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EDITORIAL

Stephen Kingah and Sonja Nita (UNU-CRIS, Bruges)

The Association of Southeast Asian Nations (ASEAN) has fully come of age. A series of events has been held around the world to mark this milestone. Reflections and debates have been organized that unveil some of the strides as well as continuing constraints on the regionalism efforts in the region. Once regarded a strictly economic project, the regional integration initiative in the region has now mushroomed to even include human rights aspects following the creation of a human rights body.

To mark ASEAN at 45, UNU-CRIS’ second Policy Brief focuses on the integration process in the region. It is divided into two main sections, each providing a key background, main challenges and deriving policy recommendations.

The first section takes stock of ASEAN’s economic integration efforts and suggests how to further advance the organization’s aspirations towards a successful Economic Community. The second part draws attention to ASEAN’s security dimension by analyzing its role in addressing three major challenges in the region: terrorism, the proliferation of weapons of mass destruction and the South China Sea dispute.

ASEAN TURNS 45: ECONOMIC INTEGRATION

Elena Ponte and Stephen Kingah (UNU-CRIS, Bruges)

Introduction

Regarded as one of the most successful regional experiences in the developing world, the Association of Southeast Asian Nations (ASEAN) was created on 8 August 1967 in Bangkok, Thailand. This year ASEAN turns 45. Its members include Brunei, Cambodia, Indonesia, Laos, Malaysia, Myanmar, the Philippines, Singapore, Thailand and Vietnam. It has a combined Gross Domestic Product at current prices (US dollars) of over 1.85 trillion and average per capita GDP of 3106 US dollars. ASEAN has many objectives. Amongst these are the promotion and maintenance of peace, security and stability; the enhancement of regional resilience in social and economic spheres; building a people-oriented community and forging an ASEAN identity.

The purpose of this short note is to provide an overview of strides made by ASEAN in the area of economic integration. This is done in view of identifying certain elements which could be considered in maximising the gains already secured in economic integration despite identifiable constraints.

The creation of ASEAN was partly backed by the United States that regarded the organization as a bulwark to resist Communist influences in the region. The group was also forged as a means through which members could address post-independence territorial disputes among some of the states. The first main economic step taken by the group toward integration was in 1977 when ASEAN states created the Preferential Trade Area (PTA). The PTA was created as a compromise between an FTA proposed by the trade-liberalization-friendly entrepôt state Singapore on the one hand and other members who preferred maintaining high tariffs on the other. However, the PTA was a disappointment as product coverage was too narrow. It remained dormant in the 1980s, a period also dominated by the occupation of Cambodia by Vietnam.

In 1990 ASEAN ministers agreed on a common effective preferential tariff (CEPT) to cover products such as cement, fertilizer and pulp. The CEPT was to have four clusters of products, namely, an inclusion list covering 53,229 items; a temporary exclusion list; a sensitive list and a general exception


2 This figure glosses over real differences between the countries in terms of GDP per capita with Singapore having figures that are over 43000 US dollars while Myanmar’s is 715 US dollars. See ASEAN Secretariat, ASEAN Community in Figures (2011), at p. 1, available at http://www.aseansec.org/documents/ASEAN%20Community%20in%20figures.pdf

3 Art. 1, Charter of the Association of South East Asian Nations (2007).

4 Christopher M. Dent, East Asian Regionalism (Abingdon: Routledge, 2008), at p. 88.

5 Ibid, at p. 89.
In taking integration forward, ASEAN states decided in 1992 to create an ASEAN Free Trade Area (AFTA) by 2007. Many reasons were behind this decision. They included a desire to react to the general trend in the world at the time when the Uruguay Round negotiations were not proceeding as desired and other regions were strengthening their own trade regimes such as the European Community’s adoption of the Maastricht Treaty in 1992.

During the course of 1995 a supplementary ASEAN Framework Agreement on Services (AFAS) was agreed with the objective of creating a free trade area in the services market by 2020 for certain fields such as banking, tourism and telecommunications. However, no work plan for its implementation was developed. Following the endorsement of the AFAS, the next watershed was the establishment of the ASEAN Industrial Cooperation (AICO) Scheme in 1996 with the goal of fostering industrial and technological cooperation as well as investment links between ASEAN firms. As Dent asserts AICO’s goal is “to promote joint production ventures amongst firms from different ASEAN countries, thus cultivating further regionalisation linkages within Southeast Asia.”

The main advantage for AICO products is that they enjoy CEPT tariffs of not more that 5 percent if exported within the ASEAN region thereby facilitating inter-regional trade in certain goods.

In 1997 ASEAN Leaders met for an Informal Summit that was held in Kuala Lumpur and adopted Vision 2020 with the goal of making ASEAN “a concert of Southeast Asian Nations (that is) outward looking, living in peace, stability and prosperity, bonded together in partnership in dynamic development and in a community of caring societies.” Two years later, the Hanoi Plan of Action (HPA) was adopted (1999-2004) as one in a series of action plans for the implementation of the Vision 2020.

Another key economic step was the adoption in 2000 of the Initiative for ASEAN Integration aimed at counteracting the core-periphery divergence arising from AFTA liberalization. The initiative is inspired by the experience of the European Union’s Structural Funds and its main goal is capacity building in the poorer countries of Cambodia, Laos, Myanmar and Vietnam. In 2002 the initiative work plan for 6 years was submitted and by 2006 it had led to 132 projects. The sum of 45.1 million dollars was secured for initiative and the ASEAN 6 nations (Brunei, Indonesia, Malaysia, Philippines, Singapore and Thailand) paid 63 percent of that amount while donors such as South Korea, Japan, India, Norway and the EU paid the remainder.

The next economic landmark was the 2003 Bali Concord II meeting that called for an ASEAN Economic Community (AEC) as one of the pillars of the ASEAN Community (also composed of a Socio-Cultural Community and a Political-Security Community). It was pushed for by Singapore and Thailand and is also contained in the Vientiane Action Plan aimed at narrowing the economic divide between the countries and deepening regional integration. The goal of AEC is making ASEAN a single production base and a stronger segment of the global supply chain. It consists of making ASEAN a competitive market. ASEC was initially scheduled for 2020 but in 2006 economic ministers decided to accelerate the process to 2015. Rodolfo Severino presents the rising challenge from China and India in Asia as the underlying reason for this acceleration; the ASEAN nations cannot allow their competitiveness to be undermined and all possible foreign investment sucked away into the two neighbouring giants. ASEC was mainly steered by Thailand and Singapore and these two commercial hubs were also behind the decision to accelerate the date of AEC realization.

Progress in the attainment of ASEAN goals are assessed through the elaboration of annual reports. The annual reports review efforts made in terms of achieving what is set out in ASEAN policy documents such as the Vientiane Action Plan 2004-2010. The Vientiane Action Plan was adopted by leaders during the 10th ASEAN Summit meeting in Laos on 29

Aspects of Economic Integration in ASEAN

Trade

From 1 January 2005, tariffs on almost 99 percent of the products in the Inclusion List of the ASEAN-6 (Brunei Darussalam, Indonesia, Malaysia, the Philippines, Singapore, and Thailand) were reduced to no more than 5 percent. More than 60 percent of these products have zero tariffs. The average tariff for ASEAN-6 has been brought down from more than 12 percent when AFTA started to 2 percent today. For the newer Member Countries, namely, Cambodia, Laos, Myanmar, and Vietnam (CLMV), tariffs on about 81 percent of their Inclusion List have been brought down to within the 0-5 percent range. On 26 August 2007, ASEAN stated that it aims to complete all its free trade agreements with China, Japan, South Korea, India, Australia and New Zealand by 2013, in line with the establishment of the ASEAN Economic Community by 2015. The Customs Vision 2020 has been brought to 2015 as well. Efforts are now underway to implement the ASEAN Trade in Goods Agreement (ATIGA) signed in February 2009. It will ease ASEAN links with cooperation partners.  

An FTA between ASEAN and China was finalized in 2010 (2015 for ASEAN’s newer member states). In December 2003, a joint declaration was issued on commencing discussions an ASEAN-Japan FTA in 2012 (with newer ASEAN countries including Cambodia, Laos, Myanmar and Vietnam from 2017). The first ASEAN-Russia summit meeting was held in December 2005. The leaders agreed on a comprehensive program of action to promote cooperation between both sides during the period 2005-15. The region has also forged trade ties with South Korea and India.

In the area of services, AFAS was agreed upon in 1995 with the objective of creating a free trade area in the services market by 2020 for certain fields such as banking, tourism and telecommunications. The ASEAN China Agreement on Trade in Services was signed in January 2007 within the Framework Agreement on Comprehensive Economic Cooperation.

On free movement of persons, there are no plans yet for a common passport but most of the states allow citizens of member states not to use visas. It is a positive start, for instance, given that one can leave from one country to another for a period of two weeks without need for a visa. A regional work permit is not in the pipeline yet because of the diverging positions on the issue in terms of sending and receiving countries. Although it is not on the agenda for the moment it could eventually be taken up by ASEAN states.  

With regard to capital movement and financial cooperation, the goal of ASEAN to “Promote economic growth and financial stability in the region: through strengthening and surveillance mechanisms, enhancing domestic financial systems and facilitating the development and orderly integration of financial markets.” On financial services, ministers met in 2008 and renewed commitments on the issue. With the aim of reaching financial services liberalization by 2015 ministers signed the Protocol to implement the 4th Package of Commitments on Financial Services Liberalization on ASEAN Framework Agreement on Services in April 2008. The 5th round of negotiations was launched in June 2008.  

On 22 February 2009 ASEAN Plus Three (APT: Japan, South Korea and China) leaders met in Phuket to discuss the Chiang Mai Initiative Multilateralization (CMIM). The grouping is now focusing on operationalizing the initiative. In the course of February 2009 APT Finance Ministers met and agreed to fund the CMIM with the sum of 120

16 One Vision, pp. 18-19.
billion dollars to deal with the impact of the global financial crisis in the region.\textsuperscript{21}

\textbf{New trade related issues}

In October 1998 ASEAN ministers of economic affairs convened a meeting in Manila and signed the Framework Agreement on the ASEAN Comprehensive Investment Area (ACIA) which provides for equal treatment of domestic and other ASEAN direct investment proposals within the grouping. The date of implementation of the ACIA for the original 6 members was 2010 and 2015 for the newer members.\textsuperscript{22} In terms of investment promotion, ASEAN targets include investments from China, Japan, India, the US, South Korea and the EU. With specific reference to the information and communication technology (ICT) sector, the investment goal of ASEAN is universal access to ICT infrastructure and services.\textsuperscript{23} There are plans to help CLMV countries to be familiar with the ASEAN Comprehensive Investment Agreement.\textsuperscript{24}

During the month of September 2004 ASEAN economic ministers approved an ASEAN Policy Blueprint for small and medium sized enterprises (SMEs) development 2004-14. It had first been proposed by a working group in 2001. A Work Program on Industrial Relations was adopted in March 2005 and covers ASEAN cooperation in this area.

In 2007 the ASEAN Expert Group on Competition was created and agreement was reached that focus for the next 3-5 year be on capacity building and the development of regional guidelines for competition policy. In the field of intellectual property the association has an ASEAN Intellectual Property Action Plan that is aimed at accelerating intellectual property asset creation and developing regional mechanisms for intellectual property registration and enforcement. This plan is sanctioned by the ASEAN Working Group on Intellectual Property Cooperation which met recently in Singapore in July 2012 to map out cooperation between ASEAN and Japan in the field of intellectual property.

\textbf{Challenges}

At the 18\textsuperscript{th} ASEAN Summit in Jakarta (May 2011), the ongoing conflict between Cambodia and Thailand consumed the discussion. Additionally, Timor Leste’s application for membership to ASEAN has the potential to widen already existing cracks in the fundamental structure of ASEAN – cracks, which experts on the subject argue have been present since the original ASEAN six admitted Cambodia, Laos, Myanmar and Vietnam.\textsuperscript{25} The time and institutional adjustment required with a new member puts the successful establishment of an ASEC at risk.

To add onto the crowded agenda, the theme at both the 18\textsuperscript{th} Summit (May 2011) and the 19\textsuperscript{th} Summit (November 2011) was not to complete ASEC by 2015, but instead launching deliberations on ASEAN’s priorities beyond 2015. This strategy, under the name of “ASEAN Community in a Global Community of Nations,” does include important conditions on the necessity to have an ASEC. However, the ASEC is treated at most as a bridge on the road towards regional integration; towards cohesion of positions on global issues and a strengthening of ASEAN as a rules-based organization.

The key problem with ASEC by 2015 is the need to fill the gap between plans and action. ASEAN has plenty of plans for an ASEC. What it lacks is concrete action: even when all the member states of ASEAN will have ratified the agreements on economic integration, laws will still have to be passed at the national and local levels. And as all followers of regional integration well know, there’s the rub.

\begin{quote}
\textsuperscript{22} Europa World Year Book at p. 189.
\textsuperscript{23} VAP, pp. 11-14.
\end{quote}
Policy recommendations

Compared to other regions in the South, ASEAN has definitely matured. It has made important strides in trade and trade related issues. Vital challenges subsist in easing movement of people and this is definitely an area on which ASEAN leadership both at the headquarters in Jakarta and in other national capitals could focus on in the coming years.

Efforts to mitigate the impact of tariff liberalization on the poorest countries is welcome. The deliberate strides to stagger integration schedules for the laggard nations is a worthwhile approach but a bare minimum. A more proactive measure that directly benefits the poorer countries could entail the strengthening of regional structural convergence through a more robust financial firewall needed to bolster the initiative for ASEAN integration.

The current approach of allowing visa free movement for specific groups of people for a limited period of two weeks should be expanded to three months for all the citizens with longer margins for business entrepreneurs and skilled professionals.

Ensuring compliance remains a major problem like in many regional integration schemes of the South. This is partly explained by the strong inter-governmental nature of ASEAN’s institutional set-up. The set-up will evolve as the areas of integration widen and as the secretariat garners more responsibilities and powers. The approach of using the ASEAN Economic Community scorecard (since 2008) is worthwhile. Strengthened links between headquarters and national contact points for the focal areas of cooperation will further mitigate the issue of limited compliance.

ASEAN TURNS 45: ITS ROLE IN REGIONAL SECURITY by Hana Umezawa (UNU-CRIS Bruges)

Introduction

Founded in 1967, ASEAN has effectively prevented intra-ASEAN military conflicts during and after the Cold War era, allowing the member states to focus on their own domestic and external security concerns. Since the end of the Cold War, ASEAN has been increasing its role in regional security through enhanced interaction, while maintaining its ‘ASEAN way’ of regional cooperation. The so-called ‘ASEAN way’ includes norms of behaviour and interaction; principles of non-interference and respect for the sovereignty; peaceful resolution of conflicts; practice of consensus and consultation and avoidance of confrontation.\(^{26}\)

While ASEAN has achieved regional peace and stability through firm commitment to multilateralism, some of the vestiges of the Cold War still remain in other parts of Asia, such as political and military tensions in the Korean Peninsula and the Taiwan Straits. ASEAN and its neighbouring regions had to face even more delicate situations in recent years on these fronts, namely the nuclear crisis in Korean Peninsula. The 9/11 terrorist attacks marked the newly recognised security context in the international order, as the non-state actors’ activities have since then been recognised as potential sources of international insecurity. The new security challenges raised by terrorism and weapons of mass destruction (WMD) proliferation have prompted ASEAN and its partners to reaffirm their solidarity to address the instability in the region, enhancing the partnership among ASEAN countries and their neighbouring regions. While these new threats imply serious global impacts, the Association recognises that responses to these global challenges need to start from regional cooperation rather than relying solely on global cooperation\(^ {27}\). The processes of regional cooperation are expected to ultimately enhance a more effective collaboration at the global level\(^ {28}\). It is in this context that various regional

\(^{26}\) Hadi Soesastro, *ASEAN in a changed regional and international political economy* (Jakarta : Centre for Strategic and International Studies, 1995), pp. iii-iv.

\(^{27}\) See, for instance, Chairman’s Statement of the 20th ASEAN Summit (Phnom Penh, 3 – 4 April 2012).

\(^{28}\) See, for instance, Björn Hettne and Fredrik Söderbaum, ‘Regional Cooperation: a tool for addressing regional and
organisations and groupings have been re-defining and/or expanding their roles to include promotion of regional peace and security as their priorities, and ASEAN is certainly no exception.

This brief outlines the efforts undertaken by ASEAN in the security domain. These include strides at addressing the problem of terrorism; WMD proliferation (especially the crisis in the Korean Peninsula); and finally the sensitive security developments around the South China Sea.

Security Threats

Terrorism

While ASEAN’s effort to combat terrorism began long before the events of 9/11, those events were obviously a turning point. Since then ASEAN has moved towards the development of a broader framework of cooperation in the security domain. ASEAN adopted the ASEAN Declaration on Joint Action to Counter Terrorism in November 2001 and since then dramatically expanded cooperation among its member states to such areas as intelligence exchange, post-blast investigation, airport security and travel document security, immigration and cross-border controls. ASEAN also established the network among its front-line law enforcement agencies. Its cooperation with other countries or regional groups has also accelerated and given it greater traction. ASEAN has entered into agreements on counter-terrorism, transnational crime or non-traditional security threats with several countries, namely Australia (June 2004), China (November 2002), the European Union (January 2003), India (October 2003), Japan (November 2004), Russia (June 2004), and the United States (August 2002). The subject has also featured on the agenda of the ASEAN Regional Forum (ARF). ASEAN member states declared at the 1992 ASEAN Summit to strengthen the effort of promoting the external dialogues on enhancing regional security. Subsequently, the Ministerial Meeting and Post Ministerial Conference in the following year agreed to establish the ASEAN

WMD Proliferation and North Korean Nuclear Crisis

The nuclear crisis in the Korean peninsula has been one of the prioritised issues for ASEAN, together with nuclear proliferation in general terms. ASEAN has long been concerned with nuclear proliferation and initiated the Southeast Asia Nuclear Weapon-Free Zone (SEA-NWFZ) in as early as 1995. The SEA-NWFZ Treaty obligated ASEAN members not to “develop, manufacture, or otherwise acquire, possess or have control over nuclear weapons.” Nor are the signatories to allow other states to use ASEAN territories in any way for their nuclear weapons. SEA-NWFZ Treaty focuses predominantly on ASEAN’s own members, in line with the purpose of the Association to promote peaceful relations among the member states and within its own region. As such, SEA-NWFZ has been of little interest to nuclear weapons-possessing states.

In the meantime, ARF has become involved in WMD non-proliferation issues with broader regional perspectives. The process of six-party talks on North Korea’s nuclear ambitions has certainly been an element of wider regional concern and it falls within the realm of ARF’s scope of activities. ARF maintains that complete, verifiable and irreversible denuclearisation of the Korean Peninsula is essential not only for the enduring peace and stability in the region but also the integrity of the global nuclear non-proliferation regime. With no exclusive Northeast

For a detailed account of the establishment of ARF, see Michael Leifer, The ASEAN Regional Forum (Adelphi series 302), (Routledge; 1996).

Treaty on the Southeast Asia Nuclear Weapon-Free Zone, Bangkok, Thailand (15 December 1995) [http://www.aseansec.org/2082.htm].
Asian regional organisation as counter-part Association, ASEAN was in effect able to fill in this vacuum by offering to create a new region-wide entity modelled on the Association’s process of consultation and dialogue. As a neighbouring regional organisation, ASEAN would be acceptable not only to both North and South Koreas but also to other nations concerned. For instance, ASEAN facilitated direct negotiations between North and South Korea through the ARF, and on the side-lines of ASEAN meetings in 2011 regarding the resumption of the six-party talks. ASEAN is currently not involved in six-party talks, but ASEAN’s successful initiative demonstrates its potential to play a role as an active mediator in the Korean Peninsula and wider Asia region.

Besides non-proliferation issues and terrorism, ARF also addresses various trans-national security issues, especially piracy and illegal migration, as well as narcotics and small arms trafficking. While counteracting the trafficking of WMD materials are currently not included in their policies on these issues, it could certainly be added should the member states agree to do so.

South China Sea dispute and the ASEAN’s role in regional conflict management

The escalating tensions over territorial disputes in the South China Sea (SCS) in the last few years have been recognised as a major security concern in the Asia-Pacific region. The obvious conjunction of strategic and economic interests of the regional powers in the Asia-Pacific region (China, Japan, South Korea, the United States, Russia, India, and Australia), and the fact that four of the ASEAN member states are claimants in the SCS disputes (Brunei Darussalam, Malaysia, the Philippines and Vietnam), tend to drive the states to compete with each other rather than cooperate. Moreover, the SCS is supposedly rich in various kinds of mineral resources, while also being an important fishing ground. Freedom of navigation in the region is also a contentious issue from both strategic and trade aspects. Alongside China’s growing influence in all of Southeast Asian states and the US’s enhanced presence in the region in recent years, the escalation of the SCS disputes presents one of the dominant sources of potential conflict in Southeast Asia.

ASEAN has an enormous stake in the maintenance of peace and stability of the SCS area, which is encircled by the national territory of its member states. In the course of the escalating tensions ASEAN has been engaging itself in managing the SCS disputes. ASEAN has so far adopted two important norm-setting documents governing the SCS: the 1992 ASEAN Declaration on the South China Sea adopted in Manila by ASEAN member countries; and the 2002 Declaration on the Conduct of Parties in the South China Sea (DOC) between China and ASEAN. Both contain principles of good inter-state conduct including respect for national sovereignty and territorial integrity of states, the settlement of disputes by peaceful means, and non-interference in the internal affairs of other states. Moreover, ASEAN has issued more than 20 documents in the past five years at various levels noting the need to manage the disputes in the SCS, through both ASEAN-China Summits and ARF meetings. Efforts of ASEAN have also brought about a set of guidelines for the implementation of the DOC in Bali in July 2011.

While China is generally open to multilateral institutions including the ARF, it has constantly attempted to limit the role of non-claimant parties of the SCS disputes and tried to uphold the disputes within the framework of bilateral talks with other claimants it could have much stronger influence upon. On the other hand, whereas Southeast Asian claimants favour an active role of ASEAN and other stakeholders in the SCS, the very divergent interests of ASEAN member states mean that consensus among them on the issue of the SCS disputes could be difficult to achieve. Maintaining ASEAN’s supremacy in the regional environment requires the greater collective efforts of all of the ASEAN member states. With four of its member states being claimants, and the others having varying degrees of political, diplomatic, and economic closeness to China and the US, the potential

33 ASEAN Declaration On The South China Sea, Manila, Philippines, 22 July 1992, Association of Southeast Asian Nations [http://www.aseansec.org/1196.htm]
34 Declaration on the Conduct of Parties in the South China Sea, signed on 4 November 2002 in Phnom Penh, Cambodia by the Foreign Ministers. [http://www.aseansec.org/13163.htm]
of ASEAN’s ability to contribute to the settlement of the SCS disputes remains to be seen.

Challenges

As mentioned, ASEAN’s long-held principle of non-interference has allowed its member states to concentrate on nation-building and regime stability while maintaining cooperative ties with other states. While this principle has not necessarily been an absolute one, common interests have come to play an increasingly significant role in the Association’s conduct of regional affairs. Important steps are being taken by the organization to be more involved in addressing issues that pertain to terrorism, WMD proliferation and the disputes over the South China Sea. But there are clear challenges faced by the organization on these issues. With respect to terrorism, there is now a growing body of norms and standards. There is also cooperation between the law enforcement departments of ASEAN but there seems to be a rift in connecting regional strategies to respond to terrorism. Its effects are mainly felt at the national level especially in Indonesia, Philippines and Thailand. Regarding WMD proliferation the major challenge that ASEAN faces is that the SEA-NWFZ in the region does not really cover ASEAN non members like North Korea. Consequently its effects on such a country have been limited. On the South China Sea, the persistent approach of China to limit involvement of non claimants and insistence on a bilateral approach obviates any hopes that ASEAN’s decisions would have leverage.

Policy recommendations

ASEAN is an organisation that is embedded in a cobweb of convoluted cooperation frameworks. The development of this uniquely multi-layered and wide-ranging functional dialogue framework consisted of various regional mechanisms surrounding ASEAN listed below:

<table>
<thead>
<tr>
<th>Regional Mechanism</th>
<th>Participants</th>
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<tbody>
<tr>
<td>ASEAN+3 (1997-)</td>
<td>ASEAN, China, South Korea, Japan</td>
</tr>
<tr>
<td>ASEAN+6 (2005-)</td>
<td>ASEAN+3, Australia, India, New</td>
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<tr>
<td>(also known as East Asia Summit)</td>
<td></td>
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<tr>
<td>ASEAN+8 (2010-)</td>
<td>ASEAN+6, US, Russia</td>
</tr>
<tr>
<td>ASEAN+10</td>
<td>ASEAN+8, Canada, EU</td>
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<tr>
<td>ARF (1994-)</td>
<td>ASEAN+, 10, Bangladesh</td>
</tr>
<tr>
<td></td>
<td>North Korea, Mongolia, Pakistan, Papua New Guinea, East Timor, Sri Lanka</td>
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</table>

The fact that ASEAN has been the driving force of these multiple mechanisms indicates the significance and credibility of the Association in the region. Should ASEAN continue to stimulate the dialogue through these mechanisms that cover multiple regions in achieving their respective aims, it could ultimately generate meaningful and inclusive cooperative communication channels that effectively address new security threats in the region and beyond. In this regard, it is significant that the Treaty of Amity and Cooperation (TAC)\textsuperscript{36} was recently amended to enable ‘regional organizations’ to accede, which made it possible for the EU to sign the Treaty.\textsuperscript{37} However, more specific steps can be considered.

On terrorism, hard approaches alone will not be enough. While enhancing the multilateral effort, ASEAN clearly recognises the importance of the promotion of human security as “the best deterrent to terrorism.”\textsuperscript{38} However, ASEAN’s anti-terrorism policies reflect its fragmented version of human security, which is based on national and regime rather than individual security.\textsuperscript{39} Deep-seated resentment arising from social inequality, poverty and lack of opportunities that could serve as fuel to terrorist inclinations cannot be fully overcome through human security in such a limited sense. ASEAN could make further effort to strengthen human security networks by reinforcing the current involvement of civil society organisations in its dialogue frameworks such as ARF and ASEM.

In terms of proliferation of WMDs in the Korean Peninsula and the wider region, ASEAN could make a decisive move in order to be formally involved in the six party talks. As discussed, ASEAN previously facilitated direct negotiations between the Koreas under the ASEAN Regional Forum (ARF). This clearly shows its potential to play a positive role in bringing peace to the divided Korean Peninsula as the most credible regional organisation in Asia. This brings us to the acute need for ASEAN to take necessary steps to address or manage the challenge of WMD proliferation by establishing or developing a regional regime on non-proliferation as one of the major regional organisations in Asia-Pacific. While the issue of non-proliferation may not have been on ASEAN’s main agenda of the ASEAN, it has a potential to provide avenues for the development of a non-proliferation regime. As discussed, ASEAN developed several instruments to realise nuclear free zone in the region including ZOPFAN in 1971 and SEA-NFWZ Treaty in 1995. ASEAN should further make use of them in order to develop a non-proliferation regime in Southeast Asia and in the Asia-Pacific region. On the other hand, it has to be emphasised that ASEAN’s focus on an informal interaction process rather than the formal structures might hamper the Association from playing effective role in issues such as WMD non-proliferation that might require formal structures. ASEAN should therefore be prepared to move beyond its traditional state of limited institutions and accept more formal structures.

This same recommendation might apply in enhancing the role of ASEAN in South China Sea disputes. While ASEAN countries are hoping to reach an agreement with China regarding a more binding Code of Conduct, it is unlikely to be achieved unless ASEAN maintains its unity and cohesion and adopts a common stance. As discussed, this is certainly not an easy goal to reach. However, considering the fact that all the ASEAN states are relying on transit through the South China Sea, the Association should bring collective diplomatic pressure on China over its assertive approach. This could be done together with the international community that share the same concerns through channels such as the ARF.

\textsuperscript{36} The Treaty was signed in 1976 in order to promote perpetual peace, everlasting amity and cooperation among the people of Southeast Asia which would contribute to their strength, solidarity, and closer relationship.

\textsuperscript{37} European Commission, ‘The EU accedes to Treaty of Amity and Cooperation in Southeast Asia’ (Phnom Penh, 12 July 2012).


\textsuperscript{39} While ASEAN’s usage of human security has expanded to include various non-traditional security problems including poverty, epidemic diseases, terrorism, transnational crimes, financial crisis, climate change, natural disaster, energy and food security, the phrase tend to be used in the context of the peace and prosperity among and within the ASEAN and its people. See, for instance, The Report of the Eminent Persons Group (EPG) on the ASEAN Charter (December 2006), available at [http://www.aseansec.org/19247.pdf].
CONCLUSION

Each regional organization is shaped by its history as well as the dynamics in the relations between the member states and the modalities used to forge compromises amidst specific interests. ASEAN is not an exception in this respect. Important strides have been made in the organisation in terms of economic integration and also in the area of security. The processes and interests that drive both forms of cooperation may not always coincide but they underscore the need for continuous exchanges in addressing common problems. In the area of economic integration major challenges include requisite adjustments from new members and the necessity to bridge the gap between plans and outcomes. In the field of security inter-state rivalries such as that between Cambodia and Thailand represent a chink in the armour of a more cohesive regional body. Such a cohesive regional body will be better prepared to address issues raised by threats of terrorism, the proliferation of WMDs and the disputes over the South China Sea. Specific policy recommendations, as argued in this brief, can be considered to strengthen ASEAN's role in addressing these challenges.

ACKNOWLEDGEMENTS

We are grateful to those who provided comments to initial drafts of this policy brief. They include Professor Luk Van Langenhove, Dr Lurong Chen, Dr Yoong Yoong and Professor Philomena Murray. Pascale Vantorre was invaluable in typesetting the brief.