinese

In both the Philippines and Malaysia, rural-urban migration of the ethnic Chinese has created the problem of congestion in the urban schools while schools outside of the big cities suffer a lack of students. In Malaysia, the increase in the number of students in urban schools is more significant (although the average number in these schools is still less than those in the Philippines), since there is an unstated policy that the government will not allow more Chinese National-Type Primary Schools to be established (Tan LE., n.d.). The number has been the same since 1961 despite the increase in population. In the Philippines, more schools in the urban areas have been established but many schools in the provinces have closed down or turned into ordinary schools for Chinese and Filipinos. In some which tried to preserve the "Chinese" characteristic, Hokkien, deemed more practical in the Philippine-Chinese setting, is taught as their Chinese course.

Teachers

Both countries have the problem of sourcing teachers, but the reason behind it is very different. In Malaysia, the government-recognized secondary schools attended by Chinese are entitled to offer the Chinese language course, but the lack of competent teachers for such a course has been a perennial problem. The irony is that since graduates of Independent Schools who naturally have very good command of the language cannot enter the regular universities for teachers' training, they cannot be hired by the Chinese primary and secondary (National-Type) schools to teach the Chinese course.

In the Philippines, it is not necessary to possess a degree in education to teach Chinese. (For courses taught in English or Filipino, it is a requirement.) Hence most Chinese language teachers do not have knowledge of the proper pedagogy to teach, much less the skills to motivate students to learn. Moreover, it is not possible to produce Chinese teachers within the Philippine system of Chinese education because of its inadequacy and low standard. In the eighties and nineties only a very negligible number continue Chinese education abroad. The solution was to import teachers, initially from Taiwan, and lately, from China. The problem with such a solution is that these foreign teachers do not understand the culture of Chinese-Filipino children. In fact they cannot even communicate with the students since for most of the students, their first language is Filipino. Although there are now more who go to China to learn Mandarin, the course they take is short and with their limited background, what they achieve is limited as well. Also, the goal most of these students have is to gain greater fluency to be able to do business with China and not to teach when they come back.

To address the deterioration of Chinese education in the country, a few wealthy Chinese donated funds to establish the Philippine Chinese Education Research Center (PCERC) in 1991. It does research on Chinese education: reforming the method used, developing suitable materials, and doing teacher's training. It pushes for reorienting the method of teaching Chinese language from the assumption that Chinese is the students' first language to teaching it as a second language. Tagalog or English is usually the first language of Chinese Filipinos. Although some are exposed to the Hokkien dialect to a certain extent, Mandarin is certainly a foreign language to all of them. The Center also pushes for the use of *Hanyu Pinyin* rather than the traditional *Guoyin* for phonetization.

Utilitarian Value of Chinese Education

Chinese communities invariably point to the preservation of Chinese culture as the reason for sustaining Chinese schools. To parents and students, learning their cultural heritage may be important, but this goal is secondary to the opportunities and advantages Chinese education can open in terms of further education and employment. This explains the popularity of English schools in Malaysia when they were available. By the same token, the lack of interest in Chinese education among Chinese students in the Philippines can be explained by their perception of its lack of relevance to their future.

In the last couple of decades the importance of Chinese studies has increased with the opening up of China, which now engages in cultural and economic exchanges with almost every country in the world. Moreover the success of China's economy also means availability of jobs and investments wherein knowledge of Mandarin is useful. In the Southeast Asian region, vibrant and growing economic relations can be observed in rapid increase in trade and investment in the past decade and, more recently, the establishment of an ASEAN-China free trade area (Palanca, 2001).

Because of these developments, emerging emphasis on learning the Chinese language can be seen in this region. The importance is not only seen through parents demanding more of it for their children. Initiatives have also come from the governments, which now recognize the importance and benefits of learning the language. In Thailand and Indonesia, Chinese schools have reopened after being closed for decades, on the initiative of governments which give it their full support.

Two years ago, Philippine President Arroyo issued a memo encouraging universities and colleges to offer Chinese Mandarin as a foreign language. So far only four universities offer basic level courses on the language although more have signified their intention to do so. At the Ateneo de Manila University where all college students are required to

take one foreign language course, with six to seven languages to choose from, the number of students opting for Chinese Mandarin has been observed to increase noticeably in the past five years. Many continue learning the language after graduation by going to language schools in China. High school and even grade school students also get additional study of the Chinese language during summer months in China or Taiwan.

In Malaysia where there is more exposure to Mandarin and specializing in it is possible within its education system, the increase in emphasis can be seen in the increase in enrollment in Independent Schools. Also, an increasing number of Malay and Indian families send their children to Chinese primary schools. Change can also be seen in the Malaysian government which adopted the "Look East" policy (i.e., more ties with China, Japan, Korea, and ASEAN countries) as part of its vision of achieving "developed country" status by 2020. The government has gradually adopted a more lenient attitude towards the Chinese and the issue of Chinese education. As has been discussed, it allowed the opening of the University of Tunku Abdul Rahman, where a course in Chinese studies course is offered. (The University of Malaya also has a Chinese Studies Department and offers such a course.) The government has even relaxed its strict emphasis on the Malay language and instead is placing more emphasis in learning English.

Another positive development regarding Chinese education in Malaysia is that the position of the Chinese primary schools within the government education system is now secure with the 1995 Education Bill. In this bill, the Minister of Education no longer has the power to convert Chinese Primary Schools to National Primary Schools. The global trend and new policies of the Malaysian government mean more engagement with China, both politically and economically. It is felt that, when equipped with knowledge of the Chinese language and culture, their citizens, particularly the ethnic Chinese, can help in improving Malaysia's relations with China, thus contributing to national development.

Notes

1   Even in Singapore where ethnic Chinese make up 75 per cent of the population, the education system is primarily English-based although there is great emphasis on Chinese language learning.

2   Officially there are no more Chinese schools in the Philippines. The term "Chinese schools" is used throughout this essay to refer to schools where the Chinese language is taught and the students are mostly if not all ethnic Chinese.

3   The number of Chinese students in government secondary schools was cited from *Star* (Malaysia, 24 May 2003), while others were extrapolated from Kua (1999).

4   The Philippine Chinese were however active in the fight against the Japanese during the Second World War.

5   The Exclusion Act implemented in the Philippines at the start of the American regime excluded further inflow of new immigrants but allowed families of migrants to join them.

6   Although McBeath's study was on the Philippines, it can be extended to cover Malayan Chinese schools at least up to 1920, before the British government implemented close supervision over them.

7   The May 4th Movement of 1919 started with the incident of demonstrations of workers and students in China against the Japan for its continued control of the Shandong Peninsula as provided in the Treaty of Versailles. The movement became an intellectual revolution calling for changes in China's traditional society.

8   The situation was ideal for the Taiwanese government, which "ever since 1949...had been fighting for its life. It has sought moral support and investments for its economic development from the Overseas Chinese—an objective of life-and-death importance. Its leaders, accordingly, have tried to maintain and use the Chinese schools as anti-Communist strongholds. Appointments of administrators, screening of teachers, and the writing of textbooks have been geared to serve these political aims." (McCarthy 1974)

9   To be politically correct and to avoid confusion, the use of these terms are in general avoided in newspapers and other organs published in the Philippines today.

10 A few Chinese schools, particularly the sectarian, did in fact provide good English education, as they were partially supported by foreign (mostly American) missions and hence had missionaries to teach the English courses. The attention given to English courses was at par with that given to Chinese courses.

11 Strictly speaking, Mandarin is not the mother tongue of the Malayan Chinese, who came from Fujian and Guangdong. The mother tongues are among others, Hokkien, Hakka, and Cantonese.

12 Based on discussions with some Chinese in Malaysia.

13 This university was closed in the sixties when the Singapore government suspected communist infiltration.

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Preventive Diplomacy in the Asia Pacific: Challenges and Prospects for the ASEAN Regional Forum*

RAYMUND JOSE G. QUILOP

Introduction

The question of why states cooperate with each other is one challenging problem in the study of international relations. Why do states cooperate in a world characterized by anarchy (i.e. a world without a supra-national government commanding obedience from states and enforcing international law)? One plausible explanation provided by the neoliberals is the opportunity to pursue certain interests even if cooperation with other states could mean assisting them to pursue their own interests. But beyond pursuing common interests, states may also cooperate to avoid certain things or what are called issues of common aversion.

In the Asia Pacific, the common interest of promoting regional peace and stability as well as the common aversion of experiencing a power vacuum in the region may have encouraged the members of the Association of Southeast Asian Nations (ASEAN) and the other Asia Pacific states to cooperate and establish the ASEAN Regional Forum (ARF).

But in order for the ARF to be effective in promoting regional peace and stability, it must start to promote preventive diplomacy measures beyond the confidence-building measures it is currently promoting, so

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ARF observers point out. This is particularly important considering that there abound numerous potential sources of conflict in the Asia Pacific.

As conceived in the 1995 Concept Paper prepared by ASEAN, the ARF is envisioned to evolve along three stages, namely the promotion of confidence building measures, promotion of preventive diplomacy measures, and elaboration of approaches to conflict. While ASEAN points out that the ARF should not be seen as evolving along these stages in a sequential manner, others think otherwise. Furthermore, the ability of the ARF to move to a so-called preventive diplomacy stage is now being used as a yardstick for assessing its effectiveness and progress.

For example, a network of think-tanks in the ASEAN region, namely the ASEAN-Institutes of Strategic and International Studies (ISIS), presented a "Memorandum on the Future of the ASEAN Regional Forum" to the Senior Officials of ASEAN when these officials held a retreat in Brunei in March 2002. This memorandum contained recommendations on the future development of the ARF, with a great number of such recommendations pertaining to the ARF's evolution towards a preventive diplomacy stage. Similarly, the Council for Security Cooperation in the Asia Pacific or CSCAP (Quilop 1998, 2)[1] through the initiative of the Singapore National Committee prepared a paper entitled "The ARF into the 21st Century" which also contains suggestions on how the ARF could move forward, particularly towards the stage of preventive diplomacy. This paper has been noted by the ARF foreign ministers in their Chairman's Statement at the 9th ASEAN Regional Forum meeting in July 2002.

At this point, the ARF is still focused on the promotion of confidence building measures, although it has already adopted a working definition and principles of preventive diplomacy. However, it must be noted that confidence-building measures may also be considered as preventive diplomacy measures because they also contribute towards the prevention of conflict among parties. It was also argued at the ARF Seminar on Preventive Diplomacy held in Seoul, Korea in May 1995 that "the ARF could make a tangible contribution to preventive efforts in the region via

the promotion of confidence building measures that participant governments are in a position to implement". Thus, while the ARF is generally seen to evolve along the three stages of development outlined above with preventive diplomacy being undertaken after the promotion of confidence building measures, it is also widely acknowledged that CBMs and preventive diplomacy overlap. It is therefore not pragmatic for the ARF to wait for confidence building measures to be exhausted before it starts promoting preventive diplomacy measures.

The ARF: Its Establishment and Formation

Prior to the ARF's establishment, proposals to this effect have been put forward by Senator Gareth Evans, the Australian Foreign Minister and Joe Clark, the Canadian Secretary of State for External Affairs. Curiously, while these proposals were initially positively responded to, they did not prosper for several reasons. First, because these proposals were viewed as following the model of the Conference for Security Cooperation in Europe (CSCE) now the Organization for Security Cooperation in Europe (OSCE), it was felt that the model was far too elaborate and structured for the Asia-Pacific region. Second, it was also felt that it was difficult to transport a model from one region to another. Third, the CSCE at that time could not pride itself of a notable achievement. In fact, it was not able to do anything as Yugoslavia fell to pieces in the early 1990s. Fourth, there was an aversion to Western-type proposals as the ASEAN states felt that it could be a "prelude to further interference, if not domination" by Western countries (Sukontasap, 1998).

In June 1991, the ASEAN-Institutes of Strategic and International Studies (ASEAN-ISIS)[2] submitted to ASEAN a memorandum titled "A Time for Initiative: Proposals for Consideration at the Fourth ASEAN Summit". ASEAN-ISIS proposed that the ASEAN Summit in Singapore in 1992 lay the groundwork for an Asia Pacific Political Dialogue (Hernandez, 1995). It advocated that ASEAN plays a central role in the dialogue mechanism that will be established, either as a creative initiator

or an active participant or both. It was also suggested that the ASEAN Post-Ministerial Conference (ASEAN-PMC) be turned into an ASEAN-PMC Plus where states invited by the ASEAN Ministers' Meeting as guests or observes take part in the discussions on regional security (Wanandi, 1996).

Meanwhile, between the period when ASEAN-ISIS came up with this memorandum and the Summit of 1992, Taro Nakayama, the Japanese Foreign Minister suggested during the ASEAN-PMC meeting in Kuala Lumpur in July 1991 that the PMC be made a venue for addressing regional peace and security (Sukontasap, 1998). However, his suggestion fell on deaf ears, the idea "having come from a ranking official of a major regional power whose foreign policy motives remain suspect in the minds of many of its neighbors" (Hernandez, 1995).

In 1992 during the fourth ASEAN Summit in Singapore, ASEAN decided to use the PMC meeting as a mechanism for promoting political and security dialogues with its dialogue partners. In 1993, during the Annual Ministerial Meeting (AMM) in Singapore, ASEAN finally announced its plan to launch the ARF (Sukontasap, 135). The specifics of the ARF "reflect the main arguments of the ASEAN-ISIS proposal for this initiative" (Hernandez, 1995). The first meeting of the ARF was held in Bangkok in July 1994.

The ARF is an official forum where the ten ASEAN states (Brunei, Cambodia, Indonesia, Laos, Malaysia, Myanmar, Philippines, Singapore, Thailand and Vietnam), their dialogue partners (Australia, Canada, China, Democratic People's Republic of Korea, European Union, India, Japan, Mongolia, New Zealand, Republic of Korea, Russia, and the US), and Papua New Guinea as an observer discuss security and political issues. The foreign ministers of the participant countries attend the annual meeting of the Forum usually in July or August of each year. A senior officials meeting called the ARF-SOM, held annually in May, supports the ARF. In a particular year, various inter-sessional activities, namely the meetings of the Inter-sessional Support Group (ISG) on Confidence Building Measures; and Inter-sessional Meeting (ISM) on Disaster Relief, on Search

and Rescue Cooperation, and on Peacekeeping Operations are held in between ARF-SOMs. The ISGs and ISMs are co-chaired by an ASEAN and non-ASEAN participant and their recommendations are presented and reviewed during the ARF-SOM.

ASEAN has taken the initiative to establish the ARF because among other reasons it realized that Southeast Asian security and that of the wider Asia-Pacific region have become inextricably linked (Soesastro 5: 1997). Consequently, ASEAN took it upon itself to lead the ARF primarily because it is the initiator of the ARF and is seen as the only actor credible enough to lead. Moreover, it is the only party which all the great powers in the region would yield leadership to for now.

In addition, members of ASEAN at the time the ARF was established (Brunei, Indonesia, Malaysia, the Philippines, Singapore, Thailand) were seen as having a shared n interest in a regional security mechanism for dealing with political and security issues in the post–Cold War period and possibly playing a leading role in shaping the security processes in the wider Asia-Pacific region (Hassan, 1997). It has been observed that ASEAN states see the ARF as a "constructive multilateral framework" where ASEAN can lead the discussion of political and security issues (interview, Hourn). In addition, the impressive progress of the various ASEAN economies in the early 1990s and in the internal security situation of the ASEAN members gave them the confidence to make ASEAN play a role outside the confines of Southeast Asia (interview, Baviera).

They also shared a common interest of dealing with other regional powers. The rising tension between the US and China indicated that peace through traditional balance of forces was not functioning smoothly and there was a need for new mechanisms (interview, Harris). While ASEAN was able to use the mechanism of the ASEAN-PMC to discuss political, security and economic issues with its dialogue partners, a mechanism that involved China and Russia, which were not full dialogue partners at that time, and one that goes beyond bilateral dialogues provided by the ASEAN-PMC had to be devised.

ASEAN states also realized that "the trick is to get the big powers involved" in regional security mechanisms (interview, Harris). ASEAN states, being small powers, realized that they can better deal with the bigger ones if they were all participants in a cooperative mechanism. ASEAN's initiation of the ARF that encouraged the participation of the great powers is an innovation in ASEAN's approach. ASEAN previously adopted an insulationist approach by equi-distancing itself from great powers to avoid great power rivalry in Southeast Asia, something which was evident in ASEAN's conceptualization of the Zone of Peace, Freedom and Neutrality (ZOPFAN). Through the ARF, however, ASEAN adopted an inclusionary approach of constructively engaging the great powers (Goh, 1997).

How does the ARF enable the ASEAN states to deal with regional powers? It "allows small and medium powers a significant voice in regional security affairs and inhibits the major powers from dominating the regional security agenda" (Hassan, 1997). The participation of the big powers puts a moderating influence on them, particularly China and Japan which are sources of anxiety among other regional states in the same way that Indonesia's participation in ASEAN has moderated and transformed it from "a potential threat to a benign elder brother" among the ASEAN states (Almonte, 1997).

The ASEAN states also had an aversion to the possible emergence of a power vacuum in the region, which may be avoided if the US were encouraged to remain engaged in the region (interviews, Ball, Cossa, Kwa; Garrett and Glaser, 1994). A mechanism that could keep the US strategically involved in regional affairs, therefore, had to be devised. But it had to be a forum and not a military alliance since the threats to the region's security do not come from a particular enemy. The ARF, by providing a venue for the participation of the US in regional security dialogue, would encourage it to remain engaged in the Asia-Pacific.

The other Asia-Pacific states participate in the ARF perhaps because they shared the ASEAN states interest in and need to deal with the uncertainty in the regional security environment, which stems from the

following: the future foreign policy and security posture of regional powers such as China, Japan, and India; the presence of potential flashpoints in the region such as the South China Sea disputes, the China-Taiwan issue, the reunification of the Korean peninsula; and the presence of non-traditional security concerns, such as transnational criminality and environmental problems (interview, Ball). Furthermore, because issues that contribute to regional uncertainty need to be worked on collectively, a multilateral approach rather than bilateral or unilateral approaches is considered as more appropriate (interview, Bunbongkarn).

Together with ASEAN states, the other Asia-Pacific states also had an aversion to a possible emergence of a power vacuum in the region and the concomitant assertion of military capabilities by other regional states. A power vacuum or its consequences to the region's security could be addressed through the ARF, so it was believed. This may be avoided by providing a mechanism by which the US is kept involved in the region on the one hand. The ARF could also serve as a mechanism for the participant states to collectively mitigate the consequences that could be created by a withdrawal of US forces from the region, something which was apparent at that time, with the downsizing of US forces in the region.

Preventive Diplomacy: Concept and Principles

The concept of preventive diplomacy suggests pro-active rather than reactive responses to international crises. While the United Nations, as declared in its Charter, had the goal of taking "effective collective measures for the prevention and removal of threats to peace", and has undertaken various actions that can be considered as constituting preventive diplomacy, it was only in the 1960s when the first and consistent usage of the term arose (Acharya, 1999). This was mainly attributed to then UN Secretary General Dag Hammarskjold who argued that the goal of preventive diplomacy was "to keep local conflicts from being entangled in superpower rivalry" (Tay and Talib, 1997). According to Hammarskjold, the twin objectives of preventive diplomacy were to keep "newly arising

conflicts outside of bloc differences and in the case of conflict on the margin of, or inside the sphere of bloc differences... to bring such conflicts out of this sphere through solutions...[aimed at]... their strict localization" (Cordier and Foote, 1975). Preventive diplomacy then included the following instruments: hotlines, risk-reduction centers, and transparency measures. These instruments were intended to help recognize and fill any power vacuum in order to prevent the US or the Soviet Union from taking actions that can escalate conflicts and lead to nuclear confrontation (Acharya, 1999).

While the end of super power rivalry between the US and the Soviet Union as the Cold War ended appears to have rendered Hammarskjold's conceptualization of preventive diplomacy less relevant, the concept was given a broader meaning by the previous UN Secretary General Boutrous Boutrous Gali when he published his *Agenda for Peace* in 1992. In this book, he conceptualized preventive diplomacy as "action to prevent disputes from arising between the parties, to prevent existing disputes from escalating into conflicts and to limit the spread of the latter when they occur" (Ghali, 1992).

Since then, academics, security analysts, and even government officials in their private capacities have attempted to refine the concept and identify possible tools of preventive diplomacy particularly as it applies to the Asia-Pacific region. Various conferences and workshops were organized for this purpose. These include the ARF - sponsored seminars on preventive diplomacy held in Seoul, Korea (May 1995); in Paris, France (November 1996); and in Singapore (September 1997). In addition are the CSCAP-sponsored workshops on preventive diplomacy held in Singapore (October 1996); in Bangkok (February 1999); in Singapore (April 2000); and in Hanoi, Vietnam (April 2002).

In the February 1999 Workshop on Preventive Diplomacy sponsored by CSCAP through the support of the United States Institute of Peace (USIP), the participants developed a working definition and a statement of principles of preventive diplomacy.[3] This definition including the

principles were eventually adopted by the foreign ministers of the ARF participants in their meeting in Hanoi, Vietnam in July 2001.

According to the paper on *Concept and Principles of Preventive Diplomacy* adopted by the ministers of the ARF participant-states, preventive diplomacy is

> consensual diplomatic and political action taken by sovereign states with the consent of all directly involved parties: to help prevent disputes and conflicts from arising between states that could potentially pose a threat to regional peace and stability; to help prevent such disputes and conflicts from escalating into armed confrontation; and to help minimize the impact of such disputes and conflicts on the region.

The document further states that preventive diplomacy could be viewed "along a time-line in keeping with the objectives to prevent disputes/conflicts between states from emerging, ... escalating into armed confrontation, and ... spreading."

According to the said document, the following are the principles of preventive diplomacy. "It is about diplomacy. It is non-coercive. It should be timely. It requires trust and confidence. It operates on the basis of consultation and consensus. It is voluntary. It applies to conflicts between and among states. It is conducted in accordance with universally recognized basic principles of international law and inter-state relations embodied, inter alia, in the UN Charter, the Five Principles of Peaceful Coexistence and the Treaty of Amity and Cooperation" which include "respect for sovereign equality, territorial integrity and non-interference in the internal affairs of a State." These principles with the exception of the last one were the principles developed by the participants in the 1999 CSCAP Workshop on Preventive Diplomacy held in Thailand.

In the said document, the ministers acknowledged that "[a]greement on the definition and ... common understanding of the concept of

preventive diplomacy and the principles governing the practice of preventive diplomacy would be useful for further progress on the development of preventive diplomacy within the ARF."

However, it is important to note that the definition and principles of preventive diplomacy adopted in the said ARF meeting are merely a working definition and principles, and therefore not yet THE definition and principles of preventive diplomacy. The Chairman's Statement clearly states this by specifying that "[t]he ministers agreed to adopt the preventive diplomacy Paper as a snapshot of the state on current discussion on preventive diplomacy in the ARF and that ISG would continue to discuss preventive diplomacy in the next inter-sessional year and focus on those issues when there remain divergence of views."

What is also striking, even in such a working definition of preventive diplomacy, is the principle of "consent of all directly involved parties". As one observer of the ARF process notes, "this caveat could preclude a significant number of potentially destructive conflicts from even being considered (Cossa, 2002)." Yet, the same observer admits that this caveat "appears to be an essential precondition within an East Asian context, given the ARF's reliance on consensus decision-making and continuing concerns among its members over interference in one another's internal affairs".

Preventive diplomacy measures can be classified as (1) pre-crisis or peacetime measures and (2) crisis-time measures. Pre-crisis or peacetime measures are undertaken before the onset of a conflict. These include confidence building measures (CBMs), institution-building, norm-building, early warning, and preventive humanitarian action (Acharya, 1997; Tay, 1997).

Broadly, CBMs include "both formal and informal measures, whether unilateral, bilateral or multilateral that address, prevent or resolve uncertainties among states, including both military and political elements" (Cossa, 1996). In a more narrow sense, CBMs can be seen as "attempts to make clear to concerned states, through the use of a variety of measures, the true nature of potentially threatening military activities" (Macintosh,

1990). CBMs aim to provide "reassurance by reducing uncertainties and by constraining opportunities for exerting pressure through military activity" (Pederson and Weeks, 1995). They contribute to the reduction of misperception and suspicion and thereby help lessen the probability of armed confrontation (Djiwandono, 1996).

CBMs are considered as preventive diplomacy measures even while they have also played a key role in promoting regional security. In the case of the ARF, it is generally acknowledged that there is a great deal of overlap between CBMs and preventive diplomacy. Among the four proposals of preventive diplomacy measures that the ARF could undertake, all have elements of CBMs and preventive diplomacy. These proposals include: (1) enhancement of ARF Chair's role, (2) creation of a Register of Experts/Eminent Persons Group, (3) publication of an Annual Security Outlook, and (4) provision of voluntary background briefings.[4]

Institution building pertains to "formal or informal ways of organizing attention, expertise and resources in pursuit of a common set of interests or objectives" (Acharya, 1997). While scholars generally consider institution building as a preventive diplomacy measure, it is also instructive to note that institutions, on the other hand, promote or undertake preventive diplomacy measures. This is so because "institutions develop principles of conduct, generate regularized consultations and build trust" and "constrain unilateral preferences and actions of actors and promote cooperation" in the long run (Acharya).

Related to institution building is norm-building, which refers to "inducing rule-governed behavior" among actors involved, particularly encouraging parties to a dispute to refrain from actions that may worsen the situation and instead seek for the peaceful resolution of issues. It is a key aspect of institution building (Acharya).

Early warning involves "monitoring of developments in political, military, ecological and other areas (such as natural disasters, refugee flows, threat of famine and the spread of disease) that may, unless mitigated, lead to outbreak of violence or major humanitarian disasters" (Acharya).

Preventive humanitarian action is primarily concerned "with preventing and managing the humanitarian costs of political conflicts" and "the political and humanitarian consequences of naturally occurring phenomena" (Acharya).

Preventive diplomacy measures during the onset of a conflict or crisis would include fact-finding missions, goodwill missions, good offices of a third party or mediation, and crisis management (Acharya).

Fact-finding refers to the reliable and timely collection and analysis of information regarding a potential conflict situation. Although fact-finding is related to early warning discussed previously and may be undertaken during peace-time, it is usually specific to a given crisis situation. In order to be effective, it must be "comprehensive, covering domestic, regional and global aspects of a conflict and investigating the social, economic, strategic and political factors underlying it" (Acharya).

Goodwill missions and good offices are closely related. The former refers to a "visit by an envoy to express concern of the regional or international community" while the latter refers to the presence of a neutral third party that facilitates "negotiation between disputing parties" or manages the crisis between the parties if it is given a mediation role (Tay, 1997).

Crisis management attempts to reduce the "immediate possibility of violent action in a conflict situation and may require measures such as reconciliation, mediation, and arbitration that would help" defuse tensions between or among the parties involved" (Acharya).

Moving Towards the Preventive Diplomacy Stage

The quest to have the ARF move towards a preventive diplomacy stage impinges on several challenges that must be addressed. First, the ARF participants could not yet come to consensus whether the ARF at this point of its evolution should attempt to move towards the "stage" of promoting preventive diplomacy measures. Several participants have reservations that

the practice of preventive diplomacy by the ARF would pave the way for it or the other participants to intervene in their internal affairs.

Second, the hesitance of some participants for the ARF to move to the promotion of preventive diplomacy could be partly a consequence of the seeming asymmetry between the ARF's membership and its geographical footprint. "While membership extends to states that stand outside Asia, only issues within the ARF's geographical area or 'footprint' are its proper concern.". The number of states that might exercise preventive diplomacy is larger than those over which preventive diplomacy may be undertaken (Tay, 1999). For example, ARF participants in North America or Europe may suggest that preventive diplomacy be undertaken over a border dispute between two Asian states but the reverse is beyond the focus of the Forum.

Third, the ARF participants are also still to arrive at a consensus regarding how to define preventive diplomacy as well as identify its principles. As previously pointed out, while the foreign ministers of the ARF participants have adopted a paper on the *Concept and Principles of Preventive Diplomacy* in their Hanoi meeting in July 2001, the Chairman's statement implies that such definition and principles are merely working definitions.

Fourth, some of the principles of preventive diplomacy, which the ministers considered in the latest ARF meeting, appear to be in conflict with the practice of preventive diplomacy. For example, the principle of non-interference in the internal affairs of a state, if adopted as a principle of preventive diplomacy, would limit the capacity of the ARF to undertake preventive diplomacy. With this principle, the ARF would find it difficult to address issues considered as domestic affairs of states even if these issues cause conflict and instability in the region. Furthermore, preventive diplomacy being voluntary in the sense that it is only employed at the request of the parties concerned or with their consent would mean that measures undertaken by the ARF that are supposedly preventive in nature become mere reactive responses simply because the Forum cannot act without the request or consent of the parties involved.[5]

Fifth, moving to the so-called preventive diplomacy stage even while continuing to promote confidence building measures, necessitates developing the ARF's institutional capacity to do so. This brings forth two important areas for consideration by the ARF itself as well as the individual participants. The first pertains to the continued viability of the ASEAN Way being adopted and practiced in the ARF which is more diverse. The second relates to the structures pertinent to the ARF.

Rethinking the ASEAN Way in the ARF [6]

It is important to recall that institutions develop their own ways of going about their affairs and managing issues that confront them. The factors that account for their establishment help explain the type of cooperation that emerges from the states involved. ASEAN, for example, given the Cold War context and the factors that led to its founding has developed a set of principles, norms, and decision-making procedures that have become the *modus operandi* of the Association particularly for its original six members. This same kind of multilateralism is now being practiced in the ARF as the Forum's own *modus operandi* even if the ARF has developed in a different context and emerged from a set of factors different from those that led to the establishment of ASEAN.

The so-called ASEAN Way has been *de facto* adopted in the ARF possibly resulting from the fact that it was ASEAN which initiated the ARF and holds exclusively the chairmanship of the Forum, primarily because ASEAN was and remains to be the only accepted interlocutor among the participants. However, some observe that while the features of the ASEAN Way may have allowed the ARF process to take off, these same features may have to be rethought if the ARF process is going to be sustained. The so-called ASEAN Way, as it is, may not suffice or may not be appropriate for the ARF that involves more diverse states. As Acharya argues, there may be a need for the ARF to develop from the so-called "ASEAN Way" its own "Asia-Pacific Way" with the leaders and policy makers of the participants considering the development of a unique identity for the ARF (Acharya, 1997).

Foremost among the many features of the ASEAN Way is the practice of dialogues and consultations to arrive at a consensus, which is seen in ASEAN as "an amalgamation of the most acceptable views of each and every member" in order to establish what is broadly supported (Acharya, 1997). Dialogues and consultations towards consensus can "bring a meeting of minds", foster a willingness to understand diverse positions, cultivate patience and perseverance, constrain some states from unduly exercising influence or coercion over the others, and allow smaller states to articulate their position (Mutalib, 1997). Thus, dialogues can increase the "incidence of cooperation" because they can alter preferences, create a feeling of shared identity, encourage norms, or facilitate promising behavior (Caporaso, 1993).

However, the search for consensus makes things overly tedious as the process involves "a myriad list of new positions, proposals, and initiatives on a single issue being floated for extensive consultations ... to ensure ... consensus" (Caballero-Anthony, 1998). It therefore means moving at the speed of the slowest common denominator and therefore possibly making the process "hostage to the imperatives of national interest" as each participant-state has a *de facto* veto (Acharya, 1999).

In this regard, suggestions to adopt a majority rule decision-making approach have been made. However, a more pragmatic approach could be the so-called "coalition of the willing" moving away from consensus. As Tay aptly puts it,

> ...there is an increased need to emphasize the legitimacy of some [participant] states to pioneer new initiatives and/ or proceed at a faster pace than others. This is necessary given the divergence among [ARF participants] in their capacity and their inclinations. These "coalitions of the willing" should not be a source of disagreement in [the ARF] provided that the general direction of such initiatives is welcome and the coalitions remain open [for] all to join (Tay, 2000).

A second feature of the ASEAN Way that needs to be re-examined is the shelving of controversial issues so that the states involved can cooperate on less contentious issues or compartmentalizing issues so that only non-contentious aspects of sensitive issues are discussed (Kurus, 1995). This ensures that progress in other areas where cooperation may be pursued is not impeded. "By not confronting the problem head-on and instead diverting it so that it does not stand in the way of broader cooperation, and by allowing time to pass, the intensity of a conflict/problem diminishes and its importance is reduced" (Caballero-Anthony, 1998). This may also create enough goodwill among those involved that may encourage "restrained political and military behaviour," primarily by building confidence and enhancing the comfort level among parties (Acharya, 1999).

However, non-discussion of sensitive issues can also keep the process from moving forward and can be perceived as excuses for doing nothing. For example, considering that preventive diplomacy measures are often times exercised in relation to sensitive issues, how could the ARF undertake preventive diplomacy if sensitive issues are merely shelved from discussion so as not to destroy the harmony among the participants. Such harmony, however, is seen as merely superficial if ARF participants keep on shelving controversial issues. Consequently, there arose perceptions that officials of ASEAN members and possibly of ARF participants are more predisposed to maintain and project a façade of solidarity rather than discuss contentious issues.

Finally, the principle of non-interference or non-intervention in the internal affairs of other states, something that is held sacred in ASEAN, may need to be re-examined if the ARF is going to move towards the stage of preventive diplomacy. In the practice of preventive diplomacy, it becomes "difficult and unrealistic to insist that the principle of non-intervention in the domestic affairs of other states be sustained if domestic instability in one country spills beyond its borders and undermines the security of its neighbors", possibly creating bigger conflicts (Hernandez, 1998).

In fact, one key challenge as the ARF moves towards the practice of preventive diplomacy is how to convince the participants that it is not going to be used by the other ARF participants to "intervene" in the internal affairs of other participants, contrary to what other participants perceive. Consequently, these states continue to have reservations regarding the ARF taking a more proactive role in promoting preventive diplomacy measures.

Re-engineering the ARF Structure

The ARF's attempt to undertake preventive diplomacy measures could become more effective if such measures are underpinned by institutional infrastructure.

Summits for the ARF

The foreign ministers of the ARF participants meet annually in the annual meeting of the ARF, which is preceded by a senior officials meeting (ARF-SOM) as well as various meetings during the inter-sessional year. However, it may be more appropriate to institutionalize a formal annual Heads of States/Governments' meetings as working meetings, similar to the practice in the Asia-Pacific Economic Cooperation (APEC).

An Enhanced Role for the ARF Chair

In the Asian context where things tend to be leader-driven, leaders play a major role in the effectiveness of institutions. In the case of the ARF, therefore, there is a need to further enhance the role of the ARF Chair.

The ARF has already approved an enhanced role for the ARF chair, particularly with regard to his liaison role with external partners for exchanging information. In their July 2001 Hanoi meeting, the ministers of the ARF participants acknowledged that the role of the ARF Chair includes "encouraging exchange of information and highlighting issues

that can impact on regional security for consideration by the ARF by serving as a conduit for information sharing in between ARF meetings." They also acknowledged that the ARF Chair could serve as a "focal point for consultations among ARF members." The ARF Chair, with the consent of states involved may also "convene an *ad hoc* meeting of all members at an appropriate level" (Chairman's Statement 2001).

The ASEAN-ISIS "Memorandum on the Future of the ARF" acknowledges that the ability of the ARF to "respond more quickly and effectively can be significantly improved by enhancing the role of the Chair." In addition, the document also spells out several tasks, which the ARF Chair could undertake in an enhanced capacity. These would include providing "periodic up-dates (sic) of regional security situation," early warning and "periodic report on the progress of work in the ARF and its subordinate bodies, as well as consulting regularly with participants, facilitating "discussions on potential areas of cooperation, and strengthening "liaison with other organizations such as the UN and OSCE."

In the meeting of the ISG on CBMs in Hanoi last April 2002, the ISG participants "felt that the ARF Chair could play a more active role in such areas as liasing and sharing information and experiences with the UN, other international organizations and Track 2 organizations, providing updates on the regional security situation, facilitating discussions on potential areas of cooperation in ARF and managing the Register of Experts/Eminent Persons (EEPs) (Chairman's Summary Report ARF-ISG on CBMs 2001-02).

Enhancing the role of the ARF Chair, however, impinges on the issues of ASEAN sharing the chairmanship with the non-ASEAN participants in the ARF. In its enhanced role, the ARF Chair needs the greater assistance of the other ARF participants. In this regard, the ARF could also "adopt the UN practice of having states with interest and influence on a particular issue serve as 'friends of the chair'" (ASEAN-ISIS Memo No. 5).

Greater Role for Defense Officials

In addition to the Chair playing a greater role in the ARF, defense and security officials should also be given a bigger role in the ARF process. It is true that defense officials are actively involved in the various inter-sessional activities as well as in the Senior Officials Meetings of the ARF. However, in the annual ARF meeting, the foreign ministers have the primary role. Although defense officials could also participate, they appear to have a *de facto* secondary status in spite of the ARF being a forum for regional security dialogue, which is their primary concern.

Thus, would it not be proper that defense officials, whose primarily concerns are security issues be given a greater role in the over-all ARF process, both at the level of Senior Officials Meeting and the annual meeting of the ARF? In this regard, the proposal to finally institute a defense or security meeting among the ARF participants is timely and appropriate. The regular luncheon meeting among defense officials in the past is no longer sufficient. Instead, a separate meeting of defense officials properly called ARF-Defense Officials Meeting (ARF-DOM) could be more useful. In addition, defense ministers should finally be allowed to sit side by side with their foreign ministry counterparts in the yearly meeting of the ARF. This would pave the way for a sense of "equality" between the foreign ministers and defense ministers of the ARF members.

These suggested measures, in particular the holding of a separate meeting for defense officials of ARF members and providing them the opportunity to sit along side their foreign ministry counterparts in the annual ARF meeting, are simple measures to make the ARF truly a forum for security dialogue. More importantly, these measures could also help revitalize the ARF and assist it in moving forward towards the stage of promoting preventive diplomacy measures.

The ministers of the ARF participants have acknowledged this. In the last ARF meeting, they "emphasized the importance of the active participation of defense and military officials as well as the engagement

of other security officials in the ARF process" (Chairman's Statement 8th ARF 2002). They also "welcomed the initiative to create more opportunities for these officials to interact as they are essential to the confidence building process in the ARF and have proven to be constructive and useful in the exchange of views on issues of common interest".

An ISG on Preventive Diplomacy

The Inter-sessional Support Group on Confidence Building Measures (ISG on CBMs) proved useful for the ARF in promoting confidence among its participants. Thus, an ISG on Preventive Diplomacy may also prove useful for the ARF as it prepares itself in promoting and eventually undertaking preventive diplomacy measures. This group could examine "how preventive diplomacy could be undertaken in both non-traditional/non-conventional as well as conventional areas of security." (ASEAN-ISIS Memo No. 5)

An ARF Secretariat

After being convened for the past nine years without a formal secretariat, it may be necessary at this stage for the ARF to develop and have a separate secretariat or a secretary-general to support the activities of the ARF between the ministerial meetings held each year.

As an initial step, an ARF Unit could be "constituted within the ASEAN Secretariat" with resources and expertise being drawn from the non-ASEAN participants as well to give them a stake in such a structure (ASEAN-ISIS Memo No. 5). An unpublished CSCAP paper on "The ARF into the 21st Century", however, suggests a separate secretariat although located initially with the ASEAN Secretariat.

The CSCAP paper also suggests, as an alternative, a "virtual secretariat that leverages on information and communications technology to enable coordination of ARF plans and decisions to be effected via cyberspace." The paper also suggests that the secretariat be chaired

alternately by ASEAN and non-ASEAN participants and APEC's practice of having the incoming secretary general serve as deputy secretary general in the preceding year be adopted in the ARF secretariat.

An Early Warning System

As preventive diplomacy is supposed to be pro-active and timely, the concept of "early warning" becomes an integral component of preventive diplomacy. An early warning mechanism, however, hinges on the availability of information which could be provided by citizens of participant states and which policy makers could use at a relatively early stage in making crucial decisions. In this context, individual citizens of states could serve as useful sources of information regarding the situation on the ground. If citizens are provided with appropriate means of communicating with their governments, information coming from them could prove useful for their governments and even for the ARF.

Likewise, political leaders also play an important role in the development of a regional early warning system. They themselves could identify areas and issues where conflict may probably arise in the immediate future and thus undertake the necessary steps to prevent military conflict from arising.

In this context, useful are the annual ARF meetings attended by the foreign ministers as well as the various inter-sessional meetings attended by mid-level bureaucrats that are held in between the annual ARF meetings. Besides, political leaders and policy makers of states are the ones who make decisions whether to act or not on certain information that are made available to them. However, political leaders have the tendency to refrain from acting in spite of early warning indicators provided to them. Either they hope that "the problem will just go away on its own", are "reluctant to act for fear of appearing to be alarmist or naïve to their critics," or are simply "preoccupied with so many proven crises that they find it difficult to focus on brewing crises" (Montville, 2001).

Thus, it would be useful for the ARF to establish a Regional Risk Reduction Center (RRRC) which could "effectively gather information and provide analysis to map out danger points and assess [the possibility of conflict] before a crisis results" (Tay, 1997). With the warning provided by the Center, political leaders could avoid appearing alarmist to their critics. The warning coming from the RRRC could also pressure political leaders into giving the needed attention to brewing crises.

In the meantime, however, it may be useful to establish a system of self reporting, where ARF participants report their "own perception of existing or potential security concern" (Cossa, 2002). In this regard, useful are the annual security outlooks which ARF participants prepare. It is good to note that a third volume of such outlooks has been compiled by the ARF Chair in the latest ARF meeting of July 2002. The volume remains to be a compilation without any form of editing being done by the ARF Chair. Nonetheless, the ministers themselves acknowledged that the outlooks "represented an important contribution in promoting transparency and confidence among ARF participants" (Chairman's Statement 9th ARF).

Beyond the annual security outlooks but short of a RRRC, an ARF Information and Research Center that would "collect, collate, and disseminate" reports and "serve as focal point for handling requests for additional information" would also be useful (Cossa, 2002).

A Role for Experts and Eminent Persons

Experts and eminent persons could also play a useful role in assisting the ARF in its practice of preventive diplomacy, particularly in institutionalizing an early warning system. Experts on security issues and areas of conflict abound in the region. These experts have specialized in examining these issues and are thus valuable sources of information that could enable states and the ARF to identify areas where conflicts are brewing. They could, therefore, provide advice to the ARF and their respective states, conduct fact-finding missions on behalf of the ARF, and

play a more "far-reaching early warning role by drawing attention" to regional security problems (Chairman's Statement, Workshop on Preventive Diplomacy 2000). Their expertise therefore needs to be harnessed, primarily by institutionalizing their links with their governments and possibly the ARF.

The ARF through its ISG on CBMs has been seriously considering the creation of a Register of Experts/Eminent Persons Group. Finally, in the ARF meeting in July 2001, the ministers adopted a *Terms of Reference for a Register of Experts/Eminent Persons (EEPs)* (Chairman's Statement Annex C, 8th ARF, 2001). In this document, the ministers acknowledged that the group of EEPs could provide professional although non-binding pieces of advice and conduct in-depth studies regarding regional security issues. They can also serve as resource persons in ARF meetings regarding issues of their expertise. The activation of the EEPs for the above-mentioned tasks may be proposed either by the ARF Chair or any ARF participant and subsequently undertaken if there are no objections from any other participant.

The ARF participants will nominate EEPs, after obtaining their consent. Each participant can nominate up to five persons to be included in the register but may nominate only its own nationals. No ARF participant can veto the nominees of other participants.

Eminent persons could also serve as special representatives who can build trust in the skill and impartiality of the ARF in its practice of preventive diplomacy such as offering good offices and mediation before the onset of conflict or after conflict has erupted in order to prevent escalation of the conflict. In the last ARF meeting (July 2002), an ARF Register of Experts/Eminent Persons (EEPs) was compiled by the ARF Chair and was circulated to ARF participants.

A Role for Track 2 /Non-governmental Organizations (NGO's)

Experts in the region themselves have established their own think tanks and other non-governmental organizations as well as networks of

these research institutes. Notable examples are the ASEAN-ISIS group and CSCAP. As Track 2 institutions, they "push the envelope" by examining issues which governments may perceive as sensitive and thus hesitate to discuss at the official level.

In the practice of preventive diplomacy, the collaboration between government and Track 2 organizations is important. Their collaboration could "begin to ease the difficulties for governments by analyzing both proximate and root causes of a conflict and then developing intervention strategies that could address the factors that generate the threat in the first place" (Montville, 2001).

In this context, while track two lies outside the ambit of Track 1 institutions like the ARF, the linkage between Track 2 and Track 1 is important in the effective practice of preventive diplomacy by the ARF. For example, there have been proposals to institutionalize the linkage between the ARF and CSCAP such as the ARF inviting the co-chairs of CSCAP to sit as observers in the annual ARF meeting and similarly CSCAP inviting the ARF Chair to attend the semi-annual Steering Committee meetings of CSCAP.

In the meantime, CSCAP, particularly its working group on Confidence and Security Building Measures (CSBMs), has adopted the practice of holding meetings immediately prior to or after the meetings of the ARF's ISG on CBMs. This is to provide an opportunity for the ISG participants to participate in the CSCAP working group meetings or workshops.

An intermediate step, however, would be to have a formal meeting between Senior Officials of the ARF and the co-chairs of CSCAP working groups namely on CSBMs, Maritime Cooperation, Comprehensive and Cooperative Security, North Pacific Cooperation, and Transnational Crimes. This is already being practiced in ASEAN, with the Senior Officials of ASEAN having a formal dialogue with the heads of ASEAN-ISIS, although occasionally.

Conclusion

The common interest of promoting regional peace and stability as well as the common aversion of experiencing a power vacuum in the region may have encouraged the members of ASEAN and the other Asia Pacific states to establish the ARF. But in order for the ARF to be effective in promoting regional peace and stability, it must move on to its next stage of development – the promotion of preventive diplomacy measures, in line with what has been conceived in the 1995 ARF Concept Paper prepared by ASEAN.

While ASEAN may point out that the ARF should not be seen as evolving along these stages in a sequential manner, others think otherwise. Furthermore, the ability of the ARF to move to a so-called preventive diplomacy stage is being used as a yardstick for assessing the effectiveness and progress of the Forum. Thus, there is an emerging view particularly from policy makers of regional states and security analysts that it is time for the ARF to move forward towards promoting preventive diplomacy measures, even while it continues to promote confidence building measures.

The quest to have the ARF move towards a preventive diplomacy stage impinges on several challenges that must be addressed. There is no consensus yet whether the ARF should move to a "preventive diplomacy stage" because of the apprehension by some participant-states that its practice could pave the way for other states to interfere in their internal affairs. This could also result from the seeming asymmetry between the ARF's membership and its geographical footprint, with the number of states exercising preventive diplomacy being larger than those over which preventive diplomacy may be undertaken. A consensus on how to define preventive diplomacy as well as its principles is yet to be arrived at while some of the principles being considered would limit the capacity of the ARF to undertake preventive diplomacy measures.

Finally, as stated earlier moving to the so-called preventive diplomacy stage even while continuing to promote confidence-building measures

necessitates developing the ARF's institutional capacity to do so. Institutional capacity building concerns two major issues, with the first one pertaining to the continued viability of the ASEAN Way being adopted and practiced in a more diverse forum that is the ARF, and the second relating to the structures available to the ARF.

It appears that while the ASEAN Way may have been instrumental in allowing the ARF process to take off, it may not be sufficient in sustaining it. Thus, the ARF may need to develop its own "Asia-Pacific Way" that considers the greater number and diversity of states involved in the Forum. Furthermore, there appears to be an urgent need to strengthen the institutional capacity of the ARF through the establishment of certain structures that could assist it as it prepares to promote and undertake preventive diplomacy measures.

Notes

1   CSCAP is a non-governmental organization established for the promotion of security dialogue and cooperation among regional countries and territories. It provides an informal mechanism by which scholars and government officials in their private capacities discuss political and security issues.

2   ASEAN-ISIS is a grouping of non-governmental research institutes in ASEAN originally composed of the following: Centre for Strategic and International Studies (CSIS) Jakarta, Institute of Strategic and International Studies (ISIS) Malaysia, Institute for Strategic and Development Studies, Inc. (ISDS) Philippines, Institute of Security and International Studies (ISIS) Thailand, and Singapore Institute of International Affairs (SIIA). It now includes Cambodian Institute for Cooperation and Peace (CICP), Laotian Institute of Foreign Affairs, and Institute of International Relations (IIR) of Vietnam.

3   According to this workshop, preventive diplomacy as a general rule is "consensual diplomatic and political action with the aim of preventing severe disputes and conflicts from arising between states which pose a serious threat to regional peace and stability; preventing such disputes and conflicts from escalating into armed confrontation; and limiting the intensity of violence and humanitarian problems resulting from such conflicts and preventing them from spreading geographically". The following are the principles of preventive diplomacy. First, it is about diplomacy. It relies upon "diplomatic and peaceful methods/tools such as persuasion, negotiation, enquiry, mediation, and conciliation". Second, it is voluntary. Preventive diplomacy measures should only be employed "at the request of the parties concerned or with their consent". Third, it is a non-coercive activity.

Military action, use of force, and other coercive practices are outside its scope. Fourth, it requires trust and confidence. All involved parties must see facilitators or mediators in a dispute as trustworthy and as impartial honest brokers. Fifth, it rests on international law. Any preventive diplomacy action should be in accordance with the basic principles of international law such as sovereignty and non-interference in the internal affairs of a state, and upholding of sovereign equality and territorial integrity of states. Sixth, it requires timeliness. It is supposed to be preventive rather than reactive or curative. It is most effectively employed at an early stage of a dispute or crisis. See "Chairmen's Summary, Workshop on Preventive Diplomacy" organized by CSCAP's Working Group on Confidence and Security Building Measures, US Institute of Peace and CSCAP-Thailand, February 28-March 2, 1999, Bangkok, Thailand. (Unpublished)

4   The following discussion is based on the author's notes taken during the Workshop on Preventive Diplomacy organized by the Council for Security Cooperation in the Asia Pacific and the United States Institute of Peace held in Singapore on April 2-5,2000.

5   This is one of the points raised during the Meeting of the Council for Security Cooperation in the Asia Pacific (CSCAP) Working Group on Confidence and Security Building Measures (CSBMs) held in Washington DC, USA on October 29 to 31, 2001.

6   This section draws heavily from the author's article entitled ", "ASEAN Multilateralism and the ARF: Prospects and Challenges," *Philippine Political Science Journal* Vol 21 No 44 (2000) : 127-158.:

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The China Challenge to ASEAN Solidarity: The Case of the South China Sea Disputes

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This paper looks at ASEAN's attempts to form a common position on the matter of the South China Sea disputes, notwithstanding the competing claims in the area of four of its member-states. The need for solidarity on the issue has become more pronounced in light of China's increasing assertiveness in the Spratlys and her policy of naval modernization. But long-standing mistrust, different perceptions on the extent of the "China threat," as well as varying national priorities and capabilities among the ASEAN claimants and non-claimants prevent them from reaching consensus. In the short run, however, while China stands to gain from a divided ASEAN, strategically speaking a fragmented Association will hurt China even more.

The South China Sea Disputes: Stakes and Stakeholders

The South China Sea disputes refer to competing territorial and jurisdictional claims over four groups of islands, shoals, and atolls, and their surrounding waters among various claimants - China, Taiwan, Vietnam, the Philippines, Malaysia, and Brunei. Of these island groups, Pratas and Macclesfield Bank are claimed by China and Taiwan. The Paracels are a subject of dispute between China, Taiwan, and Vietnam,

which had resulted in a brief PRC-Vietnamese armed confrontation in 1974 leading to Vietnam's expulsion from the islands. The Spratlys are apparently claimed in whole by China, Taiwan, and Vietnam, and in part by the Philippines, Malaysia, and Brunei. Vietnam and China again clashed in this area in 1988. A fifth area, not usually considered as part of the South China Sea, is the Scarborough Shoal, which lies close to the Philippine coast north of the Spratlys, and which has also recently become an issue of contention between China and the Philippines.

While the disputes have existed for a long time, they have attained new significance after the 1988 Sino-Vietnamese clashes and since the end of the Cold War. Other than the end of the Cold War itself, there have been changes in the strategic environment that have direct bearing on the character of the disputes. These are: 1.) the rise of China as a regional economic power, and its increasing assertiveness in defense and foreign policy; 2.) the apparent weakening of US security commitment to the region, and the closure of the United States' military bases in the Philippines in 1991; 3.) a decline in American influence in Southeast Asia due to more pronounced differences with key countries over human rights and democracy, and a perceived US neglect of the region; 4.) ASEAN's growing attention to regional security cooperation, especially since the 1993 creation of the ASEAN Regional Forum; and 5.) ASEAN's enlargement to include all the ten states of Southeast Asia.

Together, the rise of China and the perception of declining US commitment and influence in the region portend a changing balance of power. These have repercussions for Japan and ASEAN who have traditionally been aligned with the United States in security issues, but who now have to deal with a more assertive China that is much closer than the United States in a historical, cultural, and geographic sense. The enlargement of ASEAN and its inclination to play a bigger role in regional security are in part driven by the need to ensure that however the relations among the major powers will develop, ASEAN will not in the end be disadvantaged.

To date, the multilateral disputes over the Spratlys, the bilateral Sino-Vietnamese problem over the Paracels, the Sino-Philippine competition for Scarborough Shoal, and the related issues of maritime jurisdiction and resource competition collectively present the only direct challenge in China-ASEAN security relations. At the bottom of the disputes are the issues of sovereignty, territorial integrity, competition for access to the ocean's living and non-living resources, freedom of passage in strategic sealanes, as well as security against external threats.

Among these considerations, the least difficult to resolve is the matter of freedom of navigation, with all claimants – including China - having pledged to uphold freedom of the sea lanes for littoral states and other ocean users. In addition, the United States has declared a position of neutrality with regard to the territorial claims, for as long as freedom of navigation is not endangered. A State Department press statement dated February 11, 1999 announced that "while the US takes no position on the legal merits of competing claims to sovereignty in the area, maintaining freedom of navigation is a fundamental interest of the United States." China has therefore repeatedly made a point of emphasizing that their claims will not prejudice freedom of navigation.

With regard to the sovereignty disputes, the US has only rather tamely said that the issue must be settled peacefully, and that Washington would not condone the use of force to settle the conflicts (Lee, 1994). State Department officials had also on several occasions announced that as far as its Mutual Defense Treaty with the Philippines is concerned, it had no obligation to protect the Philippines in disputed territories. Some quarters have in fact criticized the United States for playing into China's hands by its narrow and legalistic position on the disputes (McDevitt, 1999).

The matter of access to resources, particularly fisheries, would also appear negotiable over time under the framework of a joint development zone, even as an interim arrangement pending the resolution of the sovereignty issues. The region does have some limited experience in joint development, such as the 1990 Malaysia-Thailand Joint Authority, the

1982 Indonesia-Papua New Guinea maritime boundary agreement, and the 1989 Australia-Indonesia Timor Gap Treaty, according to Stuart Kaye (Batongbacal and Baviera 2000). What complicates the joint development option for the Spratlys is the number of claimant states, overlapping claims, and their wariness about entering into direct negotiations over resources. Without a clear and explicit agreement among the claimants that they will set aside sovereignty, any effort towards joint development will expose claimants to the politically unacceptable risk of surrendering territory. But insistence on sovereignty is not the only stumbling block to joint development. Among the questions that need to be agreed on are what area shall be developed and by whom? What resources shall be the subject of cooperation? How will the profits and fruits of cooperation be divided? Who shall have principal management responsibility? Given the asymmetry in size, power, and capability of the claimants, will the biggest claimant – China – agree to an equitable allocation?

Nonetheless, there are those who feel that joint development is the only realistic option for resolving a problem as complex as the Spratlys dispute, and that the best time to lay the groundwork for such an approach is before the presence of suspected oil and gas reserves becomes confirmed, since such an occurrence would be certain to raise the stakes. After all, China became a net petroleum importer for the first time in 1994 . Daqing and Shengli oilfields which represent 25 percent and 50 percent of Chinese supply respectively, are reportedly close to exhaustion, while the offshore oil resources of the South China Sea area have been touted to be potentially the third largest in the world (Funabashi et al, 1994).

One challenge to peace and stability in the South China Sea is the prospect of China dominating the area militarily. Huge increases in the PRC's military budget have been noted for several years in succession, including 17.7 percent increase announced for 2001 alone, although China has been arguing that its military expenditures have gone down in relation to total state expenditure from 1995-2000 (China Daily) Other worrisome indicators are a change in PLA strategy towards greater projection of sea,

air and missile power in the China Sea and the Western Pacific, and its efforts to build capability in fighting quick, localized, high-tech conflicts about stakes that are too small for the US to want to intervene in. (Almonte, 1997)

Many analysts have rightly pointed out that the pace and the scale of China's military modernization pose no threat to the United States' military preponderance in the Asia Pacific. Some even confirm China's own claims that it is pursuing the legitimate upgrading of a very backward military force in the face of continuing uncertainties and new non-traditional threats to its security. Nonetheless, there are very real reasons for smaller neighbors to be wary. China has not only demonstrated a keen willingness to use force when deemed necessary to defend its sovereignty claims (as with Vietnam and Taiwan in the past), it is also developing a capability directed explicitly at maritime challenges and scenarios of limited conflict.

In sum, the involvement of many claimants and multi-dimensional interests in the South China Sea make the disputes difficult to resolve in the short- to medium- term, but possible to manage via negotiated mechanisms if the claimant states so will it. What is worrisome is how the disputes can become a flashpoint in the region, as they interface with other elements in the strategic environment. The Spratlys dispute, in particular, is a test case of great power-small power relations exemplified by China-ASEAN ties. Will China's actions in the Spratlys show it to be a benign power, or an aggressive and hegemonic one? How will ASEAN respond to China, given either scenario? As ASEAN becomes a locus of contention in the contest for influence between the United States and China, will ASEAN collectively or some of its member states move closer to the United States, to China, or opt for a position of equidistance? Will such a posture be influenced by the roles of these two great powers vis-à-vis the disputes? Can ASEAN itself, enlarging in membership and scope of activities, but battered by economic crisis and internal political instabilities, stand the test of unity and regional solidarity on this issue?

China's Growing Assertiveness
and ASEAN's Response

Before Vietnam became a member of ASEAN, it had long been at loggerheads with China over their territorial disputes in the Paracels and Spratlys, with the other Southeast Asian states often watching their actions with concern from the sidelines. However, a new stage in the ASEAN-China contest for the South China Sea opened with China's passage of a Law on Territorial Sea and Contiguous Zone in 1992, whereby China reiterated its claims over the Paracels, Spratlys, Macclesfield Bank, Pratas, Pescadores and the Diaoyutai islands. Malaysian scholar Abdul Razak Abdullah Baginda claims that the law caught many by surprise, because it came at a time when Deng Xiaoping had just suggested that sovereignty "be left to the next generation to resolve, even as the present generation looks for ways to cooperate" (Baginda, 1994). The Philippines, Indonesia, Malaysia and Vietnam protested the new law. In the same year, China occupied Da Lac coral reef which is also claimed by Vietnam. A few months later, China announced that it had awarded an oil exploration contract in an area claimed by Vietnam to an American firm Crestone.

In response to this series of developments, the foreign ministers of ASEAN's then six members, upon Philippine initiative, issued a declaration in 1992 calling on all claimants to exercise restraint in the pursuit of their claims and to explore cooperative ventures as a means of preventing conflict. China was at first lukewarm towards the Manila Declaration on the South China Sea, but later stated that it appreciated some of the principles the document contained. Vietnam, on the other hand, became associated with the Declaration after having acceded to the Treaty of Amity and Cooperation in Southeast Asia, thus becoming an observer of the Association.

The Indonesian Foreign Ministry with support from the Canadian International Development Agency, had since 1990 organized a series of informal workshops on "Managing Potential Conflicts in the South China Sea", at first involving only the ASEAN countries but eventually expanding

to include Taiwan, China, Cambodia, Laos, and Vietnam. Participants include foreign ministry officials as well as experts in such fields as marine science, ecology, navigation, hydrography, law, and others. To date, a wide range of proposals and projects has been discussed through the more than thirty meetings that have transpired, including proposals for functional cooperation as well as confidence-building. Implementation, however, has been snagged by the reluctance of governments to address the sensitive questions of sovereignty.

In late 1993, China's South Sea Fleet held major military maneuvers in the South China Sea and in 1994 began building an airstrip in the Paracels. In early 1995, the Chinese proceeded to occupy Mischief Reef, a partly submerged feature in the Spratlys 135 nautical miles from the Philippine province of Palawan, ostensibly for the purpose of building shelters for its fishermen. The Philippine response was to try to bring the attention of the international community to Chinese actions, beginning with ASEAN, the United States and the European Union. It also took pre-emptive military measures to forestall further new occupations of claimed features by blowing up markers that had been set up by China in nearby reefs and shoals.

Some attention was given to the fact that China had acted against an ASEAN state other than Vietnam, which at the time had yet to become a full member of the Association. ASEAN's response was a statement by its foreign ministers calling upon all parties to refrain from taking actions that destabilize the region and further threaten the peace and security of the South China Sea. They also called for the "early resolution of the problems caused by recent developments in Mischief Reef" (ASEAN Foreign Ministers 1995).

In August 1995, the Philippines and China held bilateral talks on Mischief Reef that produced an agreement to abide by certain principles for a code of conduct. These included an agreement that the dispute should not affect the normal development of relations, but rather be settled in a peaceful and friendly manner, through consultations and on the basis

of equality and mutual respect, and in accordance with the United Nations Convention on the Law of the Sea as well as other "recognized principles of international law." Manila and Beijing also said that confidence-building measures (CBMs) should be undertaken, with both sides refraining from use or threat of force in resolving the disputes. Finally, the two sides expressed a desire to cooperate for the protection and conservation of maritime resources.

A similar code of conduct was signed by the Philippines and Vietnam in November 1995 with the additional provision that other parties were invited to subscribe to those principles. This provision was apparently included with the possibility in view of expanding the scope of the agreement to other claimant states. The following year, China and the Philippines further agreed to establish a "bilateral consultative mechanism" which involved three experts-level working groups to look into fisheries, marine environment protection, and confidence-building measures. Tensions nevertheless heightened as the Philippine authorities continued to apprehend or warn off Chinese fishermen operating in the Spratlys, near Scarborough Shoal, and on some occasions even in Philippine territorial waters. In most instances, Chinese fishermen were found and charged with employing illegal fishing methods such as the use of cyanide and dynamite, and of harvesting endangered marine life such as marine turtles and giant clams - acts prohibited under the international CITES agreement.

China's unilateral assertions of sovereignty proceeded with determination. In early 1996, together with its ratification of UNCLOS, Beijing declared baselines around the disputed Paracel islands, and announced that it would draw similar baselines around its other territories (presumably including the Spratlys) at a later date. The following year, Hanoi protested China's construction of an oil rig on part of Vietnam's continental shelf. China eventually withdrew, after declaring that it had finished tests that it was conducting on its own territory (Baviera, 1999).

In October 1998, China replaced the original structures on Mischief Reef with more permanent multi-story buildings, thus reinforcing its presence. Philippine defense authorities described the new structures as an "emerging military facility" equipped with helipads, gun emplacement platforms and radar equipment. This time attempts by Manila to rally ASEAN in another condemnation of Chinese actions failed, coming as they did in the wake of political instability in Indonesia, the 1997-98 Asian financial crisis, and China's much-appreciated assistance to Bangkok and Jakarta in shoring up their economies against the currency crash.

During the first Philippines-China experts-level CBM meeting held in March 1999, a proposal for joint use of Mischief Reef was broached by the Philippine side, but in vain. China proposed three CBMs: notification of joint military exercises held in disputed areas, attendance by Chinese representatives at joint exercises (apparently directed at the forthcoming Philippine-US Balikatan exercises), and humane treatment for arrested fishermen. The Philippines in turn demanded the dismantling of the structures on Mischief reef, a halt to further construction, and access to the reef by Filipino fishermen. No agreement was reached between the two sides.

Within months of the confidence-building meeting, the Philippine navy in two separate incidents intercepted a group of Chinese fishing vessels in the vicinity of Scarborough Shoal, and as a consequence of its pursuit, "accidentally sank" one of the boats (*Phil. Daily Inquirer*). Chinese ambassador to Manila, Fu Ying, accused the Navy of deliberately sinking the vessels, and demanded punishment of the navy personnel responsible as well as compensation for the vessels. To date, the Philippines and China have had two meetings each of the three experts-level working groups and annual senior officials-level Foreign Ministry consultations, with little substantive agreement reached other than the commitment to continue talking.

Efforts to defuse tensions have also been undertaken at the multilateral level between China and ASEAN. Here, there seems to be

some gradual progress being made in terms of opening and deepening the dialogue on the South China Sea between the two sides. The first ASEAN-China Senior Officials Political Consultations held in Hangzhou in April 1995, marked the first time China agreed to discuss the Spratlys dispute multilaterally with the ASEAN claimants, albeit only in an informal session. With anxieties over China's intrusions on Mischief Reef fresh in their minds, the six-member Association was united and severe in their criticism of China. Subsequently, China began to pay more serious attention to multilateral dialogue, in contrast to its earlier insistence on only bilateral talks involving the claimants.

During the second such political consultations in Bukitinggi, Indonesia in June 1996, ASEAN raised clarificatory questions regarding China's ratification of UNCLOS and its declaration of straight baselines around the Paracels that year. The questions were in the nature of testing Chinese interpretation of specific provisions of UNCLOS, with Indonesia and the United States filing separate formal inquiries with the Chinese government in this regard. The following year, ASEAN-China discussions focused on the need for a code of conduct, especially in light of the incident whereby China constructed oil rigs on what Vietnam considers to be its continental shelf.

In December 1997, in Kuala Lumpur, the Heads of State of China and ASEAN held the first of their annual summits, and issued a "Joint Statement for ASEAN-China Cooperation towards the Twenty-first Century." On the South China Sea disputes, the statement said that the two sides undertook "to continue to exercise restraint and handle relevant differences in a cool and constructive manner". The call for restraint appeared to be directed mainly at China which continued to take provocative actions, while the call for keeping a cool and constructive attitude may have been directed at the Philippines where an over-active media and outspoken politicians tended to fuel the tensions by making likewise provocative statements.

During the following year's ASEAN-China summit in Hanoi, in the wake of the October 1998 fortification of Mischief Reef, the ASEAN governments expressed strong concern and resolved to work for a regional code of conduct to prevent the further escalation of conflict. Notably, however, this was short of the condemnation of Chinese actions that had characterized ASEAN response to the initial occupation of the reef in 1995.

The Philippines was tasked to prepare the ASEAN draft of the regional code of conduct, together with Vietnam, for presentation initially to the ASEAN Senior Officials. China itself initially opined that a regional code of conduct may be unnecessary, arguing that some of the parties had already entered into bilateral codes of conduct, and that the 1997 China-ASEAN Joint Statement already contained an agreement on similar principles. It however indicated a more open attitude during its meeting with ASEAN in Kunming in April 1999, where Assistant Foreign Minister Wang Yi was quoted to have said, "if ASEAN is really interested, we will give it serious and earnest consideration" (*Today*).

A crack in ASEAN unity on the South China Sea issue came once more in June of 1999. The Philippines revealed that Malaysia had set up markers and sent what was ostensibly a team of "scientific and research personnel" to areas just outside of the Philippine claimed area. Kuala Lumpur was then reported to have begun building a base on Philippine-claimed Investigator Shoal, earning a diplomatic protest from the Philippine government. In October 1999, Vietnam expanded structures on Tennent Reef, Cornwallis South Reef, and Allison Reef, triggering protests from the Philippine and Taiwan (Republic of China) governments (Chen, 1999). The sequence of events seems to suggest that the improved prospect of concluding a regional code of conduct may have stimulated a rash of unilateral occupations, in anticipation of the ban on new occupations and on new construction. Whether or not this is true, it appeared that some ASEAN claimants were now as guilty as China of the charges of unilaterally advancing sovereignty claims and helping to escalate the disputes.

Discussions on the draft code of conduct were again held in November 1999 among ASEAN Senior Officials, preparatory to a summit of the Heads of State of ASEAN and China. The draft was reportedly so contentious that a late night meeting had to be held among the Philippines, Vietnam and Malaysia to discuss Vietnam's insistence that the Paracels be included. Drafts were apparently exchanged informally between China and ASEAN, but the matter was not raised formally during the ASEAN-China summit meeting at all. However, in private talks between Philippine President Joseph Estrada and Chinese Premier Zhu Rongji, Zhu was reported to have objected strongly to the inclusion of the Paracels, warning ASEAN that it would not be rushed on the issue (Thayer, Jan. 2000).

In March 2000, Senior Officials from ASEAN and China met in Thailand for the first high-level discussions on the proposed Code of Conduct. The two sides presented their respective drafts. In common were the interest in protection of the marine environment, marine scientific research, safety of navigation, and search and rescue. Both urged self-restraint. ASEAN, however, demanded a halt to future settlement and construction while China expressed a desire to stop "military exercises directed against other countries" as well as sought assurances that their fishermen would be allowed to engage in "normal operations."

In May 2000, the second meeting of the code of conduct working group was held in Kuala Lumpur. Then, in August of 2000, China hosted the third meeting in Dalian. A main bone of contention had been Vietnam's insistence that the Paracels be included in the geographic scope of the code. China had vehemently opposed this. By the time of the meeting in Dalian, there was agreement that the draft Code was to apply to the Spratlys alone, but officials were reportedly still working on a formula that would exclude the Paracels but still satisfy Vietnam. On the other hand, China was proposing a provision that would in effect restrict US military exercises in "the waters" around the Spratly islands (Thayer, Oct. 2000). Malaysia reportedly also had some reservations about the application of the code to its continental shelf.

A joint consultative draft of the regional code of conduct was discussed again in October 2000 in Hanoi. There were still several issues of contention. China continued to oppose the Philippine proposal for a ban on further construction on occupied features and on new occupations. It preferred more general wording such as "exercising restraint in activities that might complicate or escalate disputes." China also continued to push for assurances that its fishermen would be able to fish in disputed areas, and that no "dangerous and close-in military reconnaissance" be conducted (Thayer, Apr. 2000).

Throughout the series of discussions, China was quick to publicize that a main obstacle had been the differences in views among the ASEAN claimants, rather than differences between itself on the one hand and ASEAN on the other, regarding the scope of the agreement. For whatever reason, the meeting in Hanoi failed to agree on a draft that was originally to have been presented to the Heads of State for signature at the ASEAN-China summit in November.

Analysis of the Differences among ASEAN claimants

Thus far, ASEAN has failed to come up with a unified position on how to deal with China vis-à-vis their conflicting claims in the South China Sea. The lack of a common view must be understood at two levels: differences among ASEAN countries' perceptions of China as either a potential threat or potential ally, and apparent differences among the various ASEAN claimants on how best to approach the territorial disputes. For the latter, the most obvious question facing each country is whether the promotion of sovereignty claims should take precedence over the prevention or resolution of conflict or vice versa. Secondly, in the matter of conflict prevention or resolution of the disputes, is it better to deal with China bilaterally or multilaterally?

Managing China: Confrontation
versus engagement

In general, all ASEAN countries fear the possible consequences of China's growing military strength. However, none of the ten ASEAN countries are interested or inclined to pursue a strategy of confrontation with it. Vietnam, which for historical, geographic, and past political and ideological reasons has had the most difficult relations with China, is now bent on improving relations with Beijing. Recent years have seen a flurry of high-level exchanges between the two sides, frenetic negotiations to resolve disputes over land borders and over the Tonkin Gulf, tremendous increase in cross-border trade, and renewed links between ruling Communist parties. Indonesia under Suharto took the longest among the ASEAN countries to overcome its suspicion of China, normalizing diplomatic relations only in 1990. In contrast, the new government of President Abdurahman Wahid within its first days in office called for closer ties among Indonesia, China and India, likely having in mind the commonalities of the three as the region's most populous countries, as developing nations, and as potentially long-reaching political powers. Moreover, China's financial assistance to Indonesia and Thailand following the 1997 currency crash was greatly valued by the governments of these two countries.

The Philippines, despite the furor over the intensifying activity of the Chinese navy and civilian fishermen in the disputed territories, has a long history of friendly cultural and people-to-people links with China to fall back on, and realizes the importance of developing long-term friendly relations for the sake of regional peace. Malaysia, possibly disappointed in Japan's failure to take the lead in promoting an East Asian renaissance, looks to China for support for its East Asia vision. Singapore continues to pursue active and comprehensive cooperation with China, with the comfort of knowing that the United States remains engaged as a balancer in the region. According to Lee Kuan Yew, Senior Minister of Singapore, a strong China in the twenty-first century can only be better for the world than an impoverished and unstable China. "The rise of China and the

rest of East Asia will infuse fresh vitality into the whole planet and produce a steadier global economic and political balance," he said. But even Lee Kwan Yew had called for China to make its intentions and capabilities in the South China Sea more open and transparent, and to be more explicit on what it meant by a statement favoring a sharing of resources in the South China Sea (Lee, 1994).

On the other hand, Myanmar and Cambodia are recipients of Chinese official development assistance, including military training and infrastructure support.

There is increasing acceptance in ASEAN of China's inevitable influence in its part of the world. To cite the former Philippine National Security Adviser Jose T. Almonte: "... ASEAN can live with the idea of China as the East Asian superpower. All it asks is that China keep in mind that demographic magnitude, economic weight and military power by themselves do not command respect. Respect can only be earned if a superpower's attributes include moral authority. If Southeast Asia has no other alternative to learning to live with its giant neighbor, so must China learn to coexist with its smaller neighbors as virtual equals" (1997). Clearly, if the United States is the self-declared indispensable power of the Asia-Pacific, it is because China appears to be the inescapable one.

Each country's calculation of the extent to which it should confront or engage China over the disputed territories should factor in the entire breadth and depth as well as the strategic framework of its relations with China. Trends in Sino-US relations and the overall situation of ASEAN also appear to figure in the equation.

It is interesting to compare the ASEAN position towards China before and after the financial crisis. We can speculate that ASEAN was able to unite in its criticism of China's occupation of Mischief Reef in 1995 because it perceived itself as adequately strong in regional, and even global, economic and political clout to be taken seriously by China and the international community at large. ASEAN then was acclaimed as one of the most successful experiences in regional cooperation and

integration. The "ASEAN Way" was hailed as an effective approach to confidence building and the promotion of cooperation, for which reason it was being emulated in the APEC and the ARF.

In contrast, in late 1998 many of the countries were still reeling not only from economic and financial crises, but from the threat of serious internal political instability: with the ethnic, communal, and democratization troubles in Indonesia, brewing dissent over Mahathir's treatment of Anwar in Malaysia, resurgence of Muslim insurgency under the inept Estrada government in the Philippines, among others. The Asian crisis itself was a wake-up call to several realities, among them the unreliability of certain institutions of global governance such as the IMF, the tepid commitment of the United States to the region's economies, the interdependence of Southeast Asian economies with that of China particularly in the matter of currency devaluation, and the need for Asian countries to close ranks and look for common solutions to region-wide problems. None of these was conducive to criticism of China over territorial disputes that, after all, were not considered of great urgency at the moment.

Another illuminating example of the differences in the positions of ASEAN claimants was in relation to a Philippine proposal to bring the South China Sea disputes onto the agenda of the Asia Europe Meeting in March 1999. The host, Germany, was against the discussion of the disputes at the Summit, especially after Chinese Foreign Minister Tang Jiaxuan threatened to leave the talks should Manila insist on discussing the matter. The Germans pointed out that the South China Sea dispute is not a European concern, and that ASEM is not the proper venue for the discussion of the said dispute (*Manila Times*). Malaysia, Singapore, and Thailand were also reported to be wary of the planned inclusion of the dispute in the meeting, and Foreign Affairs Undersecretary Lauro Baja of the Philippines had to assure the three countries that the Philippines aimed to raise the dispute as a vital security concern for the ASEAN, and that it would do so as a matter for information and not in a confrontational manner (*Phil. Daily Inquirer*). Ultimately, ASEAN supported the position of the Philippines, the matter was raised during ASEM, but China

succeeded in blocking any mention of it in the statement issued by the
Chair in Berlin. The incident shows the dilemma of ASEAN not having a
single common perception of China, but needing to demonstrate solidarity
when it comes to the South China Sea disputes. At issue was not only the
fear of the repercussions of confronting China, but of the repercussions
of internationalizing the dispute.

Unilateral Action versus Bilateral
versus Multilateral Resolution

China has long preferred to deal with the disputes bilaterally.
Because of the asymmetry in size and power among the claimants, such
an approach naturally gives China an advantage over the other claimants.
For instance, it could more successfully employ a "carrot and stick"
approach in negotiations, combining enticements for cooperation with
threats for non-cooperation against a single country, rather than giving
away too much all at the same time. It could also make use of a "divide
and rule" tactic, such as offering to grant concessions to one that it would
not grant others as a manner of persuasion.

From ASEAN's perspective, it is logical to argue that collectively,
the ASEAN claimants (including Vietnam, which became a member in
1997) would stand a better chance of exacting concessions from China
through a process of multilateral negotiations. This is because of: 1.) the
equalizing effect of multilateral negotiations where China becomes only
one among several claimants, albeit likely to be treated as a "first among
equals;" 2.) a better chance of success in collective resistance to
inducements, pressures, threats; and 3.) ensured transparency of the process
thus helping to build trust among the ASEAN claimants themselves, in
contrast to a situation where each would deal with China separately.

Even during the preparatory phases of the Indonesian Workshops
on Managing Potential Conflict, when organizers Hasjim Djalal and Ian
Townsend-Gault were going around ASEAN capitals to sound out the
proposal, they repeatedly heard the notion that ASEAN member states

should coordinate their views and positions first before they engaged non-ASEAN states in such efforts at confidence-building and cooperation (Djalal and Townsend-Gault 2000).

The annual ASEAN-China Senior Officials Political Consultations appear to be the most acceptable venue to discuss the South China Sea disputes multilaterally, as far as China is concerned. Although not all the ASEAN countries are claimants or parties to the dispute, China has agreed to include the South China Sea in the formal agenda of talks. In contrast, China resisted all attempts to bring the issue before the ASEAN Regional Forum (ARF), or any other international forum. Previous attempts by the Philippines to take up the matter at the ARF, Asia Europe Meeting, the Non-aligned Movement, the Inter-Parliamentary Union, and other bodies have all met with stiff resistance. A Bangkok Post editorial in August 27, 2000 also said China "slapped down" a Thai proposal to raise the Spratlys question at the ARF "brusquely and rudely" (Thayer, Oct. 2000).

However, ASEAN has thus far failed to attain a clear consensus on the value of a coordinated multilateral approach towards China. The Philippines has been the most vocal in advocating a common ASEAN position on the matter of the disputes. Former National Security Adviser Jose Almonte did not mince words about this in a 2000 speech, where he implored that ASEAN speak with one voice on the South China Sea (*PACNET* 2000). Vietnam also supports collective action by ASEAN, and it benefits much from the Philippines' outspoken criticism of China's actions.

Malaysia, on the other hand, appears to place more emphasis on its bilateral discussions with China. Official and unofficial Malaysian sources have expressed the following basic positions on the South China Sea issue: first, it is for the peaceful resolution of the South China Sea issue; second, China is a major player and it should be constructively engaged; and third, Malaysia opts to resolve issues bilaterally. In 1993, Prime Minister Mohammad Mahathir suggested that too much was being made of the Spratly disputes and that the parties should instead concentrate on bilateral

agreement on principles and procedures (Lee, 1994). His Defense Minister
Dato' Sri Mohd Najib Tun Razak, argued that rather than seeing the
Spratlys disputes as a flashpoint for conflict, we should change mindsets in
favor of cooperation (Baginda, 1994). Following the 1995 occupation of
Mischief Reef, Malaysia seemed to soften its stand and go along with
efforts to come up with a collective ASEAN position, but in the Indonesian
workshops, and in subsequent discussions on the regional code of conduct,
there were frequent unofficial reports on Malaysia holding off multilateral
cooperation initiatives.

It did not pass without notice that shortly before new Malaysian
occupations on Investigator Shoal were revealed by the Philippines in
mid-1999, the Malaysian Foreign Minister had been in China. During
his visit, the two countries reiterated the value of bilateral solutions to the
territorial disputes. In contrast to the Philippines' denunciation of
Malaysia's moves on the shoal, China was not reported to have made a
public protest. At a 2000 conference on the South China Sea organized
by the Honolulu-based Pacific Forum, an ASEAN participant was quoted
to have openly complained, "How can we expect China or others to honor
their pledge to respect the ASEAN Declaration when ASEAN members
are increasingly ignoring it?" (Cossa, 2000).

Similarly, in one instance in January 1998, Manila filed a protest
against the Vietnamese shooting of Filipino fishermen near Tennent Shoal.
Manila claimed that the attack violated the code of conduct forged between
RP and Vietnam where they pledged to exercise self-restraint, avoid use
of force, and stop other provocative acts that may damage RP-Vietnam
relations (*Today*). Again in May 1999, Vietnamese fishermen were
detained by the Philippine authorities on charges of poaching and illegal
fishing in the Spratlys. The Vietnamese Embassy in Manila submitted a
note verbale to the Department of Foreign Affairs saying, "for good
Philippines and Vietnam relations and humanitarian grounds, the fishermen
should be released." The Philippines filed charges against them anyway.
Truly, the disputes do not only have to be managed in relation to China,
but among the rival ASEAN claimants themselves. The fact remains that

the bilateral codes of conduct already agreed upon have failed to prevent incidents which actually took place from happening - such as China fortifying Mischief Reef, the Philippines boarding and apprehending Chinese fishermen near Scarborough Shoal, and Vietnam firing at Filipino fishermen and at a Philippine Air Force reconnaissance aircraft flying over Tennent Reef, among others.

The temptation to junk multilateral solutions in favor of unilateral acts of sovereignty or bilateral negotiations may be attributed to the belief that negotiating a multilateral treaty is bound to be a very complicated process and will have to proceed in stages. Malaysian scholars have argued that it would also be desirable for the ASEAN claimants to sit together first and come to agreement, so that ASEAN-China negotiations could then be fruitfully held. But while Malaysia and the Philippines have held separate consultations with Vietnam in this regard, it appears that Kuala Lumpur and Manila find it difficult to address their overlapping maritime claims, in part for fear that the Sabah issue may be somehow revived.

The internationalization of the disputes, defined as the involvement of non-claimants and extra-regional states in dispute settlement, has been another area of disagreement among the ASEAN states. The Philippines has appeared to be the most serious in advocating participation by the international community. This was particularly true after the 1992 withdrawal of US bases, when then President Fidel V. Ramos indicated that he favored a conference under United Nations auspices to settle the problem. President Estrada had also taken up this matter with UN Secretary General Kofi Annan. Other senior officials of ASEAN, however, were very cautious about involving more players, notably Malaysia and Indonesia who were ideologically bound to neutrality and freedom from great power intervention under the framework of the ASEAN Zone of Peace, Freedom and Neutrality (Lee 1994). The Philippines later withdrew its proposal for an international conference and pushed instead for the 1992 Manila Declaration on the South China Sea, which the Philippines hailed as the first step to more formal discussions on the issue.

Malaysia does not seem to favor internationalization of the dispute. In August 1999, during a working visit to China by Prime Minister Mahathir, leaders of the two countries agreed "that the South China Sea issue can only be resolved by relevant countries involved, opposing any involvement and interference by any outside force." The statement came in the wake of comments on the issue by US Secretary of State Madeline Albright that the United States "cannot sit on the sidelines and watch."

Divided ASEAN: Can China win?

Admittedly, the cleavages within ASEAN can be attributed to factors not related to China or the territorial disputes. Many of the ASEAN countries still harbor long-standing mutual suspicions left over from history. Recent divisions have also been known to exist over, for instance, the spill-over effects of instability in Indonesia, challenges to the principle of non-interference in internal affairs, criticisms over Mahathir's handling of the Anwar affair, and others. These have affected bilateral ties between pairs of countries. More generally, ASEAN has become divided along several fault lines – the more developed versus the less developed, the more democratic versus the more autocratic, the insular interest versus the peninsular interest (or the "continental" versus the "littoral" outlook). Therefore the question of ASEAN unity will remain relevant regardless of the status of the South China Sea disputes. However, in many cases in the past, we have seen how an external challenge managed to help bring about ASEAN unity. With respect to the China challenge, the opposite effect appears to be the case.

It is clear that ASEAN loses out whenever disunity prevails. The more interesting questions are whether or not China itself stands to benefit from a divided ASEAN, and whether or not control of the disputed islands and waters will be worth the consequences of a weak and divided ASEAN, from the point of view of both China and ASEAN.

Since its publication of a Defense White Paper in 1998, China has espoused what it calls a "new concept of security." The new concept

reiterates Zhou Enlai's Five Principles of Peaceful Coexistence, but incorporates elements of cooperative security such as the promotion of mutual trust and understanding through dialogue and cooperation, a commitment to settle disputes peacefully, non-confrontation and engaging in cooperation which is not aimed against a third country's security interests (Finkelstein and McDevitt 1999). The new concept finally acknowledges a positive role for multilateralism, although in recent years this has been balanced by a determined push by China to conclude a series of bilateral agreements establishing "strategic partnerships" and "frameworks" for its relations with key neighboring countries.

Such "strategic partnership" agreements had been established with Thailand, Malaysia, Brunei, and Viet Nam in 1999, and subsequently with Myanmar, Indonesia, the Philippines, and Singapore. At the same time, China has declared its appreciation for the principles contained in the Treaty of Amity and Cooperation in Southeast Asia, and has announced its support for the Protocol to the Treaty on Southeast Asian Nuclear Weapons Free Zone.

In a highly symbolic move, the Communist Party of China also established party-to-party links with counterpart ruling parties in Thailand, Indonesia, Malaysia, and Singapore in early 2000, on the basis of independence, complete equality, mutual respect, and non-interference in each other's internal affairs (Thayer, Jul. 2000). This shows how far relations have come from the 1960s and 1970s when anything that was even remotely associated with communism was anathema to these Southeast Asian governments.

China has also shown interest in the prospects of multilateral security cooperation in the ASEAN Regional Forum and in other ASEAN-led dialogue mechanisms, but has so far been non-committal. It is likely that China finds the ASEAN-led initiatives, with their non-binding nature, preferable to the present US-centered system of bilateral military alliances that are at least implicitly directed against a so-called China threat.

Given ASEAN's foreign policy posture of resistance to foreign interference in internal affairs, and preference for regional solutions to regional problems, ASEAN can be seen by China as at best a potential ally in China's efforts to resist what it calls US hegemony, or at worst a neutral player that can help moderate US actions. As such, ASEAN becomes the subject of strategic competition among the great powers in the region. As one Chinese scholar put it thus: "While ASEAN is a new rising force, it is becoming a target of competition and exploitation by larger nations. US is trying to use its special military status to try to restrict the role of ASEAN and to create China threat theory to emphasize need for balance of power, persuading ASEAN to become a quasi-ally. Japan sees ASEAN as its economic hinterland and uses ASEAN as a political force for balancing China and US" (Shi, 1996).

ASEAN itself continues to have second thoughts about the role of the United States in the post-Cold War order. While belief is still strong that the United States is an indispensable power given the present strategic situation, there is also growing apprehension of US arrogance and hegemony. In particular there is worry that the United States many times behaves in ways that depart from ASEAN's own interests – e.g., over WTO issues, responses to the Asian crisis, the so-called doctrine of humanitarian intervention as seen in the Yugoslavian crisis, militarization of US foreign policy, and its responsibility for the negative turn in US-China relations (Hassan, 1999).

Even those in ASEAN who are less critical of the United States' foreign policy are preparing for a region without it. Almonte of the Philippines says, "ultimately, inevitably, the US must withdraw its troops from East Asia. When that time comes, the US presence can only be replaced by a type of collective security system, which conceivably can be built around APEC or ARF" (Almonte, 1997).

Meanwhile, since the onslaught of the Asian financial crisis, there have been moves to intensify the process of integration between the ASEAN and China, together with Japan and Korea. In the ASEAN Plus Three

framework, China has indicated strong interest in the prospects for more intensive economic and financial cooperation with ASEAN. It supports the proposal to have an Asian monetary fund and has expressed that it favors participation in ASEAN's proposed currency exchange system (*AFP* 2000). It has also agreed to have a free trade agreement with Singapore. At the ASEAN Plus Three Summit in Singapore, Zhu Rongji said that the ASEAN Plus Three may "serve as the main channel for regional cooperation, through which to gradually establish a framework for regional financial, trade and investment cooperation, and furthermore to realize still greater regional integration in a step by step manner." Meanwhile, a Chinese foreign ministry spokesman announced that China is probing the possibility of a regional free trade agreement when AFTA is established in 2003 (Thayer, Jan. 2000).

On the part of ASEAN, the prospect of greater economic integration with China and the stronger economies of Japan and Korea is likewise attractive. Trade within East Asia is fast expanding. In 1997 alone, ASEAN's exports to northeast Asia grew by 30 percent. In that year, they accounted for one-fourth of total ASEAN exports - surpassing exports to the United States which stood at 20 percent; and the European Union at 15 percent (Ramos, 2000). An East Asian economic grouping is also expected to help keep China's vigorous economy contained in a larger regional setting even as ASEAN's concern about the stability and value of the *renminbi* will be better addressed.

What this shows is that common strategic interests of ASEAN and China are expanding. China is considered a challenge by ASEAN, but one that has to be engaged and transformed into an ally, whether China needs to be cajoled by ASEAN or coerced by other powers in the process. ASEAN, on the other hand, is one of China's best options of neutralizing the effects of a dominant and interventionist United States. ASEAN's pursuit of cooperative security through confidence building, multilateral dialogue, and consultations at this point offers the only articulated alternative to what China condemns as hegemonic power politics. China's own "new security concept" coincides heavily with the "ASEAN way."

With a divided ASEAN, China and other claimants to the South China Sea can continue their respective unilateral actions in the disputed oceans, including oil exploration. China can concentrate in increasing its military power and eventually try to oust other claimants, but ultimately this may induce the claimants to bind together to oppose China. In addition, it is likely to invite intervention from the other major powers.

On the other hand, the weaker ASEAN perceives itself to be relative to a strong China, the more it will want to enhance its relations with the United States. A strong and united ASEAN, on the other hand, will be more responsive to a China that has shown that it is willing to compromise and that pays heed to the sensitivities of its weaker neighbors. It will have greater confidence to negotiate joint development schemes and other cooperative approaches to the disputes. It will rely less on power balancing behavior and on the security guarantees of the United States. It can thus be argued that in the end, with a stronger and more unified ASEAN, ASEAN wins and China wins.

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Southwest Pacific Dialogue: Indonesia's Newest Leverage in the Asia Pacific*

JOEFE B. SANTARITA

Introduction

The Asia-Pacific undoubtedly is a very important part of the global landscape. It is the home of more than two thirds of the world's population and encompasses the major powers of the globe, the most advanced industrialized economies as well as some of the least developed countries. The region is endowed with rich cultural, racial and ethnic diversity as well as with abundant human, natural, financial and technological resources.

In the face of deepening interdependence and the surge of globalization and liberalization, the countries of the Asia-Pacific have interacted in such a way that has led to the strengthening of regional solidarity. Regional cooperation, obviously, in the region became a cushion in ensuring the maintenance of smooth bilateral relations and cooperation. There were instances where existing differences or conflicts between nations were tempered to give way to acceptable regional solidarity (Djiwandono, 1997). Countries, particularly the small ones, grouped together in order to have a greater voice in world affairs and collectively be able to deter possible external threat (Xuto, 1973).

Through the years, the region witnessed the establishment and growth of such cooperative arrangements and forums such as Association of South East Asian Nations (ASEAN), the Asia Pacific Economic Cooperation Forum (APEC), the ASEAN Free Trade Area (AFTA), the ASEAN Regional Forum (ARF) and the ASEAN+3 (ASEAN, China, Japan, Korea). These arrangements and forums have fostered the spirit of cooperation. There have also been security dialogues that encouraged participating countries to discuss and share information on security perceptions, threat assessments and intelligence estimates of regional security developments. Particular issues such as refugee movements, piracy, terrorism, major weapons acquisition programs, military exercises and forward deployments, defense doctrines and operational concepts are also tackled at these meetings (Gurtov, 2002).

Indonesia's views and policies on cooperation with the countries of the Asia-Pacific region have always been based on a careful appraisal of the particular relevance and potentials of such regional cooperation. Thus, the Asia-Pacific region has been Indonesia's main diplomatic arena, with Indonesia initiating and participating in many cooperative arrangements and organizations in the region. One of its initiatives is the newly established Southwest Pacific Dialogue (Shihab, 2001).

Indonesia and its Foreign Policy
in the Reformasi Era

With its territorial reach, immense population, and legacy of anti-colonial struggle, Indonesia has been viewed as the heavyweight of Southeast Asia (Case 2002, 20). Indonesia is the largest archipelago in the world. It consists of five major islands and about 30 smaller groups. Altogether there are 13,667 islands and islets of which about 6,000 are inhabited. The archipelago is at a crossroads between two oceans, the Pacific and the Indian oceans, and bridges two continents, Asia and Australia. This strategic position has been said to influence practically all aspects of life of the country (Indonesia 2003 Handbook).

With such geo-cultural importance, Indonesia has embraced an active and independent foreign policy since 1945. Such a move was essentially designed to serve the national interest while simultaneously allowing Indonesia to cooperate with other nations to "abolish colonialism and imperialism in all their forms and manifestations for the sake of world peace and social justice" (Wirajuda, 2001). Times, however, have changed. The 'reformasi' government acknowledged that the only way to seize the opportunities offered by globalization and avoid devastation from its negative effects is to narrow the gap between the "domestic" and "international". To address that challenge, Indonesian diplomacy underwent a mild modification intended to effectively translate national developments to foreign audiences and at the same time to convey efficiently the international realities and ideas in the mainstream of international thought to national constituencies (Wirajuda, 2001).

To pursue such a policy, the People's Consultative Assembly laid down a resolution on foreign relations in 1993. It was still highly emphasized that foreign relations shall be conducted on the basis of the independent and active foreign policy and for the purpose of establishing a world order based on freedom, lasting peace and social justice. But this was to materialize through the strengthening of multilateral arrangements such as United Nations, ASEAN, the Non- Aligned Movement, the Islamic Conference Organization and many more (Wirajuda, 2001).

The Indonesians also wanted to project a positive image abroad after its image was tainted by human rights violations in the former East Timor. For them, such image can be corrected as well as enhanced by way of cultural activities. Furthermore, Indonesia decided to continue to play a role in settling international problems based on the spirit of the Ten Principles of Bandung (Wirajuda, 2001).

The legislative body also advocated for greater cooperation among the countries of the South Asian and Southwest Pacific regions. This goal later on served as the basis for the birth of the West Pacific Forum, which eventually evolved into the Southwest Pacific Dialogue. Shihab (2001)

opined that the creation of such a forum was an effort to reposition Indonesia to play an appropriate role in the Pacific, a role that was not possible before because of the East Timor issue, but which today could be an important pillar of Indonesian foreign policy as well as a service to the Asia-Pacific region.

Southwest Pacific Dialogue:
Its Nature and Programs

The Southwest Pacific Dialogue was likely born out of then President Abdurrahman Wahid's anger against the sharp-tongued statesman of the region, Singapore's Lee Kuan Yew. In the year 2000, Abdurrahman Wahid spontaneously announced his idea of establishing a new multilateral West Pacific grouping after being humiliated by Lee, who had rejected his proposal to include Papua New Guinea and Timor Leste into the Association of Southeast Asian Nations (Purba, 2002).

After attending the annual ASEAN summit in Singapore in 2000, Wahid pointed out that the West Pacific forum would become a new cornerstone for Indonesia's diplomacy. Upon the instruction of their chief executive, Jakarta's Ministry of Foreign Affairs acted with the knowledge that, at least for the short term, they could use the informal forum to counter the diplomatic campaigns by the Free Papua Movement (OPM) among states in the Pacific, particularly Vanuatu (Purba, 2002).

The idea of establishing a forum for the West Pacific was particularly significant in the face of three important changes that had taken place on the political and economic landscapes of the Asia-Pacific region (Shihab, 2001).

With the independence of Timor Leste in 2000, it was deemed to be the interest of the region that assistance in large amounts be extended to the Timorese so that they can develop their political and economic infrastructure.

Secondly, the separatist movements in the region constituted a direct threat to its stability of the region as well as to good bilateral relations between affected countries.

The third change was the economic devastation caused by the Asian financial crises, which weakened the capability of the region in enhancing their development cooperation. Such cooperation had actually been based on bilateral agreements and at times resulted in disadvantaged situations for some countries (Shihab, 2001).

In response to the new situation, the Wahid Government was convinced that mutual cooperation in the region could be achieved through a forum in which countries can contribute to finding ways and means to solve the problems and concerns besetting the entire region (Shihab, 2001).

As a manifestation, six ministers convened in the Royal City of Jogjakarta to talk about the programs and strategies of the SwPD on October 5, 2002. Dr. N. Hassan Wirajuda, Minister of Foreign Affairs of the Republic of Indonesia served as the chairperson the meeting was attended by Mr. Alexander Downer, the Minister of Foreign Affairs of Australia, Mr. Phil Goff, Minister of Foreign Affairs and Trade of New Zealand, Sir Rabbie Namaliu, Minister of Foreign Affairs and Immigration of Papua New Guinea., Mr. Blas F. Ople Secretary of Foreign Affairs of the Republic of the Philippines, and Mr. Jose Ramos-Horta, Senior Minister of Foreign Affairs and Cooperation of Timor-Leste. At the end of their meeting, they signed a declaration on the establishment of a new forum in the Southwest Pacific region (Southwest Pacific Dialogue 2003).

The main objective of the Southwest Pacific Dialogue is to provide a forum for exchanging views and expertise on regional issues and possible sub-regional response to present and future challenges. The Dialogue will be based on the principles of regionalism, equality of members, non-interference in the domestic affairs, and accommodation. The ministers were to meet regularly and the participating countries will

host the Dialogue on a rotational basis in alphabetical order. A Senior Officials Meeting was to be convened annually to discuss and monitor the implementation of the Ministers' decisions (interview with Prajat, Tambunan).

Collectively, the SwPD member countries through their respective representatives expressed an absolute condemnation of acts of terrorism in whatever form and wherever and by whoever committed. By acknowledging terrorism as a profound threat to national, regional and international peace and security, the ministers agreed to devote their individual and collective energies to counterattack it, either by force or economically through poverty reduction. This declaration, however, clearly clarified that the fight was not targeted at any particular religious or ethnic group (interview with Prajat, Tambunan).

The ministers shared a common view that cooperation in the areas of education and culture should be further promoted through people-to-people contacts (interviews with Irawan, Sarsono, Kuntarto). In this regard, they urged relevant institutions and communities to participate in supporting this cooperation. In June 2003, Indonesia sponsored the 1st Southwest Pacific Dialogue Cultural Exchange Scholarship in Bandung and Jogjakarta for young representatives of the member-countries to learn Javanese and Sundanese culture[1].

Recognizing the need to enhance cooperation among countries in the region on maritime-related issues, it was agreed to explore areas of cooperation such as the promotion of safety of navigation and communication, coordination of search and rescue, and combating piracy and armed robbery. The ministers also stressed the need for the promotion and preservation of the marine environment, as well as for the conduct of marine scientific research (SwPD Handbook, 3).

The importance of developing national strategies and regional cooperation for combating transnational crimes including money laundering, drug trafficking, and trafficking of humans, was also included in the forum's concerns. Illegal migration, for instance, called the attention

of the member-countries since it had become an obvious irritant among neighbors. Indonesia was not spared from it since its vast archipelago is favored by Middle Eastern and Afghan refugees as a jumping off point for Australia. Thousands of illegal immigrants would make the perilous sea voyage south only to end up in desert detention camps in Australia's outback (Sukasorsono, 2002).

SwPD as Indonesia's fresh leverage

The expansion of Indonesia's presence in the South Pacific countries is triggered by the dire need to safeguard its "soft underbelly". The latter refers to former East Timor, Irian Jaya or Papua and also South Moluccas. The attraction of the South Pacific countries to these areas was very strong due to ethnic affinities and geographic proximity (Djalal 2001, 6). Thus, it was Indonesia's desire to seek a solution to these problems through discussions among representatives of neighboring countries rather than leaving it to confrontational negotiations between the Indonesian central government and advocates of regional independence. Moreover, Australia and New Zealand were also concerned with the simmering separatist movements in the Melanesian countries of Fiji and the Solomon Islands, which were both being considered as possible new members of the forum in the future (Letter from Samoa, 2001).

It should be noted that Indonesia is split between the western part, facing the Indian Ocean, and the eastern regions, facing the Pacific Ocean. People in Papua are not much interested in the progress of Singapore or Malaysia, which are too remote from them. Culturally and geographically, they feel much closer to Papua New Guinea. The sufferings of Papuans easily provoke expressions of solidarity from their neighbors. Australia, New Zealand and the smaller states in the Pacific are Papua's closer neighbors (Shihab, 2001).

For the East Nusa Tenggara people, East Timor was their nearest neighbor, with whom the people shared a similar culture, religion and also economic hardships. Although the presence of unwanted refugees

from East Timor is still a big burden for the poor province, a prosperous East Timor will also benefit its closest neighbor. Instability and chaos in the new state will firstly affect East Nusa Tenggara. Australia is another major economic power important to Nusa Tenggara. Moreover, residents of Maluku and North Maluku are also culturally and physically closer to those in the Pacific (Shihab, 2001).

This situation forced the Indonesian government to give more serious attention to the Pacific, although this move was not only directed at minimizing the international support for the Papuan rebels but also to boost economic cooperation between Indonesia's eastern provinces and the Pacific countries. Although many of the countries in the Pacific are small in terms of size or population, they could create problems for Indonesia as in the case of the 1980s, when Jakarta clearly underestimated the position of outspoken Vanuatu. Its government often attacked Indonesia's position on East Timor and Papua, but it was ignored for a long time until the government had no choice but to give more attention to the tiny island (Purba, 2002).

Some common maritime interests (e.g. fishing, prevention of marine pollution, maritime boundaries, marine safety and marine scientific research) between the archipelagic and island countries of the southwest Pacific also justified the establishment of a separate forum (Bateman, 2001). Moreover, the recent amendment to the 1976 Treaty of Amity and Cooperation in Southeast Asia could enable countries outside SEA, including those in the Southwest Pacific, to accede to the treaty (Alatas, 2001). As for Indonesia, close cooperation with the Southwest Pacific countries has featured as an important foreign policy directive in the Guidelines of State Policy since 1978 (Alatas, 2001).

In its economic aspect, it would have been possible to develop within the Southwest Pacific a microcosm of the North-South global partnership for development, with Australia and New Zealand representing the North, while Indonesia, Papua New Guinea, the Philippines and other developing nations in the region represent the South. It was said that the

economic synergy that could be developed within the forum countries could indeed be tremendous (Alatas, 2001).

The forum is also expected to have a positive impact on the bilateral relations of the countries of the region in the context of promoting peace and security. Three of the Southwest Pacific countries have land borders where bilateral interactions could be difficult to manage if insurgents from either side operate in those border areas, as they do in the case of Papua New Guinea and Indonesia. Moreover, regional action would be much more effective against transnational crimes, such as the trafficking in illicit drugs and human beings, compared to the efforts of any single country (1st Ministerial Meeting, 2002).

Indeed, recent developments in the region encouraged the utilization of multilateral forums to expand bilateral contacts and promote national interests. But some SwPD members once had serious problems and bitter experiences with Indonesia, as was the case with the establishment of the Association of Southeast Asian Nations (ASEAN). Likewise, many Indonesians feel that they have sacrificed too much for neighbors, who did not assist them enough during its own difficult times. It was also argued that Indonesia is too big to depend only on ASEAN and that Indonesia, perceived as much weaker now, is no longer the anchor of ASEAN (Bandoro, 2003). These are among the reasons why President Wahid had tried to correct the four-decade paradigm that ASEAN was the cornerstone for Indonesia's foreign affairs policy making — a paradigm which had in effect neglected the needs of people living in Indonesia's eastern part (Purba, 2002).

Since its establishment in 1967, ASEAN has been relatively more relevant for the interests of people in western Indonesia, Singapore, Malaysia, Thailand, Brunei, the Philippines, Vietnam, Laos, Cambodia and Myanmar as members, but not for the eastern part of Indonesia particularly North Sulawesi. The people of Sulawesi did not find any tangible benefit from the regional organization and their links with the Philippines were considered even more valuable as its closest foreign neighbor (Purba, 2002).

Conclusion

To fast track its economic recovery efforts, Indonesia needs a stable, peaceful and prosperous environment. With the change in the political conditions of the Pacific region, especially with the birth of the new state of Timor Leste, and the end of the conflict in Indonesia's eastern part, Indonesia was motivated to make a full swing of its diplomatic strategy in the region.

Through SwPD, Indonesia expects to be able to demand a compromise stand on this issue of separatism, being a revered pluralist society in terms of ethnicity, culture and religion. Scholarship programs such as *tari* (dance) and *gamelan* (music) lessons were offered to young scholars from SwPD member countries. This pilot program for socio-cultural cooperation was held in Jogjakarta and Bandung and financed by the Indonesian government (SwPD Handbook, 2003; Australian MFA, 2003). Such a gesture supports Indonesia's goal of purveying a positive image as well as raising mutual understanding among countries in the Southwest Pacific area.

In the midst of many complicated challenges, a dialogue forum such as SwPD appears to have a potential in finding solutions to the border problems. This is a good venue for the evaluation of "Cross Border Activities" in order to have a mutual understanding of "country border zone" (SwPD Handbook, 2003).

Moreover, being a victim of a terrorist attack on October 12, 2002, Indonesia should be able to employ the SwPD to convince Australia and other Pacific countries that international cooperation to fight terrorism is imperative. More importantly, Indonesia through SwPD will get the support and assistance of the international community to lessen the impact of terrorism as well as to regain the economic confidence of these countries in Indonesia.

In order for Indonesia to succeed in its newest initiative, according to Bantarto (2002), it must observe the following considerations.

Indonesia must be able to maintain stable bilateral and trilateral relations with members of the Forum, a relation which is not contaminated by feelings of past hatred. It must manage also separatist movements in such a way that would not violate human rights.

Since cooperation in the SwPD is quite different from that of ASEAN, Indonesia must introduce a new concept of economic, political and security cooperation to enhance the Forum's credibility. The framework may be one that might neutralize and deter whatever problems may occur. At the same time, it should initiate a fresh approach to solve the territorial disputes between Indonesia and other SwPD members. This is really important if SwPD wants to be freed from unexpected turbulence and if Indonesia wishes to be respected by SwPD.

Indonesia should also initiate a double-edged diplomacy: Current and future policy and diplomacy towards the region must win the hearts of other members of the domestic foreign policy community.

It should be taken into consideration that for these strategies to become effective, they must be coupled with a continuous domestic stability. Indonesia should restore its role in Southeast Asia since the profound benefits in the region flow from extensive partnerships and friendships with the countries in the region.

Now that Indonesia has added SwPD to the list of its Asia Pacific diplomatic priorities, in addition to ASEAN and the Asia Pacific Economic Cooperation Forum (APEC), Indonesia should base its regional diplomacy on rational considerations and in line with the particular geopolitical interests of the participating countries (Shihab, 2001; various interviews).

Indonesia's diplomacy in Asia Pacific particularly the Southwest Pacific region should not be pursued at the expense of its interest in ASEAN. Thus, the success in the diplomacy toward SwPD will depend on its capacity to balance diplomatic concerns. In effect, the success of the forum will greatly rely, among others, on the types of measures Indonesia will initiate to enhance the confidence of other participating countries. After all, SwPD is still largely in its confidence building stages.

Note

1   The Indonesian government offered five cultural bridges such as *karawitan, tari* (dance), *gamelan* (music), *wayang golek* (puppet playing) and *angklung* ensemble in West and East Java. Five participants are assigned in Bandung and ten delegates in Jogjakarta. The Philippines has four representatives, Papua New Guinea and Timor Leste have 3 delegates while New Zealand and Australia have one representative respectively.

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