

## **Chapter 5**

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### **Southeast Asia— Formation of a Community and the Challenges**



The fragility of democracy in Thailand and the Philippines was revealed in 2006. In Thailand, a military coup—the first since 1991—overthrew the government of Prime Minister Thaksin Shinawatra. The military that seized power drafted a provisional constitution, and Gen. Surayud Chulanont, former army commander-in-chief and Privy Council member, was elected interim prime minister. The military has affirmed the transition to democratic government in 2007 following the promulgation of a new constitution and a general election. In the Philippines, too, plans for a military coup came to light, and President Gloria Macapagal-Arroyo declared a state of emergency. Although some citizens staged a protest against the declaration, the anti-Arroyo movement died down without widening in scope.

The Association of Southeast Asian Nations (ASEAN) is drafting a charter to clarify the organization's legal status. In the process of debate about the charter, ASEAN member states are reexamining the organization's long-held principle of noninterference in the internal affairs of members and also the method of decision making that requires unanimous consent. Meanwhile, as part of the process of forming an ASEAN Security Community (ASC), an ASEAN Defence Ministers' Meeting (ADMM) was held for the first time in 2006. The ADMM reviewed issues concerning regional security and confirmed the collective will to establish an ASC. While they were discussing the formation of an ASC, questions were raised as to how internal issues of ASEAN member states—such as the turmoil in Timor-Leste and the democratization of Myanmar—should be settled.

Of late, China has been actively getting involved in building cooperation with ASEAN not only in the economic field but also in security issues. On the other hand, the United States has also sought to strengthen its relations with Indonesia, the Philippines, and other Southeast Asian countries.

## **1. Military Intervention in Politics under Democracy**

### **(1) Thailand: Military Coup d'Etat and the Deep South Problem**

In a general election held in February 2005, the ruling Thai Rak Thai (Thais Love Thais) Party led by Prime Minister Thaksin Shinawatra won an overwhelming victory (377 out of 500 seats), which seemed to make the second-term Thaksin administration more stable. Into 2006, however, political turmoil worsened in Thailand. What triggered the confusion was a dubious stock transaction conducted by the prime minister's family. In January it was reported that they sold shares of Shin Corp., a leading Thai communications company, to a Singaporean firm at a large profit. Subsequently, suspicion mounted that the stock transaction constituted insider dealing. Although Prime Minister Thaksin denied the charge, an anti-Thaksin force led by a journalist named Sondhi Limthongkul orchestrated large-scale street rallies, demanding Thaksin's resignation.

What fanned suspicion about insider trading by the prime minister's family into a popular demand for the prime minister's resignation was widespread discontent over his manner of governing. He had been criticized for his lack of ethics as prime minister because he did not properly disclose his own assets, abusing his position and power to accumulate profits. The sale of Shin Corp.'s shares to a Singaporean company hurt the nationalistic sentiment of Thai people, and fueled popular mistrust of the prime minister. Further, there was deep-rooted criticism about the authoritarian manner of his governance. Since taking office in 2001, he had exercised strong leadership in putting the economy back on a recovery track after the financial crisis of 1997. However, the Thai authorities under his administration killed more than 2,200 people in the name of combating drug trafficking, and the dispatch of a security force to the restive south provoked resistance from antigovernment forces, claiming more than 1,500 lives. The hard-line tactics employed by Prime Minister Thaksin were severely criticized by human rights groups. Meanwhile, the prime minister adopted high-handed tactics against news media critical of his administration, having the police investigate them and strengthening control over them, so provoking further strong criticism.

To mounting demands for his resignation, he responded by dissolving the Lower House. As he had taken positive measures to develop rural areas, he received overwhelming support from people living in the countryside, who account for about 60 percent of the population. The ruling Thai Rak Thai Party he

himself led had ample financial resources, which gave the party an edge in an election campaign. With a massive popular support, Prime Minister Thaksin decided to hold an election to test the popular confidence in his administration. As they were at a disadvantage, the opposition parties took an unprecedented step: they boycotted the voting. As a result, 287 out of 400 constituencies had only one candidate each. In a general election held on April 2, 2006, the ruling party won 16 million votes, or 57 percent of the vote, and Prime Minister Thaksin declared a victory in the election. However, the number of votes his party garnered this time around was 3 million less than it had won in the election of February 2005. Under the election law, when a constituency has only one candidate, the candidate must win 20 percent or more of the vote in order to qualify for an election, but candidates in 38 constituencies failed to meet this requirement. Under these circumstances, the opposition parties and anti-Thaksin forces carried out massive street demonstrations to challenge the validity of the election results. On April 4, 2006, after an audience with the king, Prime Minister Thaksin announced that he would not assume office as the next prime minister, in part, because he wanted to avert prolonging political confusion in the run-up to the 60th anniversary of the king's accession to the throne.

In the following weeks, a confrontation persisted between the ruling party, which claimed that the election was valid and called for an early opening of Parliament, and the opposition parties, which declared the election invalid and called upon the king to nominate a new prime minister. Although the king remained silent during the political confusion, he summoned on April 25 representatives of the Administrative Court and the Constitutional Court to his palace and ordered them to seek a path to resolve the political crisis, saying that under constitutional provisions, he could not appoint a prime minister, and that it was their responsibility to protect democracy from single-party control of the country. Pursuant to the king's order, representatives of the Supreme Court, the Supreme Administrative Court, and the Constitutional Court met on April 28 to work out an effective solution. On May 8, the Constitutional Court declared the election invalid. They ordered the government to hold a reelection. At the end of May, the government accepted the court's decision and decided to hold a reelection on October 15. In the meantime, three members of the Election Commission rumored to have had a cozy relationship with Prime Minister Thaksin were indicted on July 26 on charges of violation of the Election Commission Act, and

resigned their posts. As the nomination of three new members of the Election Commission by the Senate was delayed, the reelection was postponed to November. Meanwhile, Prime Minister Thaksin showed interest in staying on as prime minister following the election, which made the political situation surrounding him increasingly complicated. On July 6, the Office of the Attorney General brought an indictment against the ruling and major opposition parties on charges of violation of the Election Law during the April election. On July 13, the Constitutional Court accepted the indictment and decided to hold a hearing on the case. If convicted, these parties face dissolution.

The political turmoil in Thailand that had lingered since early 2006 was brought to an abrupt end by a military coup d'état. Since the Constitutional Revolution in 1932, the military had played a dominant role in politics, and military coups had occurred frequently as a lever for changing power. Since an incident in May 1992 (dubbed Black May), when the army opened fire on demonstrators and killed and injured about 100 people, the military had withdrawn from the political stage. However, the political confusion of 2006 invited military intervention once again. Taking advantage of the absence of Prime Minister Thaksin, who was on an overseas trip, an anti-Thaksin group of military officers occupied the Office of the Prime Minister, parliament buildings, and television stations on September 19; and a Council for Democratic Reform under Constitutional Monarchy headed by Gen. Sonthi Boonyaratglin, Army commander-in-chief, took power. The council suspended the 1997 constitution and proclaimed martial law across the country. Although Prime Minister Thaksin declared a state of emergency from the United States where he was then visiting, no strong action to support him was taken, and he was obliged to exile himself to the United Kingdom.

On September 20, General Sonthi was formally appointed by the king as chairman of the Council for Democratic Reform under Constitutional Monarchy and took office as an interim prime minister. The same day General Sonthi met with the diplomatic corps and announced that the council would enact a provisional constitution

within two weeks so that a new cabinet under a civilian prime minister could be formed. The council also embarked upon an investigation of suspected wrongdoings by former Prime Minister Thaksin and key officials of his administration. While the National Counter Corruption Commission and the Auditor General opened investigations on corruption, the government established a special commission to reexamine the public works projects undertaken by the Thaksin administration and personal assets of its cabinet members. On October 1, the king appointed as interim prime minister Privy Council Member Gen. Surayud Chulanont, who had been elected by the council, and approved the provisional constitution. The provisional constitution sets forth the procedure for transferring power to a civilian government as follows: The council establishes a National People's Assembly consisting of not more than 2,000 members and the National People's Assembly in turn establishes a Constitution Drafting Assembly, which drafts the constitution within 180 days; a national referendum is held within 30 days; a Constitution Drafting Committee appointed by the Constitution Drafting Assembly formulates laws relating to national elections; and a general election is to be held in accordance with these laws. According to the provisional constitution, the Council will be reorganized into a Council for National Security that will be involved in running the government. Given the continuing involvement of the military in government, whether power can be smoothly transferred to a civilian government or not still remains unknown.

On September 28, the US government announced that it would suspend military aid to Thailand until a democratically elected government has been set up. The international community, mainly Western countries, took a critical view of the coup d'état, and it appeared that the military and the interim government took seriously the international criticism of the coup and the potential domestic backlash. Immediately after taking office, Prime Minister Surayud met with US Ambassador Ralph Boyce on October 2, and visited member states of ASEAN in mid-October to explain the situation surrounding the coup d'état to the heads of these countries. On the domestic front, most of the 26 members of his interim cabinet launched on October 9 were chosen from academics and experts. On November 9, the National Legislative Assembly passed a law lifting the ban on political gatherings. Then, on November 28, the interim government decided to lift martial law in 41 provinces including Bangkok, trying to erase the image of oppressive rule. If only to ease international criticism, the interim government, which is made up mainly of

technocrats, is called upon to carry out appropriate economic and social policies and an early transfer of power to a civilian government. The military, however, wary about the return of former Prime Minister Thaksin to the political arena, put off lifting martial law in the remaining 35 provinces, and is arguing over the necessity to retain the interim government for another 18 months until the new political system has stabilized. Therefore, the prospect for the transfer of power to a civilian government still remains unclear.

The disturbances in Thailand's Deep South, one of the main grounds for criticism of the former prime minister, showed no sign of abating in 2006. Since the January 2004 attack on an army armory that was suspected to have been committed by Islamic separatist and independence groups, terrorist bombings and attacks on government and security officials, teachers and Buddhists have continued, and more than 1,500 people have been killed over the past three years. In response, the Thai government has taken various measures, including arresting suspects of terrorist attacks, reinforcing the security forces, and introducing registration of mobile phones mandatory to prevent their use in bomb attacks. Between late 2005 and early 2006, disturbances temporarily subsided. Thai authorities claimed in January 2006 that some headway was made in restoring control over these areas, and announced that an additional 5,300 police officers would be sent south on top of the 30,000 troops and policemen already deployed there in order to improve the arrest rate. However, after the celebration of the 60th anniversary of the king's accession to the throne in June, terrorist attacks occurred frequently. On June 15, bombs exploded at about 50 locations in the provinces of Yala, Pattani, and Narathiwat, killing three people. On August 1 and 2, a series of explosions occurred at more than 100 locations, killing three policemen and a soldier. And on September 16, bombs exploded simultaneously at three places (hotels and department stores) in Songkhla Province, killing four people.

On June 5, the National Reconciliation Commission submitted to the government a report entitled "Overcoming Violence through the Power of Reconciliation" that recommended measures to be taken to end the violence in the southernmost provinces. The commission was created in March 2005 by the order of former Prime Minister Thaksin. The commission was composed of 50 members, including former Prime Minister Anand Panyarachun serving as chairman. As the title suggests, the commission questions the hard-line tactics employed by past governments and recommends that the government determine root causes of



violence and solve the problem not by oppression but through consultation. The main point of its recommendation lies in enacting a Southern Border Provinces Act and establishing a Peaceful Strategic Administrative Center for Southern Border Provinces, a Southern Border Provinces Area Development Council, and a Fund for Healing and Reconciliation pursuant to the act. The Peaceful Strategic Administrative Center is a revived version of the Southern Border Provinces Administrative Center that had been abolished by former Prime Minister Thaksin in 2002. This center will be composed of representatives from the military, police and civilians, with a chief appointed by the king. The report also recommends the establishment of an unarmed peacekeeping force and the introduction of Islamic law and the Malay language in local administrations. Its recommendations are based on the thinking that the disturbances in the southern border provinces were not caused by religious differences or separatism but by discrimination against the provinces such as an unjust judicial process, misallocation of resources, and marginalization from economic development.

Islamic leaders in the southernmost provinces supported the view of the National Reconciliation Commission and called on the government to immediately implement the policies recommended by the commission. The government instructed the government-sponsored Independent Commission on Justice and Civil Liberties of the Southern Border Provinces to review the recommendations of the report and indicated its willingness to modify its past policy of single-minded pursuit of strong-arm tactics and consider a reconciliatory policy. On June 19, Prime Minister Thaksin granted General Sonthi, a Muslim, comprehensive power to run the southern border provinces. At the request of General Sonthi, the government decided to send reinforcements to these provinces and extended martial law for another three months on July 18. Meanwhile, General Sonthi expressed his support for the recommendation of the National Reconciliation Commission to establish an unarmed peacekeeping force, and as part of the so-called Peace Project promoted by the Supreme Command's Armed Forces Security Center, a meeting was held on September 16 to which insurgent sympathizers and separatist leaders—the Gerakan Mujahidin Pattani, its offshoot the Gerakan Mujahidin Islam Pattani, and the Bersatu—were invited. The objective was to gather information concerning the other parties to the dialogue—separatists and their sympathizers. About 1,500 Muslims attended the meeting, and they submitted to the authorities a list of 3,000 Muslims who agreed to cooperate with the government.

On September 19, Prime Minister Thaksin was relieved of his post by leaders of the military coup d'état. General Sonthi assumed control of the government, and hopes of the inhabitants of the southern border provinces for a peaceful settlement of the disturbances ran high. In fact, the new government made it clear that it wanted to drop the strong-arm tactics of the previous administration and to seek a solution to the problem through dialogue. On October 4, General Sonthi indicated his willingness to hold a dialogue with the separatist groups and ordered the commander of the Fourth Army who has jurisdiction over the southern border provinces to make arrangements for opening a dialogue. On November 2, Interim Prime Minister Surayud accompanied by General Sonthi visited these provinces and had a dialogue with more than 1,200 local inhabitants including local authorities, religious and community leaders. On October 18, Prime Minister Surayud visited Prime Minister Abdullah Badawi of Malaysia and won his promise of cooperation in finding a peaceful solution to the southern riots. However, terrorist bombings and attacks took place intermittently even after the new government was launched, and the situation showed no sign of improvement. Although the new government is sympathetic toward granting a certain degree of autonomy to the southern border provinces, it firmly rejects granting them independence, and the conflict with separatists over this issue is likely to deepen. The situation in the southern border provinces does not warrant optimism.

## **(2) The Philippines: The Arroyo Administration Survives a Crisis**

President Gloria Macapagal-Arroyo was reelected for a second term in 2004. In June 2005, however, a suspicion arose that she had contacted an official of the Commission on Elections immediately after the presidential election to manipulate the election results. This suspicion inflated popular mistrust of the president. According to a survey conducted by Pulse Asia, a private polltaker, in October 2005, 58 percent of Filipinos were willing to support protest actions calling for the president's resignation or ouster, and 22 percent said they would participate in such actions, if it could be proven that the president had cheated in the elections. Behind the discontent with President Arroyo is the bleak social and economic environment. In 2001, people-power rallies forced then President Joseph Estrada to step down, and those who helped Macapagal-Arroyo get elected as president hoped she would carry out policies that would improve the people's living standard. But the people's situation has not improved as yet. One third of the

Philippine population of 84 million is living in dire poverty, and the unemployment rate is higher than 10 percent. The crime rate is high, and public confidence in the police is at a low level. Due to public disillusionment with her administration, the possibility of political unrest is ever present.

Inadequate compensation of soldiers and rampant corruption among government officials and senior military officers have bred many discontented elements. In July 2003, about 300 junior officers occupied a hotel in Manila, and the reasons behind the incident have not been addressed. For quite some time now, rumors about a plot of junior military officers to overthrow the government in collusion with communists have been making the rounds. In mid-January 2006, Secretary of Justice Raul Gonzalez disclosed the existence of “credible” intelligence reports that a group of junior officers had planned a coup. On February 20, bombs exploded near Malacanang (the presidential palace) and Makati City, and a group claiming to be young “reformist” military officers took responsibility for the bombings. A military investigation identified 14 junior officers involved in a conspiracy to oust President Arroyo. On February 23, Army Brig. Gen. Danny Lim, Col. Ariel Querubin of the Marine Brigade and Chief Superintendent Marcelino Franco, were relieved of their posts on suspicion of complicity in the plot.

Following the discovery of the coup d'état plot, President Arroyo declared a state of emergency on February 24. Under the state of emergency, the military and the police can arrest and take suspects into custody without warrant, and the government embarked on investigations of anti-Arroyo congressmen and news media. Voices charging that the declaration of a state of emergency was an overreaction rose, and anti-Arroyo demonstrations took place. However, the protest movement did not blow up into a large-scale demonstration. On March 3, President Arroyo declared that the danger of a coup d'état had receded, and lifted the state of emergency. The opposition parties filed a suit with the Supreme Court challenging the constitutionality of the declaration of the state of emergency, but the Supreme Court on May 3 upheld the president's action. In the course of these developments—the discovery of a military coup d'état, the declaration of a state of emergency, and the popular protest against it—the people power that had once ousted President Estrada failed to revive.

Factors to make the Arroyo administration unstable—anti-Arroyo citizens' groups, opposition party members, and antigovernment elements within the military and guerrillas—still remain unchanged. This time around, however,

President Arroyo managed to ride out the danger of collapse by declaring a state of emergency and by cracking down on antiestablishment groups in the face of criticism of her overreaction. One of the reasons was that anti-Arroyo forces failed to gain momentum for mass rallies. The anti-Arroyo political elites failed to establish a connection with the general public, they failed to show a clear-cut vision of the future, and the people became disillusioned. Many people want a change in government, but no credible leader who enjoys the support of a majority of the people came forward. Owing to this situation, President Arroyo managed to ride out the political crisis. In the past, people power succeeded in overthrowing governments because two powerful groups—the military and the Catholic Church—gave up on the party then in power and supported antiestablishment groups. This time around, military leaders maintained their neutrality and continued to recognize President Arroyo as their supreme commander. The church, while critical of the declaration of a state of emergency, did not call for a change in government. These developments helped President Arroyo to remain in power.

Subsequently, President Arroyo began to take measures to eliminate destabilizing factors that threatened her administration. Aware that the sluggish economy has bred discontent among the people, she took policy lines that attached importance to economic development designed to restore people's trust in her administration. In a state-of-the-nation address delivered at the opening session of the Congress on July 24, President Arroyo stressed the importance of economic development and put forward a "five super regions" concept aimed at implementing more efficient public works projects in these regions. According to a survey conducted by Pulse Asia, the approval rating for President Arroyo's state-of-the-nation address increased over the year before. On the other hand, she tried to curb military intervention in politics gradually to forestall a coup d'état. In the Philippines there was a decade-old practice of the armed forces to provide logistical and security support during elections, including collecting ballots on remote islands and supplying bodyguards to candidates. Secretary of National Defense Avelino Cruz said that he planned to stop the armed forces from providing support during elections in compliance with the instructions of President Arroyo. Meanwhile, the president has stepped up operations to mop up the communist-controlled New People's Army (NPA) that is suspected to be in collusion with disgruntled elements of the armed forces. On July 21, the president appointed Lt. Gen. Hermogenes

Esperon as chief of the General Staff, considering him to be a person capable of mopping up the NPA in terms of equipment, logistics, and supply network.

On August 24, the House of Representatives rejected a motion of impeachment against President Arroyo. The opposition parties had tried to probe into the alleged manipulation of the 2004 presidential election results by President Arroyo by introducing an impeachment motion, but failed to hold her to account. The president does not exactly enjoy strong popular support, but she managed to hold on to power due largely to the support she had won by virtue of her anti-poverty measures and the lack of unity among the opposition parties.

### **(3) Democratization in Southeast Asia**

Democratization in Southeast Asian countries, together with economic development, remains a challenge common to them all. One country after another in this region won its independence after World War II, and they employed strong-arm policies under an authoritarian regime in the name of nation building and economic development. At times, they tolerated military intervention in politics or accepted military government. However, thanks to economic development and social changes, democratization has made headway in these countries, among them Thailand and the Philippines. But, the process of democratization they followed was not always simple and easy, and the present state of affairs is still fraught with elements of uncertainty. A common feature of Thailand and the Philippines is a profound distrust of politics, due to widespread corruption. Although elections seem to be held through democratic procedures, the legitimacy of the election results tends to be doubted because monitoring institutions to avert abuse of power are often corrupt themselves. Furthermore, the instability of democracy in these countries has invited military intervention in politics.

Opinions about the military coup d'état in Thailand are largely divided into two types. One blames the actions taken by the military for the regression of democratization. The other underscores the political paralysis into which Thailand was plunged by the Thaksin administration, considering the military coup as a corollary of this. Noting that troops returned to their barracks after the events of Black May in 1992, following which the democratic system in Thailand took firm hold, the former opinion takes seriously the military's re-intervention in politics, bearing in mind the country's history of repeated coups. The governments and news media of Japan and Western countries took a critical view of the

military coup in Thailand, while those of Southeast Asian countries (except Thailand) also expressed their concerns. The military coup has undermined the credibility of the leadership of Thailand and some worry about the adverse effect it might have in the medium and long run on the Thai economy, particularly with regard to foreign investment.

On the other hand, the second view, while not denying the negative impact of the coup on democracy in Thailand, is concerned not so much about the democratic development of Thai politics. It focuses more on the alternating power-sharing between civilian and military governments and the political turmoil Thaksin caused this time around. Corruption and cronyism had become rampant under the Thaksin administration, the opposition parties lost their check-and-balance power in the face of a predominant ruling party majority, and the Thai political system had become dysfunctional. Consequently, the latter opinion takes the view that the military's intervention in politics and the ouster of Prime Minister Thaksin were inevitable in order to break the political deadlock. In this context, they take special note of the fact that the king had acquiesced in the coup d'état and had recognized the interim government. They value Thailand's unique political culture—the virtues of policymakers and the judiciousness of decisions taken by the king. By and large, many Thai academics and journalists tended to tolerate the recent military coup. According to an opinion poll taken immediately after the coup, as many as 84 percent of respondents approved the coup, and those who believed the coup had a positive impact on Thai politics rose to 75 percent. Another poll taken on November 12 found 55 percent of respondents supported Prime Minister Surayud. The latter view reflects this strong support of the people for the military coup.

The former view smacks of excessive exaggeration of the absolutism and universality of democracy and democratic processes and does not take into account the political culture unique to Thailand. The latter takes a positive view of the coup d'état by characterizing it as “a situation unique to Thailand,” but this view is fraught with serious problems that cannot be overlooked—disregard of the unjustifiable nature of a change in government by a force not based on democratic process, heavy reliance on the king for important political decisions, and disregard of the wishes expressed by rural voters in support of Prime Minister Thaksin. What remains to be seen in Thai politics in coming months is how smoothly the interim government will transfer power to a civilian government. Assessment of

## Political Changes in Thailand

Thai politics are characterized by the instability of the country's political system. Since the establishment of constitutional monarchy in 1932, Thailand has undergone cyclical political changes, moving back and forth between authoritarian military regimes and parliamentary democracy. In the course of these changes in government, the constitution has been rewritten 16 times, and there have been 18 military coups d'état. Large-scale clashes between citizens and the military also took place in 1973 and 1992. These recurring changes have been attributed to divisions among the political elites—the military, the bureaucrats, political parties, and the business community—the loss of legitimacy of the ruling class, and power relationships between different social groups.

In 1932, a group of military officers led by Phibun Songkram staged a coup d'état and established a constitutional monarchy. Subsequently, Phibun established an authoritarian regime led by the military and assumed the position of supreme leader. As a result of the struggle within the military, Phibun was replaced by Sarit Thanarat. He established a dictatorship for five years until his death in 1963. The Thanom regime that succeeded Sarit tried to arrange a peaceful transition from a military to a civilian government but the political situation became increasingly unstable on account of the student movement that rose up in the latter part of his administration. In October 1973, half a million students took to the street in Bangkok; the military opened fire on demonstrators, killing many. After the incident, a number of short-lived regimes came and went. Then, in 1980, Prem Tinsulanonda, a military officer, took office as prime minister and hung on to the premiership until 1988. Although a national parliament was formed by democratically elected representatives in 1988, the military seized power once again in a coup d'état in 1991. However, a large number of students and middle-class citizens who opposed military rule took to the streets time and again. In May 1992, the military opened fire on demonstrators and about 100 people were killed or went missing in an incident that became known as "Black May." Subsequently, the military withdrew from the political stage, a democratic constitution was enacted in 1997, and Thailand took a step forward toward building a democratic political system.

In an election held in 2001, a businessman-turned prime minister—Thaksin Shinawatra—helped the country ride out the Asian financial crisis and put the shattered Thai economy back on a recovery track. However, his hard-line policy met with fierce opposition from the middle class, opposition political parties, and even the military. Eventually, in 2006, he was ousted in a military coup. For a while, many people thought that amid the cyclical change of regime between military and civilian governments, Thailand had made steady progress toward democracy, but the military coup of 2006 saw Thai politics revert to form. Whether the military-led interim government will transfer power to a democratically elected civilian government, and whether a democratic system will take hold in coming years or not, remain to be seen.

the recent military coup will be determined by how soon and through what procedure the interim government will transfer power to a democratically elected government, and the degree of democratization achieved by the date on which the transfer of power takes place.

Meanwhile, in the contemporary history of Philippine politics, expressing a lack of popular confidence in a government by street demonstrations, as opposed to elections, has become the norm since the ouster of former President Ferdinand Marcos. When the military and the Catholic Church joined forces, people power was strong enough to oust a president. In this sense, the clout the military has over politics in the Philippines cannot be ignored. When discontent against a government mounts among soldiers, their collective force often threatens the government. There was speculation that the coup in Thailand might trigger a similar situation in the Philippines. When President Arroyo was traveling abroad, Executive Secretary Eduardo Ermita on September 21 denied the possibility of a coup d'état occurring in the Philippines by saying that President Arroyo was confident about the political situation and saw no problem in leaving the country. As a matter of fact, the situation in the Philippines under her administration was relatively stable compared with that of Thailand, and there was no sign of a coup overthrowing her government. One expert explains the reasons why democratic politics and democracy have taken root in the Philippines by saying that President Arroyo has consolidated her position by applying a divide-and-rule tactic to the military. However, the military intervening in politics to oust an unpopular leader remains a viable option. Others point out the possibility of a coup d'état occurring when antigovernment feelings run high, as was the case with the Thai people.

The experiences of both Thailand and the Philippines have betrayed the fragility of the democratic system when the military and the government fall out with one another. Meanwhile, depoliticization of the military has been under way in Indonesia since the collapse of the Suharto regime. Even today, the levels of democratization in Southeast Asian countries vary widely. Also, the concept of democracy varies from one country to another. At the 10th Party Congress of Vietnam held on April 18–25, the Communist Party passed a resolution to “bring democracy into full play” that declared that democracy is an engine that brings the party and the state, and the state and the people, into a closer relationship. However, it means that while the party and the state will lend an attentive ear to the political wishes of the people, it does not mean that the party will recognize



pluralism as a democratic political system. What is more, in countries that embrace pluralism such as Malaysia and Singapore, the reality of the democratic system and the restriction of freedom of speech sometimes become a subject of debate.

Under such circumstances, ASEAN embraces democracy as a common value of its member states. For instance, the Declaration of ASEAN Concord II (the “Bali Concord II”) proposed at an ASEAN Summit held in Bali in 2003 declares that “The ASEAN Security Community is envisaged to bring ASEAN’s political and security cooperation to a higher plane to ensure that countries in the region live at peace with one another and with the world at large in a just, democratic, and harmonious environment.” The Vientiane Action Programme (VAP) adopted at an ASEAN summit held in 2004 notes under the heading “Goals and Strategies towards Realising the ASEAN Community” that the role of the ASEAN Security Community is “enhancing peace, stability, democracy and prosperity in the region through comprehensive political and security cooperation.” The disparity in levels of democratization and differences in the interpretation of the term “democracy” notwithstanding, ASEAN declarations contain the word “democracy.” Whether or not the term “democracy” used in such varying meanings can actually work as a symbolic concept for integrating its member states remains to be seen.

## **2. Roadmap toward an ASEAN Community**

### **(1) ASEAN Charter and ASEAN Defence Ministers’ Meeting**

Established in 1967, ASEAN was a loose regional organization founded on the basis of the Bangkok Declaration and not a treaty. In 2006, 40 years after it was established, its member states moved toward enacting a charter that has a legal personality with a view to establishing an ASEAN Community by 2015. At an ASEAN summit meeting held in Kuala Lumpur in December 2005, its member states agreed to enact a charter. The ASEAN Charter is an institutional framework that is necessary for solving various problems standing in the way of realizing a community and will serve as a firm foundation for ASEAN to facilitate community building toward an ASEAN Community and beyond; it will serve as a legal and institutional framework of ASEAN to support the realization of its goals and objectives; it will codify all ASEAN norms, rules, and values, and reaffirm ASEAN agreements signed and other instruments adopted before establishing a charter will continue to apply and be legally binding where

appropriate. The ASEAN Charter reaffirms principles, goals, and ideals contained in ASEAN's milestone agreements such as the ASEAN Declaration of 1967 (the Bangkok Declaration), the Treaty of Amity and Cooperation in Southeast Asia (TAC) of 1976, the Treaty on Southeast Asian Nuclear Weapon-free Zone of 1995, the ASEAN Vision 2020 of 1997, and the Bali Concord II of 2003. In addition, the ASEAN Charter has the purpose of more clearly defining its status as a legal personality.

The ASEAN Summit in Kuala Lumpur in 2005 decided to call a meeting of an Eminent Persons Group (EPG) with a view to examining and providing practical recommendations on the directions and nature of the ASEAN Charter relating to the ASEAN Community by taking into account the principles, values, and objectives of the community. Areas to be discussed at the meeting included membership of ASEAN, enhancing ASEAN cooperation and integration, narrowing the development gap among ASEAN member countries, legal personality of ASEAN, effective conflict resolution mechanisms, and external relations. The EPG is composed of 10 members drawn from each member state.

On April 17–20, the meeting reviewed specific issues involved in drawing up a draft charter. At that meeting, members revised the consensus-based decision-making process ASEAN had long followed, and the longstanding principle of noninterference in internal affairs of member states, and also discussed improving the efficiency and strengthening the authority of the ASEAN secretariat and secretary-general. According to the chairman of the EPG Tan Sri Musa Hitam, former deputy prime minister of Malaysia, the members recognized the necessity of imposing some kind of sanctions on a member state that did not follow principles in the charter. Guidelines for drafting the charter, which include the system of majority rule and sanctions against breaches of charter principles, were submitted to an ASEAN Summit held in Cebu, the Philippines, in January 2007.

An achievement worthy of mention in connection with security of the region as part of the movement toward the formation of an ASEAN Community was an ADMM in 2006. At the ninth ASEAN Summit held in October 2003, the leaders adopted the Bali Concord II that confirmed their agreement to create an ASEAN Community by 2020. The Bali Concord II was built on three pillars. One of them was the creation of an ASC. The 10th ASEAN Summit held in November 2004 adopted the VAP that included the ASEAN Security Community Plan of Action (the ASC Plan) for establishing an ASC. In an effort to strengthen confidence-

building measures for the purpose of preventing conflicts, it decided to hold an ADMM annually.

Defense officials of ASEAN member states have been holding annually an ASEAN Special Senior Officials' Meeting (SOM) as a Working Group on Security Cooperation, since the working group was established in 1996. The SOM has been serving as a joint forum between senior foreign and defense officials. In May 2004, the SOM requested the ASEAN Secretariat to draft a concept paper on establishing a forum for ASEAN defense ministers. According to the concept paper, an ADMM will complement other regional efforts promoting security dialogue and cooperation such as the ASEAN Regional Forum (ARF); will promote regional peace and stability through dialogue and cooperation in defense and security; will give guidance to existing senior defense and military officials on dialogue and cooperation in the field of defense and security within ASEAN and between ASEAN and dialogue partners; will promote mutual trust and confidence through greater understanding of defense and security challenges as well as enhancement of transparency and openness; will contribute to the establishment of an ASC as stipulated in the Bali Concord II; and will promote the implementation of the VAP for the ASC. As areas of activities of the ADMM, it lists exchange of views on regional and international security and defense issues, voluntary briefings on defense and security policies, discussion on related activities outside the ASEAN process, discussion on interaction with external partners, and a review of ASEAN defense cooperation. The ADMM will be guided by the ASEAN's fundamental principles as enshrined in the TAC, and will be the highest ministerial defense and security consultative and cooperative mechanism in ASEAN, reporting directly to the leaders of its member countries. Furthermore, the ADMM will be assisted by an ASEAN Defence Senior Officials' Meeting (ADSOM), and will work closely with the ASEAN Ministerial Meeting (AMM) and the ASEAN Senior Officials' Meeting (ASEAN-SOM).

On May 9, 2006, the first ADMM was held in Kuala Lumpur and attended by the defense ministers of all member states except Myanmar. At this meeting, they exchanged views on maritime security, terrorism, the situation on the Korean Peninsula, and future activities of the ARF. The participants also discussed transnational crimes like drug and human trafficking and countermeasures for disasters including pandemics such as bird flu. Further, the defense ministers confirmed the previous agreement on the creation of an ASC by 2020. A joint

press release issued after the meeting disclosed the substance of discussions the defense ministers had on the above-mentioned agenda items and an agreement to create an ASC. In addition to the objectives of the ADMM, the concept paper also confirmed that the ADMM will be open, flexible, and outward-looking for the purpose of actively engaging ASEAN's friends and dialogue partners. However, the press release did not touch on the establishment of an ASEAN peacekeeping force. This suggests that the member states have not yet reached consensus on the establishment of ASEAN armed forces.

One of the major subjects of the ADMM was maritime security. This still remains one of the most important security issues for Southeast Asian countries, especially for the archipelagos. Patrols of the Malacca Strait started by the three littoral states (Indonesia, Malaysia, and Singapore) in 2004 have produced certain positive results. The incidence of piracy in the strait has been decreasing. On August 7, 2006, the Lloyd's Market Association's Joint War Committee, which added the Malacca Strait to its list of 20 areas regarded as potential security threats to shipping in June 2005, deleted the strait from the list. However, there are still some problems relating to the patrols conducted by the three countries. One of them was the lack of confidence building among the participating countries, given the complicated responsibilities and levels of authority within their naval, police, and coast guard organizations. With the aim of carrying out more effective patrols, the three countries concluded an accord. The Malacca Strait patrol agreement reached on April 21, 2006, links the coordinated patrols of warships by the three littoral states of the Malacca Strait with the "Eyes in the Sky" aerial surveillance flights that took effect in September 2005. Air Chief Marshal Djoko Suyanto of the Indonesian National Defence Forces said that the agreement would allow the three states to deal with maritime robberies and piracy, and any illegal activities threatening shipping. The three countries are urging Thailand to participate in the patrol.

While the three littoral states bordering on the Malacca Strait have been maintaining the coordinated patrol system, non-ASEAN countries are showing interest in cooperating in maintaining security in the strait. A Regional Cooperation Agreement on Combating Piracy and Armed Robbery against Ships in Asia led by Japan took effect on September 4, 2006. The agreement provides for the establishment in Singapore of an Information Sharing Centre (ISC) that will operate around the clock, and the ISC will build a system of sharing information concerning piracy and cooperating among the participating countries. A total of

11 countries—Japan, Singapore, Thailand, the Philippines, South Korea, India, and others—have signed the agreement. Although Indonesia and Malaysia participated in the negotiations, they did not sign the agreement, and this has raised doubt about its effectiveness. The United States also indicated its willingness to cooperate in maintaining security in the Malacca Strait. Then US Defense Secretary Donald Rumsfeld visited Indonesia on June 6, 2006, for talks with Minister of Defence Juwono Sudarsono and stressed the necessity for the two countries to cooperate in maintaining the security of the strait. However, Malaysia is still wary about allowing the United States to get involved in the issue of the Malacca Strait. Deputy Prime Minister cum Minister of Defence Najib Razak stressed that the United States would respect the sovereignty of the littoral states that have jurisdiction over the strait.

One of the objectives of the ADMM is to complement the ARF in order to improve the ARF's effectiveness. The 13th meeting of the ARF was held on July 28, 2006, the last day of a series of ASEAN-related ministerial meetings. Participants in the ARF meeting devoted a major portion of their discussions to problems of the Korean Peninsula raised by North Korea's launch of ballistic missiles on July 5. As all parties to the Six-party Talks are members of the ARF, they sought to establish a forum within the ARF to discuss the problems, but as the representative of North Korea refused to participate in the discussion, 10 countries—five from the Six-party Talks and five others including the chair country Malaysia—debated the issue. A chair's statement issued afterward expressed concern over the missile launches by North Korea. In reaction, North Korea stiffened its attitude and hinted at seceding from the ARF. Although the ARF did provide a forum for discussions about a solution to the Korean Peninsula issue, which is one of the most serious concerns of East Asia, no tangible progress has been made toward solving the issue.

## **(2) Problems Facing ASEAN: Timor-Leste and Myanmar**

Timor-Leste won its independence from Indonesia in 2002 but plunged into chaos once again in 2006 halfway down the road to its goal of nation-building. The disturbances were triggered by the antagonism that has long been smoldering between the eastern and western factions in the military. Soldiers and officers who hailed from the western half of the country became increasingly disgruntled about how they were treated worse than their eastern brethren. In reaction, the commander

of the armed forces dismissed about 600 soldiers from the western half who had complained about their ill treatment. Late in April, the dismissed soldiers and their sympathizers took to the streets in protest, setting fire to buildings, looting stores, and clashing with security forces. Subsequently, skirmishes broke out among the soldiers and a clash between the armed forces and the police occurred, plunging the capital city Dili into anarchy and resulting in the deaths of more than 20 people.

The government of Timor-Leste, unable to put down the riot on its own, asked Australia and three other countries to send security forces. In response, Australia, New Zealand, Malaysia, and Portugal sent their security forces in late May to maintain law and order, and helped restore peace to the capital city. President Xanana Gusmao declared he was imposing emergency rule, and demanded that Prime Minister Alkatiri resign on the grounds that he had aided the riot. Although the prime minister initially refused to resign, he eventually stepped down on June 26 because one member after another of his cabinet resigned and the president intensified the pressure. In his place, President Gusmao appointed former Foreign Minister cum Defense Minister Ramos Horta on July 10, 2006.

What had triggered the riot was a concurrence of complex factors—widespread resentment against the authoritarian style of Prime Minister Alkatiri, a power struggle between the president and the prime minister, rivalry between the military and the police and between the inhabitants of the eastern and western parts of the country, and popular discontent over the worsening social and economic environment. After the riots, some argued that the withdrawal of the United Nations (UN) peacekeeping force from Timor-Leste in June 2005 had been premature. At the proposal of Japan, the UN Security Council (UNSC) decided on August 25 to establish a UN Integrated Mission in Timor-Leste (UNMIT). The UNMIT was to take charge of maintaining law and order in Timor-Leste until the police force has been reconstructed, and it will also assist the government in holding presidential and assembly elections scheduled in 2007.

In Timor-Leste, the involvement of Australia and the UN has played an important role. This has raised the question as to what ASEAN can do for Timor-Leste. The country has a close relationship with Australia, and has been playing its part as a member of Southeast Asia. Since independence, the country has participated in the AMM as a guest of the chair of the ASEAN Standing Committee and also joined the ARF from 2004. In 2006, it was allowed to participate in the AMM as an observer, and its government announced its intention to formally join

ASEAN within five years. The role ASEAN has played in dealing with problems arising in a would-be member state has been anything but significant. Deputy Prime Minister cum Defence Minister Najib of Malaysia explained that his government decided to send troops to Timor-Leste in part because the government was worried about the negative image of ASEAN that might be created if it didn't involve itself in putting down the riot in Timor-Leste. This is a question that has a direct bearing on discussions of the ASC about approaches to be taken in solving intra-regional disputes. As such, it could become a task for an ASEAN Community to get to grips with when it comes into being.

There is no sign of settlement of the Myanmar problem. In February 2006, the country's military government closed the National Assembly, which had been convened to enact a new constitution. Some speculate that it was closed because of a power struggle between Senior Gen. Than Shwe, chairman of the State Peace and Development Council and the most powerful man in the country, and Vice Senior Gen. Maung Aye, vice chairman of the council and the second most powerful man. In late May, the military government extended for another year and a half the house arrest of Aung San Suu Kyi, general secretary of the National League for Democracy, and the democratization process in Myanmar has thus stalled.

Relations between Myanmar and ASEAN have worsened since 2006, mainly because of Myanmar's cavalier attitude toward ASEAN. The UN Secretary-General's special envoy for Myanmar, Tan Sri Razali Ismail, who hails from Malaysia, said that he had resigned from the post on January 8, 2006, following the expiration of his term of office at the end of 2005, without being able to win the release of Aung San Suu Kyi, who has been under house arrest since May 2003 under orders of the military government. At a summit meeting held in December 2005, ASEAN decided to send a fact finding mission to survey the status of democratization in Myanmar. This was a decision that could have led to a change in ASEAN's longstanding principle of noninterference in the internal affairs of its member states. But Myanmar persistently refused to admit the mission into the country. UN Special Envoy Razali bitterly condemned Myanmar for rejecting the requests of not only the UN but also ASEAN, and hinted at referring the issue to the UNSC.

In the ensuing months, ASEAN member states sought to solve the problem: President Susilo Bambang Yudhoyono of Indonesia visited Myanmar early in March, Foreign Minister Syed Hamid of Malaysia was sent to Myanmar as a

special envoy of ASEAN late in March, and Secretary of Foreign Affairs Alberto Gatmaitan Romulo of the Philippines also visited the country in August—all in search of a solution to the problem. However, the Myanmar government refused to allow the foreign ministers of Malaysia and the Philippines to see Aung San Suu Kyi. At an informal meeting of ASEAN foreign ministers in Bali on April 19–20, one minister after another criticized the stalled democratization process in Myanmar. A joint communiqué issued by the AMM in July expressed concern over the slow progress of democratization in Myanmar and reiterated calls for an early release of Aung San Suu Kyi, though implicitly. The lack of prospects for a solution of the Myanmar problem is casting a shadow over the debates about the ASEAN Charter. The realization that the longstanding ASEAN principles of noninterference in internal affairs of its member states and consensus-based decision-making process are not effective in dealing with such problems as Myanmar's has opened a window of opportunity for taking another searching look into these principles.

Myanmar is trying to fend off pressure from Western countries and ASEAN member states by strengthening cooperation with China, India, and Russia. Myanmar is seeking to exploit to a maximum its geopolitical advantage—it is situated at a point connecting Southeast Asia, China, and South Asia—and has abundant natural resources including natural gas. China and India have been giving military assistance, and Russia has been selling weapons as well as nuclear technologies for civil use, to Myanmar. Under such circumstances, ASEAN has found itself increasingly at an impasse. Not only India and China but also one of its own members, Thailand, are seeking an opportunity to develop Myanmar's natural resources. At an AMM held in July, many of the participating foreign ministers pointedly criticized Myanmar, but as opinions were divided among its member states over mentioning directly the release of Aung San Suu Kyi, they gave up the idea of putting this in writing and avoided explicitly criticizing Myanmar in the joint communiqué. Meanwhile, indications are that Myanmar also is wary about the drawbacks of tilting excessively toward China and India. In a statement issued on August 8 marking the 39th anniversary of ASEAN, Chairman Than Shwe of the State Peace and Development Council of Myanmar urged his fellow countrymen to become actively involved in the activities of ASEAN, possibly signaling his willingness to improve relations with it. Under Secretary-General for Political Affairs Ibrahim Gambari of the UN visited Myanmar for



four days from November 10, 2006, and the Myanmar government signaled the relaxation of its attitude by allowing him to see Aung San Suu Kyi.

### **(3) Security Cooperation between ASEAN and China**

Recently, relations between ASEAN and China have developed rapidly largely on China's initiative. One of the major initiatives is the creation of an ASEAN-China free trade area. At present, ASEAN and China are taking steps to realize a free trade area by 2010. Moreover, trade between ASEAN member states and China has been increasing at an annual rate of about 40 percent in parallel with negotiations for a free trade agreement.

China has shown interest not only in boosting economic cooperation with ASEAN but also in strengthening cooperation in the fields of politics and security. At an ASEAN-China summit meeting held in 2002 in Phnom Penh, Cambodia, the two sides issued a Joint Declaration of ASEAN and China on Cooperation in the Field of Non-traditional Security Issues. At a Bali Summit held in 2003 the two sides issued a Joint Declaration of the Heads of State/Government of the Association of Southeast Asian Nations and the People's Republic of China on Strategic Partnership for Peace and Prosperity that committed them to building a friendly and cooperative relationship in wide-ranging fields of politics, economy, and security. In addition, China joined the TAC.

Against the backdrop of deepening relations between ASEAN and China, a commemorative summit marking the 15th anniversary of ASEAN-China dialogue was held on October 30, 2006, in Nanning, China. In a keynote speech delivered at the summit, Premier Wen Jiabao of China said that China-ASEAN relations had never been better and stressed the need to build a strategic partnership in political and security areas. They signed a joint statement which called on both sides to share information concerning nontraditional security problems, promote defense exchange, and cooperate in maintaining maritime security and in rehabilitating areas stricken by natural disaster. At a China-ASEAN symposium on security in the Asia-Pacific region held in Beijing for four days from July 18, 2006, there were more than 30 army officers and defense officials of China and member states of ASEAN attending. At the symposium, they exchanged opinions about the influence of China and ASEAN on the security of the Asia-Pacific region, maritime security of East Asia, antiterrorist measures, and peacekeeping operations.

China also showed active interest in promoting bilateral cooperation with ASEAN member states. China has long been involved in building industrial infrastructure and developing energy resources in Southeast Asian countries, particularly in less developed ones. In addition, China has lately been promoting security cooperation with these countries. In 2005, China embarked upon building cooperation in the security field with Indonesia and the Philippines, and in 2006 sought to strengthen cooperation with Vietnam. The Vietnamese and Chinese navies carried out their first joint patrol in the Tonkin Gulf from April 27–28, 2006, as part of an agreement between the armies and navies of the two countries. Vietnamese and Chinese patrol boats took part in the joint patrol at nine locations, all one nautical mile from the delineation line in the gulf. China showed its willingness to build confidence between the defense authorities of the two countries. China has also shown interest in strengthening cooperation with Malaysia. Chinese Minister of National Defense Cao Gangchuan visited Malaysia for three days from April 10 to 12, 2006, to discuss with Deputy Prime Minister cum Minister of Defence Najib joint search and rescue operations at sea, exchange of military personnel, and mutual visits of senior defense officials. On the issue of the Spratly Islands, a source of the argument regarding China as a threat to the regional security and site of an armed clash that occurred in March 1988, a cooperative relationship is being built between China and ASEAN. Late in April 2006, defense officials of China, Vietnam, and the Philippines agreed to deal jointly with transnational crimes, such as piracy and smuggling, in waters around the Spratly Islands.

For ASEAN member states, China had long been a threat to their security. During the Cold War era, China supported communist organizations in member states of ASEAN, and they threatened the stability of these countries. After the demise of Mao Zedong, the Chinese leadership sought to expand China's pragmatic interests by opening up its markets to the outside world and became increasingly

**Table 5.1. The number of incidents of piracy occurring in the Malacca Strait and the littoral countries**

Country/Area	2001	2002	2003	2004	2005
Indonesia	91	103	121	94	79
Malaysia	19	14	5	9	3
Singapore	7	5	2	8	7
Malacca Strait	17	16	28	38	12

Source: Data from the ICC International Maritime Bureau, *Piracy and Armed Robbery against Ships, Annual Report, January 1–December 31, 2005*.

sensitive to maintaining its territorial integrity. As a result, conflicts with neighboring countries about jurisdiction over disputed territories intensified, and China even threatened the use of force in the case of disputes over the Spratly Islands. Lately, however, China has softened its attitude. Now it actively seeks to settle territorial disputes in a peaceful manner and to expand economic relations with ASEAN member states. Behind the change in its attitude is the realization that good relations with ASEAN—the expansion of trade and development of energy resources—are effective in keeping its economy moving forward.

While welcoming China's softening attitude, ASEAN member states have not entirely cast aside their sense of the China threat. In fact, they are still wary about the growing clout of China. Therefore, ASEAN wants the United States to get more actively involved in the region. Also, some countries in the region may expect Japan to counterbalance China and play a more active role in security issues.

### **3. Military Trends in Southeast Asia**

#### **(1) Military Cooperation: Against the Backdrop of US Southeast Asia Policy**

With the end of the Cold War, US interest in Southeast Asia, an outpost in the confrontation between the West and the East, diminished. However, following the September 11 terrorist attacks, the United States embarked once again on a drive to strengthen its relations with Southeast Asian countries as part of its war on terror. In present US efforts to realign its armed forces deployed across the world, one of the priorities is to secure training facilities and emergency access points in Southeast Asia.

In fact, Islamic extremist groups thought to be connected with al-Qaeda exist in Southeast Asia, and even today, terrorist activities carried out by these groups have not been stamped out. In November 2005, Azahari Husin, a Jemaah Islamiyah (JI) bomb-making expert, was killed by Indonesian security forces, and it is said that JI's capacity to carry out terrorist attacks has been weakened by the rigorous crackdown by the Indonesian authorities. However, the possibility of sporadic terrorist attacks conducted by small groups indoctrinated by JI still remains. Noordin Muhammad Top, believed to be a key member of JI and one of the masterminds of the series of terrorist bombings in Indonesia, has formed a group of his own within JI and is eyeing an opportunity to carry out terrorist attacks. It

is said that after the death of Azahari, Abu Dujana has taken over control of JI and is engaged in terrorist activities. Although the Moro Islamic Liberation Front (MILF) is negotiating for peace with the Philippine government, the Abu Sayyaf Group still remains a threat to Southeast Asian security. Moreover, rumor has it that Islamic separatist groups instigating disturbances in Thailand's Deep South are receiving assistance from terrorist organizations in and out of the region.

In November 2005, the US government decided to lift a ban on arms exports to Indonesia. Through resuming arms exports, the United States is urging the Indonesian government to modernize its military and tackle security problems common to the two countries—counterterrorism, maritime security, and disaster relief. By waiving the restrictions, the application of the International Military Education and Training (IMET) program to Indonesia was resumed, and there is a plan to train approximately 40 Indonesian military officers under the IMET program. Following these measures taken by the United States, Indonesia's Department of Defence disclosed that it had sent the US government a list of spare parts it required for US-made fighters. The ministry also expressed hopes that the United States would assist Indonesia in modernizing its armed forces by foreign military sales (FMS) and foreign military financing (FMF).

While pressing Indonesia for accountability over past human rights abuses, the United States explicitly values the leading role played in ASEAN by Indonesia, the world's third largest democracy, as a voice of moderation in the Islamic world. When Secretary of State Condoleezza Rice visited Indonesia in mid-March 2006, she met with President Yudhoyono and Minister of Foreign Affairs Hassan Wirajuda. Rice told them that the United States would seek to expand its strategic partnership with Indonesia and discussed military cooperation in the war on terror. The United States has been seeking cooperative relations with Indonesia, which can balance China's growing influence in the region and has useful diplomatic ties with two countries that strongly interest the United States—Myanmar and Iran.

The US call for Indonesian cooperation gave Indonesia diplomatic bargaining leverage with the United States. When Defense Secretary Rumsfeld visited Indonesia on June 6, Minister of Defence Juwono Sudarsono asked him to take into consideration the feelings of Muslims, who account for a large majority of the country's population, when asking for Indonesia's cooperation in the war on terror. The defense ministers also discussed the sale of spare parts for F-16 fighters. After the meeting, Indonesia indicated its willingness to participate in the

Proliferation Security Initiative (PSI) led by the United States. In 2006, Indonesia also participated for the first time in Cobra Gold, a joint exercise hosted by the United States and Thailand.

The United States also has taken steps to strengthen cooperation with the Philippines. The two countries announced the establishment of a Security Engagement Board (SEB) on May 24, 2006. The SEB will serve as the mechanism for consultation and planning of measures and arrangements on nontraditional security concerns, such as international terrorism, transnational crime, maritime security, natural and man-made disasters, and pandemic outbreaks. The SEB complements the Mutual Defense Board (MDB) established in 1958 that deals with traditional threats such as an external armed attack envisioned under the Mutual Defense Treaty of 1951. The two countries conducted joint exercises such as “Baliktan” and “Balance Piston” in 2006. Meanwhile, Australia, an ally of the United States, is also promoting security cooperation with Indonesia and the Philippines, particularly in the field of counterterrorism.

The US engagement in Southeast Asia is not confined to military cooperation. It has an eye on a more comprehensive policy to be pursued through ASEAN. On May 23, 2006, representatives of the United States and ASEAN member states gathered at the 19th ASEAN-US Dialogue at which the US representative stressed the importance of Southeast Asia and ASEAN for the United States. At an ASEAN Ministerial Meeting held on July 27, ASEAN and the United States signed a Framework Document for the Plan of Action to Implement the ASEAN+US Enhanced Partnership. In addition to the ambassadors the United States has posted to Southeast Asian countries, it is considering appointing an ASEAN ambassador whose duty will cover the entire region.

ASEAN member states have been pursuing a foreign policy designed to maintain balance among major powers. Given the growing influence of China in recent years, the active interest that the United States has shown in region's affairs thus comes as a welcome development. However, as with all ASEAN policies, the perception of major powers and of their policies varies among ASEAN members, reflecting wide-ranging differences in their political and economic situations. For instance, while mainland countries adjacent to China are strongly under China's influence and perforce sensitive to their relations with China, archipelago countries opt for a strategy designed to maintain a strategic balance between the United States and China. Furthermore, countries where Muslims account for a large percentage of the

population such as Indonesia and Malaysia are not entirely favorable to the United States due to its policy toward the Middle East. Because of the wide-ranging differences among ASEAN member states, their relations with the United States and China and among themselves are subject to constant change.

## (2) Procurement of Military Equipment

Defense budgets of ASEAN member states have tended to increase. According to the *Military Balance*, the FY2005 defense budgets of ASEAN members are as follows: Singapore, US\$5.57 billion; Indonesia, US\$2.53 billion; Malaysia, US\$2.47 billion; Thailand, US\$1.95 billion, and the Philippines, US\$840 million. Singapore's budget stood out among ASEAN member states and has increased sharply in FY2006. On February 17, 2006, the Singaporean government announced that it would spend S\$10 billion (US\$6.13 billion) on defense in FY2006, 8.7 percent up from S\$9.2 billion the year before and accounting for 32.8 percent of its entire budget. Thanks to the increased defense budget, Singapore has procured and deployed state-of-the-art military equipment. After four years for refitting and pilot training in the United States, three Apache Longbow attack helicopters (AH-64D) returned to Singapore in January 2006. On May 9, its navy launched the RSS *Supreme*, the sixth *Formidable*-class frigate, which completed the navy's plan to deploy six frigates. On May 24, Minister for Defence Teo Chee Hean of Singapore announced that the F-16D Block 52+ fighter jet has been deployed to the 145 Squadron.

**Table 5.2 Defense budgets of ASEAN member states, 2001–2005**  
(in millions of US dollars)

Country	2001	2002	2003	2004	2005
Brunei	284	267	258	294	357
Cambodia	70	76	78	70	74
Indonesia	1,393	1,654	1,845	2,394	2,529
Laos	12	11	15	11	12
Malaysia	1,921	1,973	2,026	2,255	2,471
The Philippines	919	1,170	808	824	844
Singapore	4,358	4,581	4,632	5,100	5,572
Thailand	1,739	1,832	1,867	1,933	1,950
Vietnam	2,213	2,222	2,328	2,733	3,471

Source: Data from *Military Balance* 2003–2004, 2006.

Note: Myanmar is excluded due to the difficulty of obtaining a dependable exchange rate for its currency.



**An Apache Longbow attack helicopter (AH-64D) of the Republic of Singapore Air Force** (Photo by the Ministry of National Defence of Singapore)



**Formidable-class frigate, the RSS Supreme of the Republic of Singapore Navy** (Photo by the Ministry of National Defence of Singapore)

Indonesia's military has procured 34 percent of its equipment from the United States, its main source of military hardware, compared with 10 percent from Russia. Russia is trying to increase its arms exports by offering military technologies and export credit to help buyers cover the cost. Spurred by the air force buildup by its neighbors—namely Singapore, Thailand, and Malaysia—Indonesia has been actively purchasing fighters. On April 14, 2006, Indonesia's Department of Defence announced that it was planning to purchase an additional six Sukhoi fighters (Su-27SK and Su-30MK). Together with the four Sukhoi fighters it already bought in 2005, this procurement plan is in line with Indonesia's efforts to build a fighter squadron. The total cost of these fighters, including other equipment, would be around US\$1 billion, to be covered by an export credit provided by Russia. Indonesia plans to purchase two fighters in 2007.

Malaysia launched the Ninth Malaysia Plan in 2006. This is a medium-term national economic development plan for the years 2006 to 2010, including a defense buildup plan. According to the plan, 7.2 percent (15.75 billion ringgits or US\$4.29 billion) of the plan budget (220 billion ringgits) will be appropriated to defense. Compared with the 18.64 billion ringgits (US\$5.08 billion) or 11 percent of the national budget spent on defense under the Eighth Malaysia Plan, this represents a sharp decrease in defense spending under the Ninth Malaysia Plan. This budget reduction may reflect Prime Minister Abdullah Badawi's policy to

attach more importance to social affairs in comparison with the Mahatir administration, and this comparison does not directly mean a recession of Malaysia's military modernization trend. The dampening effect of rising fuel prices and a weak exchange rate of the ringgit might impose limitations on defense spending.

Suppliers of military equipment envisaged under the Ninth Malaysia Plan vary widely. Budgets for the purchase of equipment committed by the previous administration—Polish PT-91 main battle tanks, Sukhoi Su-30 fighters, *Scorpene*-class submarines, four Airbus Military A400M transport aircraft (bought in 2005)—are included in the Ninth Malaysia Plan. New items authorized include constructing a submarine base in the eastern part of the country, and modernizing navy vessels, particularly, the modernization of two German-built *Kasturi*-class frigates bought in 1980s. Six out of 18 Sukhoi fighters (Su-MKM) ordered for a total cost of US\$900 million are under production in Russia and are scheduled to be delivered in December 2007. In addition, Deputy Prime Minister cum Minister of National Defence Najib announced in July 2006 a plan to build two frigates and purchase eight Aermacchi fighter trainer aircraft.

To overcome budget limitations, Thailand's Ministry of Defence has adopted a 10-year plan to procure weaponry covering 2006 to 2014. This plan consists of three phases: to repair damaged weapons, to purchase additional weapons to fulfill current demands, and to modernize the armed forces. At present, the Royal Thai Air Force is considering the purchase of the Sukhoi Su-30MK from Russia, the Gripen from Sweden, or the F-16C/D from the United States. The Thai government is reportedly negotiating the purchase of Sukhoi fighters with the Russian government through a barter deal and is also planning to upgrade the ageing F-16s through a barter deal with the United States.