

## **Chapter 3**

---

# **ASEAN Attempting to Strengthen Cohesiveness**



**T**he Association of Southeast Asian Nations (ASEAN) has strengthened its presence in the East Asian region after the Cold War by dint of the rapid economic growth its member countries had achieved. And it has come to play an essential role — as witnessed by the establishment of the ASEAN Regional Forum (ARF) — in promoting peace and stability in the region. The ASEAN economies, however, fell into recession in the wake of a currency crisis that had swept through Asian countries. In the process, Indonesia plunged into political confusion. Thailand and Indonesia, which had faced a serious economic crisis, had to submit their economic policy-making to the dictates of the International Monetary Fund (IMF). On the question of East Timor, Indonesia had no choice but to acquiesce to the intervention of outside forces led by the Australian Army. Thus, ASEAN's founding principle, that regional issues are resolved by its member countries, was severely tested.

In the face of such a trial, ASEAN countries have initiated efforts to stave off intervention in its regional affairs by outside forces by strengthening their cohesiveness. In 2000, ASEAN announced a Comprehensive Development Agenda aimed at narrowing the economic gap among its member countries, and instituted the ASEAN Troika System with a view to taking expeditious measures to deal with regional problems. In addition, it formed ASEAN Plus Three (ASEAN+3), a framework of cooperation between ASEAN countries, on the one hand, and Japan, China and South Korea, on the other, to strengthen regional cooperation among East Asian countries. These schemes have just got under way, and their success, or the lack of it, will decide the stature of ASEAN in East Asia in coming years.

The ARF chaired by a member country of ASEAN held its 7th Ministerial Meeting in Bangkok, which produced certain welcoming results. For one, the foreign minister of North Korea participated in the meeting for the first time and met his counterparts from Japan and the United States. While the meeting did not produce

any concrete result in preventive diplomacy, the role of the ARF in maintaining security in this region is still considerable.

## **1. Sense of Crisis over Loss of Autonomy**

### **(1) ASEAN That Was Strengthening Its Role**

It may be said that ASEAN had continued to develop smoothly prior to the Asian financial crisis of 1997. ASEAN established in 1967 by Indonesia, Malaysia, the Philippines, Singapore and Thailand. Since all five member states belonged in the noncommunist bloc, ASEAN at its inception was considered an anticommunist organization in Southeast Asia. However, ASEAN kept its door open to other Southeast Asian countries that were under the socialist regime. The ASEAN Declaration (Bangkok Declaration), which was issued when ASEAN was established, states that “the association is open for participation to all states in the Southeast Asian region” subscribing to the aims, principles and purposes set forth in the declaration. That goal of open participation was achieved when Cambodia was admitted in 1999. The Bangkok Declaration took a clear stand against interference by major powers in the affairs of Southeast Asia, stating that the foreign ministers of ASEAN states “are determined to ensure their stability and security from external interference in any form or manifestation.”

The founding goal of ASEAN laid down in the Bangkok Declaration came closer to being achieved with the end of the Cold War. The East-West confrontation in Southeast Asia evaporated, opening the way for improved relations between Indochinese countries and ASEAN. ASEAN states, which had achieved rapid economic growth since the second half of the 1980s, became desirable partners for Indochinese countries, which were giving top priority to economic development. Vietnam joined ASEAN in 1992, followed by Laos and Myanmar in 1997, and by Cambodia in 1999. As a result, ASEAN 10 came into being embracing all Southeast Asian countries.

To promote economic development in Southeast Asia, ASEAN is seeking to create the ASEAN Free Trade Area (AFTA), a common market in which all intraregional tariffs would be eliminated. At the 6th ASEAN summit held in Hanoi in December 1998, five original members and Brunei agreed to make efforts to reduce tariffs on selected products as close to zero as possible by 2003, while the new members agreed to take similar measures by 2008. Eventually, all import duties on regional products are to be eliminated by the first six members by 2015 and by the other members by 2018.

While expanding its membership and promoting economic cooperation, ASEAN stepped up efforts to build closer relations with non-ASEAN countries in East Asia. At the ASEAN summit held in Singapore in 1992, the member states adopted the Singapore Declaration calling for intensified external dialogues in political and security matters with the partners of Japan, the United States, Australia, Canada and the European Union. Subsequently, China and Russia were invited to participate in such dialogues. In 1994, with the participation of all major powers, the ARF was established to discuss security issues in East Asia. Thus, by maintaining a balance of power among major powers through such a policy, ASEAN aimed to keep any single power from rising to the position of exercising dominant influence on Southeast Asia, and to secure peace and stability in the region.

## **(2) Economic Crisis and External Interference**

However, these efforts by ASEAN faced great difficulties in the wake of the 1997 economic crisis. The free fall of the Thai baht that started in July led quickly to crashes in the Indonesian and Malaysian currencies, making it difficult for these countries to pay their external debts. Many businesses suffered serious cash shortages while import prices soared. As a result, the economies of Thailand, Indonesia, Malaysia and the Philippines all registered negative growth. The economic crisis in these developed ASEAN

**Table 3-1. Economic Growth Rates of ASEAN States**

	1997	1998	1999	2000	2001
Thailand	-1.8	-10.4	4.1	4.5	4.6
Indonesia	4.7	-13.2	0.2	4.0	5.0
Malaysia	7.5	-7.5	5.4	6.0	6.1
The Philippines	5.2	-0.5	3.2	3.8	4.3
Singapore	8.0	1.5	5.4	5.9	6.2
Vietnam	8.2	4.4	4.4	5.0	6.0
Cambodia	2.6	1.3	5.0	6.0	7.0
Laos	6.9	11.1	12.0	12.5	12.0

Source: Asian Development Bank, *Asian Development Outlook 2000*.

Notes: Figures are GDP growth rates. Figures for 2000 and 2001 are estimated.

states adversely affected less developed member states as well. Thus the visions of these latter members to achieve economic development by strengthening economic relations with more advanced members went awry. In 1998, economic growth in almost all ASEAN states suffered a setback. Because economic growth served as a centripetal force for ASEAN, its decline threatened to weaken ASEAN's cohesiveness.

Moreover, Indonesia's economic crisis caused political turmoil, leading in May 1998 to the resignation of President Suharto who had remained in power for more than 30 years. A major power of Southeast Asia, Indonesia has exerted great influence on ASEAN activities. For example, the country maintained friendly ties with Vietnam even during the Cold War and worked for the entry into ASEAN of Myanmar, which was being criticized by Western countries for violating human rights. In these and other ways, Indonesia played a major role in strengthening ASEAN's political cohesiveness. Recently, however, the country became a destabilizing factor in Southeast Asia as it slipped into political turmoil generated by separatist movements and religious conflicts in various places. ASEAN has lost the leadership of Indonesia in the political and security arena.

With its solidarity weakened after the economic crisis, ASEAN submitted to external interference. As ASEAN was unable to take

effective steps against the crisis, Thailand and Indonesia had no alternative but to seek IMF assistance. In making loans to these countries, the IMF called for compliance with a series of conditionality measures. In the name of a “global standard,” the IMF demanded changes not only in fiscal and monetary policy but in commercial practices as well. The Suharto administration initially balked, on the ground that some of the conditions violated the constitution, but in the end it was forced to accept all of the measures. On the other hand, Malaysia, which had also been hit by a severe economic crisis, adopted measures contrary to IMF policy — namely, restricting speculative capital transactions. In this way, Malaysia escaped the crisis and succeeded in averting external interference in its economic policy.

ASEAN also failed to play an active role in resolving the East Timorese conflict, which had become a political and security problem for the region. Australia proposed that the United Nations send an international force to East Timor, where large-scale disturbances erupted immediately after the popular referendum. While the pressure mounted for interference by external forces, ASEAN was unable to take its own action as it was bound by the principle of noninterference in the internal affairs of member states. As a result, an international force led by Australian troops was sent to East Timor. Thus, being unable to take the initiative to resolve the regional problem of East Timor, ASEAN allowed external forces to step in.

Faced with the series of crises and external interference described above, a sense of crisis mounted within ASEAN over losing autonomy. Autonomy declined in part because ASEAN's cohesiveness in the economic, political and security areas declined. In view of this, ASEAN in 2000 promoted efforts to strengthen its cohesiveness. At a meeting in Bangkok in July, ASEAN foreign ministers expressed the belief that “it was essential to strengthen ASEAN's cohesiveness and capacity to respond effectively to developments within and outside the region.”

## **2. Strengthening Economic Cohesiveness**

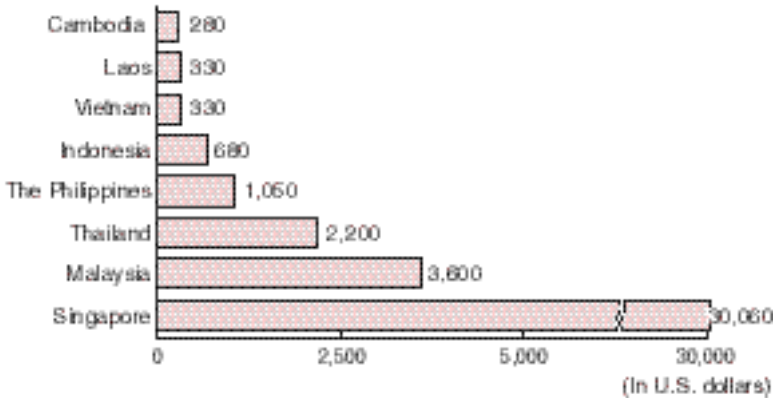
### **(1) Efforts to Reduce Regional Economic Gap**

One reason why ASEAN states were hit by an economic crisis is that their economic systems were unable to respond effectively to the formidable forces of economic globalization. To prevent the recurrence of crises, ASEAN states will have to tackle internal reforms, such as building clean government, improving transparency in the economic system, securing efficient corporate governance and establishing the rule of law. Additionally, to attract foreign investment back into Southeast Asia, it is essential to promote the AFTA. S. Jayakumar, Singapore's minister for foreign affairs, expressed a sense of crisis that if ASEAN failed in these reforms and continued to be seen as being ineffective, it might be ignored by dialogue partners outside the region, as well as by international investors.

To cope effectively with the impact of economic globalization and to establish the AFTA aimed at creating a common market, ASEAN states must strengthen their economic cohesiveness. However, this is being made difficult by the economic gap between member states. Compared with the six countries that comprised ASEAN through the 1980s, namely, Indonesia, Malaysia, the Philippines, Singapore, Thailand and Brunei, the new ASEAN members in the 1990s — Vietnam, Cambodia, Laos and Myanmar — are clearly lagging behind in economic development. According to estimates by the World Bank, the per-capita GNP of Singapore (\$30,060 in 1998), the largest in ASEAN, was more than 100 times as large as that of Cambodia (\$280 in 1998), which ranked the lowest in terms of GNP.

For the new ASEAN members, it is difficult to initiate bold economic reforms needed to cope with economic globalization or make the large tariff cuts required to establish the AFTA. To promote the economic integration of ASEAN it is necessary to enhance economic development in the new members. Prime Minister Chuan Leekpai



**Chart 3-1. Per-Capita GNP of ASEAN States (1998)**

Source: The World Bank, *World Development Report 1999/2000*.

of Thailand points out that “only by closing the gap between old and new members will ASEAN be able to move ahead with the speed and direction expected of it.” The new members have a strong desire to reduce the gap. For example, Foreign Minister Nguyen Dy Nien of Vietnam warned that “ASEAN cannot become a powerful economic entity despite its impressive recovery from the regional crisis if the development gap among its member nations keeps widening.”

The 33rd ASEAN Foreign Ministerial Meeting of July 2000 agreed to promote the development of the Mekong Basin with the aim of reducing the economic gap within ASEAN. Concerning the development of the Mekong Basin, including parts of Indochinese countries and southwestern China, the ASEAN-Mekong Basin Development Cooperation (AMBDC) was created in 1996 to initiate a development program. In July of the same year, at a ministerial meeting of the AMBDC in Kuala Lumpur, agreement was reached on a basic framework of cooperation, setting up an experts group, building a railway between Singapore and Kunming, China, and other matters. The development program came to a virtual standstill after the economic crisis, but beginning in 2000 ASEAN resumed development efforts. In July, the second ministerial meeting

of the AMBDC was held in Hanoi. At the ASEAN Foreign Ministerial Meeting, Cambodia called for the creation of a Mekong Basin Development Fund. In the end, however, the meeting agreed that a portion of the Solidarity Fund in the ASEAN Foundation, a \$20 million fund contributed by Japan, should be used for human resources development in a Mekong basin. ASEAN foreign ministers agreed to promote the participation in the Mekong basin development of Japan, China, South Korea, the Asian Development Bank (ADB), the World Bank and others.

With the information and communications technology (IT) playing a pivotal role in economic development, ASEAN states are increasingly aware of the need to reduce the digital divide, which might widen the economic gap among them. The 31st ASEAN Economic Ministerial Meeting held in Bangkok in October 1999 proposed an “e-ASEAN initiative” aimed at developing IT in the member states, thereby promoting their economic competitiveness in the global economy. The ministerial meeting held in July 2000 agreed to endorse the proposal and confirmed that progress was being made in drawing up a comprehensive action plan, including measures to narrow the digital divide within the region. Additionally, the meeting decided that ASEAN states would study the proposal put forward by Thai Prime Minister Chuan to hold an “ASEAN Trade Fair” every three years.

To revive ASEAN economies and increase their cohesiveness it is necessary not only to reduce the economic gap among them, but to narrow the gap between rich and poor within respective member states and elevate their overall economic levels. The 33rd ASEAN Foreign Ministerial Meeting announced a “Joint Declaration for a Socially Cohesive and Caring ASEAN.” In the declaration, ASEAN calls for a range of measures, such as preparing an ASEAN action plan to build social safety nets and increasing investment in human resources development as the basis for economic development. Poverty in ASEAN states has become widespread since the

economic crisis, creating political and social instability. Consequently, ASEAN faces an urgent need to tackle the poverty problem. For South-east Asia to meet sweeping changes brought on by globalization, it is essential that countries in the region increase their resilience. From this



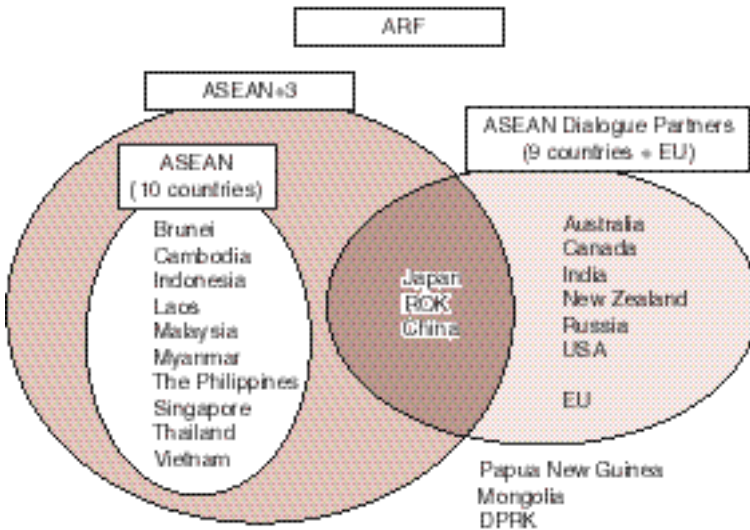
The leaders of Japan, China and South Korea who attended the ASEAN Plus Three meeting: (left to right) Yoshiro Mori, Kim Dae Jung, Zhu Rongji (November 24, 2000, Singapore)

point of view, the 33rd ASEAN Ministerial Meeting proposed a “Comprehensive Development Agenda.” Thai Prime Minister Chuan summed up the agenda in terms of three main pillars: outreach to the people, economic integration and ASEAN as a concert of nations. He emphasized that these efforts would contribute to the long-term dynamism and competitiveness of the region as a whole.

## **(2) Promotion of Cooperation with Japan, China and South Korea**

ASEAN has started strengthening its economic cohesiveness in order to overcome the economic crisis and put the regional economy back on the growth path. However, it is difficult for ASEAN, a group of developing countries with small markets and insufficient capital, to overcome the crisis only by strengthening its cohesiveness. Thus far ASEAN has achieved economic development through participation in dynamic trade and investment relations in East Asia. Consequently, it is essential for ASEAN to strengthen cooperation with other East Asian countries for overcoming its eco-

**Chart 3-2. Members of ASEAN, ARF and ASEAN Plus Three**



economic crisis. In light of this reality, ASEAN is strengthening economic relations with Japan, China and South Korea.

In November 1997, the first ASEAN Plus Three summit of ASEAN, Japan, China and South Korea was held. The second such meeting was held in Hanoi in December 1998 and the third in Manila in November 1999. At the Manila meeting, the leaders of ASEAN, Japan, China and South Korea issued the Joint Statement on East Asia Cooperation. In it, the ASEAN Plus Three agreed to strengthen cooperation in a broad range of fields, including politics, security, economy and culture. In particular, cooperation in the economic and social fields was emphasized. In line with these developments, the first ASEAN Plus Three meeting of economic ministers was held in Yangon, Myanmar, on May 2, 2000. The ministers shared the view that the meeting could provide a valuable opportunity for further collaboration, promote a cohesive response to the challenges of globalization, and recover the region's role as a world growth center. Accordingly, they agreed to promote coopera-

tion in nine specific areas, including expanded cooperation in increasing trade and investment, and in the IT sector and Mekong Basin development.

In accordance with these agreements, ASEAN Plus Three cooperation made a great step forward in the financial field. On May 6-8, the ADB's annual meeting was held in Chiang Mai, Thailand. The ASEAN Plus Three finance ministers who gathered in Chiang Mai agreed to promote measures to strengthen financial cooperation, which were called the Chiang Mai Initiative. Previously, Indonesia, Malaysia, the Philippines, Singapore and Thailand had concluded currency swap agreements worth \$40 million to prevent the recurrence of a currency crisis. Under the Chiang Mai Initiative, these agreements were expanded to include other ASEAN states and Japan, China and South Korea. In addition, the finance ministers agreed to build a "repo" network of securities repurchase agreements among ASEAN Plus Three.

The progress of ASEAN Plus Three cooperation in the financial sector reflects the fact that during the economic crisis East Asian countries were unable to receive meaningful assistance from the United States and the European Union. East Asia had little say in the policies of the IMF and other international financial institutions, which were under the strong influence of the United States and major European countries. In light of this experience, East Asian countries recognized the need to prepare their own countermeasures in case of another economic crisis. As Thai Foreign Minister Dr. Surin Pitsuwan put it, "The economic crisis had convinced ASEAN, Japan, South Korea and China that they could not live apart in isolation from each other."

In November 2000, the fourth ASEAN Plus Three summit was held in Singapore. The leaders reaffirmed the importance of promoting the Chiang Mai Initiative and agreed to organize a study group with a view to creating an "East Asia Free Trade Area." Thus a framework of cooperation in trade, and not only in finance, is developing among the ASEAN Plus Three. With economic inter-

dependence in East Asia growing, ASEAN Plus Three cooperation in the economic field is expected to strengthen in coming years.

### **3. Promoting Political and Security Cooperation**

#### **(1) Creation of “ASEAN Troika”**

The turmoil created by the financial crisis and the Indonesian situation has brought home to ASEAN states that the security environment surrounding ASEAN is changing significantly amid ongoing globalization. There is indeed the growing possibility that problems in one member might spill over to other. Consequently, ASEAN states face a pressing need for cooperation to cope with such problems. At the informal ASEAN summit held in Manila in November 1998, the member states agreed on the need to make ASEAN's long-held principle of noninterference more relevant to the new security environment. The agreement is of great significance, considering that a review of this principle — repeatedly proposed by Thailand and the Philippines in the previous several years — had failed to win the consent of other members. Accordingly, ASEAN leaders agreed to study Thailand's proposal to create an “ASEAN Troika” to enable ASEAN to cooperate more effectively and closely on issues affecting the peace and stability of the region.

In line with these developments, the 33rd ASEAN Foreign Ministerial Meeting of July 2000 agreed to create the ASEAN Troika system. The purpose of the ASEAN Troika is to enable ASEAN to address in a timely manner urgent and important regional political and security issues and situations of common concern likely to disturb regional peace and harmony. The ASEAN Troika is expected to elevate ASEAN cooperation to a higher plane and further serve to enhance ASEAN unity and solidarity. The troika comprises the present, previous and succeeding chairs of the ASEAN Standing Committee (ASC), with the ASC chairman presiding. The ASEAN Troika, which is not a standing body, is to be

**Table 3-2. Troops Dispatched to East Timor from ASEAN States**

Country	INTERFET	UNTAET
Malaysia	30	41
The Philippines	1,000 (Max)	725
Singapore	250	60
Thailand	1,581	914
(Australia)	4,500 (Max)	1,742

(persons)

Source: National Institute for Defense Studies, *East Asian Strategic Review 2000*, p. 26; UNTAET, *East Timor Update, March 2000*.

Note: Figures for INTERFET are as of November 8, 1999, and those for UNTAET as of March 21, 2000. Participants in UNTAET include military observers and civilian police.

established at the request of the ASC chair or any other foreign minister. Basically, the troika will report and make recommendations to ASEAN foreign ministers. Ultimately, however, its mandate will be determined through foreign ministerial consultations, which give it a degree of flexibility.

In carrying out its tasks, however, the ASEAN Troika is subject to restrictions. Many of regional concerns, such as the East Timorese conflict, are closely and/or directly related to the internal affairs of member states. To some ASEAN states that are strongly opposed to external interference, it is not desirable that the troika should be vested with strong authority. Consequently, a document adopted by the ASEAN Foreign Ministerial Meeting emphasizes that the troika will carry out its tasks in accordance with “the principles of consensus and noninterference,” and will therefore not involve itself in the internal affairs of member states. Additionally, Thailand’s original proposal to make the troika a standing body was shelved since the establishment of the troika is premised on the consensus of all ASEAN states. Moreover, it was emphasized that the troika is a body to support and assist ASEAN foreign ministers, and not a decision-making body.

The ASEAN Troika system, notwithstanding its establishment, is constrained by the principle of noninterference in internal af-

fairs. Consequently, it is not immediately possible for the troika to respond quickly to major regional problems. However, the very fact that the troika system has been established demonstrates that ASEAN states agree on the need to respond effectively to regional problems. In the long run, the ASEAN Troika may prove to be a major step in strengthening ASEAN solidarity over political and security issues. For example, at the “Retreat of the Foreign Ministers,” an unofficial forum held prior to the foreign ministers’ meeting, it was agreed that the troika’s chair should be given the latitude and flexibility to take initiatives concerning issues of common interest. For the time being, the troika is expected to address issues amenable to regional cooperation, such as transnational crime (e.g., narcotics and human trafficking) and transborder environmental problems (e.g., forest fires). The troika can handle much wider issues as it accumulates experience in problem solving.

## **(2) Support for Indonesian Unity**

One of the major problems that has made ASEAN recognize the need to strengthen its solidarity is the fact that ASEAN was unable to prevent external interference in the East Timorese conflict, which ASEAN should have taken the initiative to resolve as a regional problem. East Timor, which is making preparations for independence under the United Nations Transitional Administration in East Timor (UNTAET), is no longer a major threat to the stability of Indonesia. The ASEAN states that participated in the International Force for East Timor (INTERFET), such as Thailand and the Philippines, have continued to participate in the peace-keeping operations (PKO) of the UNTAET, thus contributing to the stabilization of East Timor. However, Indonesia faces other problems that threaten its stability. These include the separatist movements in Aceh and Irian Jaya (Papua), and the religious conflicts in Maluku and North Maluku. In particular, the sectarian clashes between Muslims and Christians in the Malukus have claimed the lives of an estimated several thousand people. On June 23, the gov-



ernment of Indonesia imposed a “state of civil emergency” in the Malukus. But the conflict has yet to be resolved.

As turmoil continued in the Malukus, pressure for international intervention mounted. On July

**ASEAN Plus Three summit (November 24, 2000, Singapore)** (Kyodo Photo)

23, Indonesian President Abdurrahman Wahid said he had learned in a telephone conversation with U.N. Secretary-General Kofi Annan that some members of the Security Council had pressured him to send a PKO unit to the Malukus. In view of the fact that the failure of the Indonesian government to maintain security had led to international intervention in East Timor, the possibility of further external intervention in the strife-torn Malukus cannot be ruled out. ASEAN faced a compelling need to cope with the Maluku problem on its own so as not to repeat the failure in the East Timorese problem.

ASEAN states moved in step to forestall external intervention in Indonesia. The joint communique issued by the ASEAN Foreign Ministerial Meeting in July expressed an outright support for the sovereignty, territorial integrity and national unity of Indonesia. Reaffirming that the stability and prosperity of Indonesia would contribute to the peace and stability of the Asian region as a whole, the ASEAN foreign ministers commended the efforts and measures taken by the Indonesian government to restore internal peace and stability. In addition, to head off international intervention in Indonesia ASEAN succeeded in securing the support of Japan, China and South Korea. The ASEAN Plus Three Foreign Ministerial Meeting held on July 26 issued a joint statement in support of the sovereignty, territorial integrity and national unity

of Indonesia. While expressing strong support for the sovereignty and unity of Indonesia, including Aceh and Irian Jaya, the ASEAN Plus Three foreign ministers called for the international community to support the Indonesian government in its humanitarian relief efforts.

It is noteworthy that such a joint statement concerning regional security was issued within the framework of the ASEAN Plus Three. Originally this framework had developed from the need to strengthen cooperation among East Asian countries to overcome the economic crisis. So far, four ASEAN Plus Three summits have been held while the ASEAN Plus Three Foreign Ministerial Meeting, held for the first time in early July, is to be held regularly. Thai Foreign Minister Surin has dispelled the notion that the ASEAN Plus Three would become an East Asian security entity separate from the ARF. However, the "Joint Statement on East Asia Cooperation" issued by the ASEAN Plus Three summit held in Manila in November 1999 calls for continuing cooperation in the political and security area, in order to promote regional peace and stability.

In November 2000, the fourth ASEAN Plus Three summit was held in Singapore. The summit leaders agreed to study the idea of developing the ASEAN Plus Three summit into an "East Asia Summit." Thus far ASEAN Plus Three summits have been held with ASEAN inviting Japanese, Chinese and South Korean leaders on the sidelines of the ASEAN summit. If an East Asia Summit is established, a new framework of cooperation embracing ASEAN states, Japan, China and South Korea will come into being as an entity independent from ASEAN meetings. When it happens, it will enhance regional cooperation in the whole of East Asia, among Southeast Asian and Northeast Asian countries. The ASEAN Plus Three framework will contribute greatly to regional stability and prosperity if countries in East Asia can deepen mutual understanding through candid discussion of security and other issues.

## **4. The Current Status of ASEAN Regional Forum**

### **(1) Participation by North Korea**

On July 27, 2000, the seventh Ministerial Meeting of the ASEAN Regional Forum was held in Bangkok, Thailand. The ARF, which brings together Japan, the United States, China, Russia, the European Union and others along with the 10 ASEAN states, discusses security issues in the Asia-Pacific region. What is notable about the latest meeting is that the Democratic People's Republic of Korea (DPRK, or North Korea) joined the forum as its 23rd member, with Foreign Minister Paek Nam Sum attending. Since the end of the Cold War various frameworks of multilateral security cooperation and dialogue have been established in the Asia-Pacific region, but North Korea had remained internationally isolated, refusing to participate in these arrangements. In June, however, North Korea held a summit with South Korea and began to change its diplomatic policy dramatically by taking a range of positive steps, such as stepping up dialogue with Japan and the United States. North Korea's entry into the ARF strongly impressed on Asia-Pacific countries the changes taking place in the nation.

All ARF member countries welcomed North Korea's entry. The statement issued by the chair of the seventh ARF Ministerial Meeting welcomed North Korea's participation. Additionally, referring to the inter-Korean summit of June, the statement noted with satisfaction the positive developments on the Korean Peninsula and expressed hope for further progress in the inter-Korean talks, Japan-DPRK and U.S.-DPRK talks. The chairman's statement of the previous year had expressed "concern" over the missile launch by North Korea, saying that it "could heighten tensions and have serious consequences for stability in the Korean Peninsula and the region." Considering that statement, it can be said that North Korea has made considerable diplomatic gains through its participation in the ARF. Thai Foreign Minister Pitsuwan, who chaired the meeting, highly welcomed North Korea's participation, saying

that it would contribute to regional peace, better understanding and a higher level of confidence for the region.

On the sidelines of the ARF ministerial meeting, DPRK Foreign Minister Paek conferred with Japanese Foreign Minister Yohei Kono and U.S.

**Foreign Minister Kono and Foreign Minister Paek shaking hands at ARF meeting (July 26, 2000, Bangkok)** (Kyodo Photo)

Secretary of State Madeleine Albright for their first bilateral foreign ministerial talks. In the meeting with Foreign Minister Kono, Foreign Minister Paek indicated a positive stance on Japan-North Korea normalization talks, expressing a desire to realize normalization in consultation with Foreign Minister Kono, instead of leaving it to future generations. He said that North Korea would strive in all sincerity to improve relations with Japan. The Japanese and North Korean foreign ministers issued a joint statement at the end of their talks, in which they expressed their intention to work toward normalization and agreed to resume in August the suspended normalization talks.

Foreign Minister Paek and Secretary of State Albright conferred on July 28. Albright sought a further clarification about the statement by Kim Jong Il, chairman of the National Defense Commission, that North Korea would halt its missile development program in exchange for satellite launch technology, but no definite reply was obtained. However, the secretary of state favorably evaluated the first U.S.-DPRK foreign ministerial meeting as “a substantially modest but symbolically historic step,” thus expressing

her feeling that she was somewhat more hopeful than before about the prospects for long-term stability on the Korean Peninsula and throughout the region.

North Korea's participation in the multilateral security dialogue of the ARF and the simultaneous ministerial meetings with Japan and the United States will likely have positive effects on the security environment in the region, for it is reasonably clear that for the time being North Korea will continue its efforts to improve relations with neighboring countries. On the other hand, North Korea's participation in the ARF has provided ASEAN with a golden opportunity to make the international community realize anew the significance of the ARF. ASEAN states had made rigorous efforts to bring North Korea into the ARF. Thai Foreign Minister Surin emphasized that North Korea's entry would serve to reinforce the process and relevance of the ARF.

## **(2) Lack of Progress in Preventive Diplomacy**

ARF members agreed at the second Ministerial Meeting in 1995 to promote the development of the forum in three broad stages, namely, the promotion of confidence-building measures, development of preventive diplomacy and that of conflict-resolution mechanism. The ministers agreed to create an Intersessional Support Group (ISG) on Confidence Building before the next meeting. At the fourth Ministerial Meeting in 1997, the ministers agreed to start government-level studies on the second stage of ARF development, namely preventive diplomacy, and requested the ISG on confidence-building measures to clarify approaches to preventive diplomacy. At the 5th Ministerial Meeting in 1998, participants agreed to begin exploring the overlap between confidence-building measures and preventive diplomacy, including specific matters. And at the sixth meeting in 1999, the ministers requested the ISG to further explore the overlap between confidence-building measures and preventive diplomacy with the focus on the concept and

principles of preventive diplomacy. In this regard, the ministers welcomed the offer by ASEAN to prepare a report on the concept and principles of preventive diplomacy.

In light of these developments, attention was focused on what agreement the ARF would reach on preventive diplomacy at the seventh Ministerial Meeting in 2000. However, Singapore presented a report on the concept and principles of preventive diplomacy, but no specific agreement was reached concerning the report. The ministers agreed only to continue the discussions. However, they agreed to request the ISG on confidence-building measures to submit recommendations on the concept and principles of preventive diplomacy to the next ministerial meeting. Thus the ISG was assigned the task of making a specific study of the report on preventive diplomacy. Although difficulties are anticipated in the progress of preventive diplomacy at the ARF, it is hoped that the discussions on this subject will be continued and that these discussions will help increase confidence among the participating countries.

Concerning overlaps between confidence-building measures and preventive diplomacy, it was confirmed at the seventh Ministerial Meeting that agreement had been reached on four points. They were the enhancement of the role of the ARF chair, preparation of the ARF register of security experts and eminent persons, publishing of the annual security outlook, and voluntary background briefing on regional security issues. Accordingly, the ministers requested the ISG on confidence-building measures to develop these efforts. Concerning an enhanced role of the ARF chair, the ministers noted the progress made in promoting exchanges between the ARF and the United Nations, the Organization of American States and the Organization for Security and Cooperation in Europe, as well as interactions between intergovernmental meetings (track I) and nonintergovernmental meetings (track II). In addition, the first edition of the *Annual Security Outlook*, which had been prepared voluntarily by member states without any editing by the ARF chair, was published in 2000.

The ARF, the largest framework of political and security dialogue in the Asia-Pacific, has a large role to play in securing regional peace and stability. However, in spite of the agreement reached on its three-stage process of development, the ARF has yet to move to the second stage, preventive diplomacy, from the first-stage process of confidence-building. For this reason, doubt has been voiced about its effectiveness. Judging from the level of institutionalization, the ARF has not made much progress. The ARF, however, is a security forum flexible enough for North Korea to be fully associated with. It is agreed that the ARF's development process must be acceptable to all participating countries. North Korea's participation could further delay the development of the ARF process. To evaluate the effectiveness of the ARF, the level of institutionalization is just one of the criteria. What is needed is to make a multidimensional analysis with mid- and long-term perspective, so as to appreciate the very fact that security dialogue during the ARF session itself is contributing to promoting the confidence-building among participants.

