

**“ASEAN Plus Three”  
Equals Peace Plus  
Prosperity**

Ali Alatas

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# **“ASEAN Plus Three” Equals Peace Plus Prosperity**

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## **About the Speaker**

*Dr Ali Alatas was appointed Minister for Foreign Affairs of the Republic of Indonesia in 1988 and held that position till October 1999. These were momentous years which, among other things, saw the end of the Cold War, the settlement of the Cambodian conflict, the establishment of the ASEAN Regional Forum, the expansion of ASEAN from six to ten member countries, and finally the regional economic and financial crisis. In view of Indonesia's vital role in ASEAN and Southeast Asia, Dr Alatas was intimately involved in these historic events in the region. He was co-Chairman of the Paris Peace Conference on Cambodia from 1988 to 1991. Dr Alatas is a holder of the Indonesian Order of Merit, Bintang Mahaputra Adipradana, as well as many other foreign decorations, including an Honorary Doctor of Laws from the National University of Singapore.*

*A graduate of the Faculty of Law of the University of Indonesia, Dr Alatas worked as a journalist before he joined the Indonesian Ministry of Foreign Affairs in 1954. He held various posts in the Ministry, including Director of Information and Cultural Relations, Chief of the Secretariat of the Minister for Foreign Affairs, and Ambassador and Permanent Representative of Indonesia to the United Nations (UN) in Geneva (1976-78) and then to the UN in New York (1982-88).*

*Dr Alatas currently works as a counsel with a private law firm in Jakarta. He has remained active in the diplomatic circuit. He is a member of the Indonesian Council of World Affairs, an association of former Indonesian ambassadors. He is also currently writing his memoirs.*

## **“ASEAN PLUS THREE” EQUALS PEACE PLUS PROSPERITY**

It is with great interest that I take up a topic that is close to my heart as an Indonesian and as a Southeast Asian, one that has provoked considerable speculation and debate among those who care for the region's future. I refer to “ASEAN Plus Three” (APT), the forum that comprises the ten ASEAN countries plus China, Japan and the Republic of Korea (South Korea).

This new forum has elicited great interest partly because it comes at a time when ASEAN is perceived to be adrift and barely recovering from the onslaught of the 1997 financial-economic crisis; on the other hand, Northeast Asia appears to be pulsing with resurgent economic prospects while its political outlook has been greatly enhanced by the recent rapprochement between North and South Korea. Thus, the forum comes at a time when ASEAN could use a fresh infusion of political stability and economic dynamism, the very factors that are imparting its Northeast Asian counterparts with new found strength. However, *Asiaweek* has gone overboard by calling the APT “a dying ASEAN's new lifeline”. Like some other observers, *Asiaweek* has taken into account only one side of the equation. For ASEAN+3 will be good for ASEAN as well as for its Northeast Asian partners — that is why they joined forces. And it should not be forgotten that the APT could come into existence precisely because of ASEAN's initiative and the diplomatic glue that ASEAN provides.

The ASEAN+3 forum is an idea whose time has come. Indeed, several considerations have made East Asian cooperation quite compelling.

First, economic interdependence and complementarity — especially in the areas of trade, investments and transfer of technology — are already facts of life in the region. For several decades now, the economies of East Asia have been

undergoing a process of informal integration through, among other things, Japanese foreign direct investments and the workings of overseas Chinese business and financial networks. ASEAN+3 can enhance that process by providing the institutional framework to it.

Second, there has always been a strong political will to enhance mutually beneficial cooperation in East Asia. On the ASEAN side, a significant manifestation of this political will has been the early advocacy of Malaysia's Prime Minister, Dr Mahathir, for the establishment of an East Asia Economic Caucus (EAEC).

And third, the new challenges posed by globalization, including the risk of contagion in times of financial and economic crisis, make closer cooperation an imperative.

However, the limitations and obstacles to East Asian regional cooperation should also be taken into account.

The East Asian region is one of vast diversity — culturally, politically, and economically as well as in terms of military capacity. Differences in values, political systems and stages of economic development are an undeniable reality. Furthermore, the region remains saddled with unresolved territorial disputes and overlapping claims of sovereignty. And a new factor causing controversy and heightened acrimony has been introduced by the US plan on National and Theater Missile Defense (TMD).

Hence, the region's political environment, although marked by relative peace on the surface, is still fraught with persistent tensions and apprehensions at potential conflict below the surface. These tensions and potential conflicts must be managed judiciously lest they erode the prospects for regional cooperation and deter its progress.

It is encouraging to note that APT cooperation has gained considerable momentum in a relatively short time, not only in the economic field but also in human resources development and notably in monetary and financial cooperation. However, in order to ensure the smooth and steady growth of this new cooperative arrangement, certain points need to be taken into consideration, including the following:

- At the initial stage, the focus of the APT should be on economic, social and technical cooperation. For some time to come, it would not be

realistic for the forum to venture into cooperation on political and security issues in view of the substantive divergences of policy on these issues among the East and Southeast Asian countries. Also, the ideal of an “East Asian Community”, built on the basis of common values, is still a distant vision.

- While it may be sensible not to expand the membership of the APT for the time being, the forum should in principle be open-ended. Since the main ambit of the APT is economic cooperation, the informal participation of Taipei and the Special Autonomous Region of Hong Kong should be considered. Also, the eventual participation of Australia and New Zealand should not be foreclosed.
- “Open regionalism” should explicitly be made the operating principle of APT cooperation. The support of partners from other regions and of other regional organizations will depend a great deal on the nature and purposes of the APT being correctly understood.
- In the same vein, it is important to delineate clearly the APT’s linkage to APEC and to stress that the APT forum complements APEC and is not in any way intended to diminish the latter’s value or efficacy. Any perception that the APT is competitive to APEC or that it will have a divisive influence on APEC’s membership, should be dispelled at once, especially in light of the history of US opposition to the EAEC.
- The APT needs to demonstrate its strong resolve at achieving tangible progress. It should therefore develop and carry out as soon as possible a number of concrete projects and programmes of cooperation. In this connection, the APT should vigorously pursue initiatives such as the establishment of an Asian Monetary Fund and an East Asia Free Area (EAFTA), as well as the agreement reached during its recent Singapore Summit on a network of bilateral currency swaps among the central banks of the member countries.
- Apart from developing and pursuing such concrete projects, there is also the acknowledged need to define, from the very beginning, the vision, goals and principles of East Asian regional cooperation. In this

context, the East Asian Vision Group, which is entrusted with this task, will require timely and relevant inputs from governments to the ongoing process of drafting its Final Report.

- As in the case of the ASEAN Regional Forum (ARF), the ASEAN+3 should, at least during the initial phase, continue to be “ASEAN-driven”. This should not be seen as an ambition to assume leadership in the forum but as an inevitable consequence of the fact that the bilateral relationship between China and Japan, which unfortunately has yet to be more fully imbued with a spirit of mutual trust instead of a sense of competition, leaves us with no better option.

Until the financial crisis of 1997-1998, the countries of East Asia had been registering impressive rates of economic growth for more than two decades. This remarkable growth for so long a period cannot be attributed to a single model of economic development, for each of these countries addressed a unique set of economic problems in ways that were specific to these problems. They shared, however, one basic condition: they had all benefitted from a situation of relative peace and stability in the East Asia region.

Without this situation of relative peace in which development and cooperation can and has indeed flourished, their growth would have been considerably less. In turn, the desire to perpetuate the prosperity brought about by cooperation has been a great incentive for maintaining peace among the countries of the region.

ASEAN has always been acutely aware of this and over the years it has worked hard to help bring about such a situation in East and Southeast Asia. Thus it has initiated or helped fashion various agreements, arrangements and processes for both economic development and the promotion of security. These include the ASEAN Free Trade Agreement (AFTA), Asia Pacific Economic Cooperation (APEC), the Treaty of Amity and Cooperation (TAC), the Southeast Asian Nuclear Weapon-Free Zone (SEANWFZ) Treaty, and the ASEAN Regional Forum (ARF). These agreements complement one another in a synergistic way and, in fact, constitute a vital, comprehensive security network in the region.

The ASEAN+3 Forum will be an important part of that network. For there is no doubt in my mind that a successful East Asian regional arrangement, although its work is decidedly in the economic realm, will not fail to contribute substantively to the achievement and maintenance of sustained and sustainable peace, stability and security in this part of the world.

## DISCUSSION

### *Question*

**Richard Borsuk (Asian Wall Street Journal):** Pak Ali you were so actively involved in building up ASEAN. During those years things were going so well for your country, and for Southeast Asia, but now Indonesia is a “messy state” and not getting any less messy as the months and years go by. How much do you think it is hurting ASEAN’s ability to develop, and to move ahead on the APT and so many other things, when the fact is that Indonesia, which had always been the pivotal player in ASEAN, is in a very difficult phase?

### *Dr Ali Alatas*

I cannot but agree that although we are not yet a failing state, we are, in the words of the questioner, a “messy state”. But that does not mean that our interest in ASEAN has diminished, although temporarily Indonesia will have to focus its attention on its internal affairs more than before. But this does not mean that our contributions towards ASEAN will be much less. We will continue to contribute as constructively as possible to what ASEAN is doing now and what it will do in the future. In its 30-plus years, ASEAN has developed its instruments, processes, and mechanisms, in such a way that although it may be affected by some difficulties of one of its member countries (especially if one of the member countries is the biggest in terms of population) but it will be able to survive and its viability will not anymore depend on the temporary difficulties of a member country.

It is true that ASEAN is going through difficult times partly because of the financial crisis, and partly also as an unintended after effect of its expansion to include now all the ten Southeast Asian countries. And probably it will have an eleventh member soon.

These are indeed questions that create complications but we are trying to overcome them and therefore I do not share some of the very gloomy predictions that some commentators have made about ASEAN. We will overcome these problems, and ASEAN will come out of this period even stronger than before.

I have always wondered why certain foreign observers have this tendency to be very gloomy about ASEAN. I remember the very strenuous negotiations on Cambodia, involving ASEAN and France, delivering the Cambodian peace agreement. Many foreign commentators and foreign press (although not all, for example the *Asian Wall Street Journal*), commented that this would mark the end of ASEAN. Instead of congratulating ASEAN on its achievement in finding a solution to the Cambodian problem, many remarked that this would be the end of ASEAN because the cement that kept it together, which was to be against Vietnam's incursion, would not hold. Thus the member states would probably go their separate ways. It never happened that way, but this is typical illustration of the rather gloomy assessment every time ASEAN faces new international developments. Once again commentators question ASEAN's relevance and state that ASEAN's future is perhaps better subsumed in the ASEAN Plus Three. This kind of statement misses the point completely.

#### *Question*

**Ernesto Pernia (Asian Development Bank):** So many other countries in the ASEAN group could also be described as messy states. It is just a difference in degree, not kind. And yet the policy of non-interference among ASEAN countries continues to be upheld. Do you think there will come a time when this policy of non-interference is relaxed in the spirit of brotherly mutual advice? Sometimes countries cannot understand their mistakes as much as others looking in from outside. So maybe it is worth considering reconsidering non-interference in order to strengthen ASEAN and make it blossom further.

*Dr Ali Alatas*

I fully agree with this statement and I can tell you we have relaxed the principle of non-interference with regard to intra-ASEAN dealings. Once again I do not know why it is that certain people continue to harp on this because when my former colleague and good friend, Dr Surin, the Thai minister of foreign affairs first came up with the idea, he used the words “dropping the non-interference clause” and I and others argued that non-interference is not just a principle of ASEAN but a principle of the global community. It is contained in the charter of the United Nations precisely because it is the operating principle on which nation states operate. In short, this principle cannot be dropped, but we understood what he wanted to achieve, which was to be a bit more flexible on issues within ASEAN which may originate in one country but have effects on the other ASEAN countries. On such issues we should be more flexible and agree that we should not stand on the strict non-interference principle. We agreed at the meeting in Manila to use the term “enhanced interaction”. “Enhanced interaction” means that the countries of ASEAN now agree that when there is a problem that resides in one country but has effects on the other countries, and when there are transnational problems like drugs, smuggling, piracy, and so on, then we should convene and discuss these problems. And Indonesia has given the first example with the haze problem. We could have, at that time, taken the attitude, “well, it is our problem, we will deal with it and I am sorry for the direction of the wind, but we can’t help it”. Indonesia could have taken that attitude but it did not because it knew that it was causing great discomfort to its neighbours. So we agreed to have a meeting of ASEAN environment ministers and I can tell you Indonesia had to endure quite some criticism in these very frank discussions. In the end we agreed to cooperate with them. We hope that this enhanced interaction will continue to grow. Thailand proposed it because they were facing the problem of incursions by Myanmar troops in pursuit of the “rebels”, as they were called, into Thai territory, and they wanted to discuss it freely among ASEAN, which is understandable. And I hope we can now also talk about other things, like smuggling and piracy, which we are now talking about amongst three countries — Malaysia, Singapore and Indonesia. And we know that some of the pirates come from our islands, so we are cooperating with Singapore and Malaysia. It is my plea to stop flogging a dead horse, in the sense of

talking about non-interference in the wrong context. ASEAN has come around in order to make it easier to talk about internal issues that come to affect a neighbour.

*Question*

**Jamus Lim (Institute of Southeast Asian Studies):** You mentioned during your speech that ASEAN+3 was not meant to displace APEC in any way, but you also mentioned in your speech that ASEAN+3 was meant mainly to be about economic cooperation. This seems to be dressing the emperor in new clothes. Why cannot ASEAN, or even ASEAN+3, work within the framework of APEC rather than have a new forum that is specifically meant to address economic cooperation?

*Dr Ali Alatas*

APEC has now become very unwieldy with twenty-three members. And one can imagine that as an organization gets bigger one feels the need to have caucuses within that organization without detracting from the wider purpose. This was our main argument when the United States was so opposed to the East Asian Economic Caucus (EAEC). We pointed out that the US Congress has so many caucuses, and does this diminish the importance of Congress? There is the Black Caucus, the Human Rights Caucus, and so on. It simply means that a group of countries want to have a more specified focus on certain aspects of the common problems that the bigger organization has. But let us face it, ASEAN+3 is the EAEC in all but name. Now it is being accepted as something that can be beneficial to the countries that are participating without necessarily being disadvantageous to the other members of APEC as the ASEAN+3 countries all remain quite committed to APEC.

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