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**THE IMPORTANCE OF REGIONALISM
IN POLITICAL AND ECONOMIC DEVELOPMENT:
A COMPARATIVE STUDY BETWEEN ASEAN AND SAARC**

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Scientific Ethics Page

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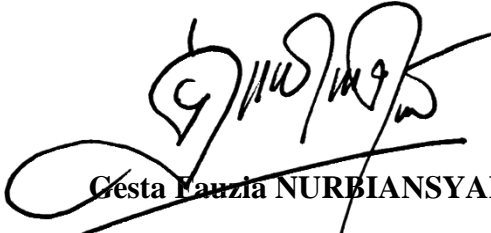

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Bölgesellik uygulaması ilginç bir şekilde sadece Batı ülkelerinde ortaya çıkmamıştır. Günümüzde, Güneydoğu Asya ve Güney Asya bölgelerinde olduğu gibi uzun kolonize bölgelerde meydana gelmiştir. Bu iki bölgedeki bölgesellik başlangıçta çoğu ülke mücadele ve sömürgecilikten kurtulduktan sonra ortaya çıktı. Güneydoğu Asya Uluslar Birliği (ASEAN) ve Güney Asya Bölgesel İşbirliği Teşkilatı (SAARC), bölgesel entegrasyonu artırmak ve iki bölge için kalkınmayı artırmak için kritik unsurlar olarak kuruldu. Yakın zamana kadar, ASEAN ve SAARC tarafından formüle edilen çeşitli girişimler vardır, ancak maksimum bir başarı elde etmiyordur. Bu nedenle, bu çalışma öncelikle ASEAN ve SAARC arasındaki bölgelerdeki siyasi ve ekonomik gelişmenin iyileştirilmesine katkıları arasındaki karşılaştırmayı tanımlamaktadır. Ana konuyu analiz ederken, bu çalışmada iki bölgesel örgütün başarı ve başarısızlık düzeyini ölçmek için siyasi ve ekonomik kalkınma kavramları ve göstergeleri kullanılmıştır.

Anahtar kelimeler: Bölgesellik, ASEAN, SAARC, siyasi gelişme, ekonomik gelişme.

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Abstract

The practice of regionalism has interestingly had arisen not only in Western countries. Nowadays, it has been occurred in lengthy colonized regions, such as in Southeast Asia and South Asian regions. Regionalism in those two regions have initially appeared after most countries had struggled and freed from colonialism. Association of Southeast Asian Nations (ASEAN) and South Asian Association for Regional Cooperation (SAARC) were established as critical elements to proliferate regional integration and escalate development for the two respective regions. Until recently, there are various initiatives that have been formulated by ASEAN and SAARC, while it remains not attain a maximum achievement. Hence, this study primarily identifies the comparison between ASEAN and SAARC on their contribution in improving political and economic development in the regions. In analyzing the main topic, this study utilized political and economic development concepts and indicators to measure the level of achievements and failures of the two regional organizations.

Key words: Regionalism, ASEAN, SAARC, political development, economic development.

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This study was conducted in partial fulfillment of the M.A. requirements in South Asian Studies and International Relations, Social Science Institute, Necmettin Erbakan University. Besides, this study was also written to express my academic responsibility to the department and my interest. Thus, I took the title “The Importance of Regionalism in Political and Economic Development: A Comparative Study between ASEAN and SAARC.”

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List of Abbreviations

ADMM	—	ASEAN Defense Ministers Meeting
AEC	—	ASEAN Economic Community
AFTA	—	ASEAN Free Trade Area
APSC	—	ASEAN Political-Security Community
ASA	—	Association of Southeast Asia
ASCC	—	ASEAN Socio-cultural Community
ASEAN	—	Association of Southeast Asian Nations
ATISA	—	ASEAN Trade in Services Agreement
AU	—	African Union
CACM	—	Central America Common Market
CARICOM	—	Caribbean Community
CLMV	—	Cambodia, Lao PDR, Myanmar, Vietnam
COC	—	Code of Conduct
EEC	—	European Economic Community
ESCS	—	European Coal and Steel Community
EU	—	European Union
FTA	—	Free Trade Agreement
GDP	—	Gross Domestic Product
LAFTA	—	Latin American Free Trade Association
MARPHILINDO	—	Malaya, Philippines, and Indonesia
MERCOSUR	—	<i>El Mercado Common del Sur</i>
NAFTA	—	North America Free Trade Area
NATO	—	North Atlantic Treaty Organization
OAS	—	Organization of American States
OAU	—	Organization of African Unity
RTA	—	Regional Trade Agreement
SAARC	—	South Asian Association for Regional Cooperation
SACU	—	Southern Africa Customs Union
SADCC	—	Southern African Development Coordination Conference
SAFTA	—	South Asia Free Trade Area
SAPTA	—	SAARC Preferential Trading Arrangement
SEATO	—	The Southeast Asia Treaty Organization
SEATO	—	South East Asia Treaty Organization
TAC	—	Treaty of Amity
UAE	—	United Arab Emirates
UN	—	United Nations

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INTRODUCTION

“Things grow stronger when you integrate.”

Daniel Wilson

The post-War era changed the paradigm of decision-makers to build their countries peacefully. They realized that World Wars detriment were immense in material and civilians' casualties. This change also was influenced by the globalization process that has shifted the countries' interest from the traditional approach, from state-centrist and strictly focus on security stability, to be more open with other countries in various aspects, such as economy, social culture, and politics. Therefore, as the actor, countries began to develop cooperation and to integrate rather than to create a conflict with others, one of them by creating regional integration or regionalism.

Historically, the initial development of regionalism can be seen since the late 19th century. In the pan-Americanism case, the regional sovereignty ideas had proceeded to the international treaties between the years of 1856 and 1899 as an old regionalism model. Meanwhile, many scholars argued that the 20th century or post-world war era is believed as the beginning of contemporary regionalism studies. Moreover, the establishment of international institutions, which led to the newly established parameters of the regional and multilateral relations and the post-colonialism period, are among the factors that in charge to the significant evolution of regionalism concept in the 20th century.

One of the most common regionalisms that usually employed as an example in the 20th century might be the European Union (EU). The EU emerged after the Cold War, and it was able to demonstrate the rise of the European countries, especially the West Europe, from the deterioration and prolonged war to more prosperity by increasing their integration and cooperation as one unity. In the beginning, they have started from cooperation in the economic field among its originators, such as; France, Germany, and Italy, and nowadays it becomes the most integrated region as Daniel Wilson said, “the

benefits of such integration increased in various sectors and created prosperity for the people in the European Union.”

Another regionalism success account in improving regional development can be tracked in the North America Free Trade Area (NAFTA). Since the establishment, through economic regionalism, this neighboring country's bloc has succeeded in achieving its two main goals; to expand trade between the United States, Mexico and Canada. It made member countries more competitive in the global marketplace. Even though it increased the U.S. trade deficit, on another side, NAFTA increased the U.S: export and Canada and Mexico imports of the product with comparative advantages. Currently, NAFTA becomes the most substantial free trade agreement in the world.

Nowadays, the practice of regionalism has interestingly had arisen, not only in America or Europe that formerly colonized, yet it also occurred in lengthy colonized regions such as in; Southeast Asia and South Asian regions. Regionalism in those two regions had initially arisen after most of the important actors had struggled and were freed from colonialism. Even though not all implementations of regionalism in this world got succeeded, however, many people perceive that at the beginning of the establishment, the Association of Southeast Asian Nations (ASEAN) and South Asian Association for Regional Cooperation (SAARC) will be critical elements to increase regional integration and development.

CHAPTER ONE

RESEARCH DESIGN

1.1. Context

Southeast Asia and South Asia regions are two Asian sub-regions with long colonization histories. During colonial rules, the two regions suffered almost the same fate. They were satiated with conflicts and wars, while the local communities were divided into subjects of the Western colonization with mostly high nationalism and willingness of freedom characteristic. Right after the end of the colonization era, the colonial legacy left the countries in the regions in rather unfavorable conditions of the low level of prosperity, wealth, and broadly low of political and economic development. Moreover, border issues were the main obstacle in regional security and among neighboring countries.

In the commencement of independence, most countries in Southeast Asia and South Asia regions had only focused on nation-building and how to escape from poverty. The idea of cooperation between neighboring countries in the region was a peculiar due to suspicion among them. As time goes by and due to globalization trends, the countries' leaders realized that there is a necessity to cooperate with other countries to accelerate their nation-building. Therefore, based on similarity on culture, history, and close geographical position, almost countries in Southeast Asian and South Asian countries began to integrate under regional organizations, ASEAN and SAARC were established to answer this regard.

In its process, ASEAN and SAARC have made various initiatives and agreements to strengthen their regional integration and achieve their objectives, especially in the most important subjects; political and economic. It was undeniable that some of those integration efforts have succeeded in creating significant regional developments and achievements, including in member countries, even with different levels of one another. However, many attempts were also deemed ineffective due to various obstacles that appeared from member countries' relations, and their position in facing a problem, lack of commitment, and unclear procedures were also contributed to this matter.

1.2. Research Outline

This study is in four chapters.

The first chapter details the research design which includes an introductory part on the context, research question, conceptual background and review of related literature, research objectives, hypotheses, the significance of the study; and methodology of research, data collection, and tools, as well as analysis of data.

The second chapter starts with a discussion on regionalism. As a phenomenon in international relations, it is crucial to understand how regionalism is emerged, especially on which massively turned up in the post-world war era. Besides that, this chapter also places important to discuss numerous debates among international relations scholars on formulating the definition of regionalism concept. Afterward, the practice of regionalism from several regions such as; Africa, America, the Middle East, and Europe will be briefly cited in this chapter. The discussion aims to comprehend the concept of regionalism with some types of regionalism practices in the world.

As a case of integration in Southeast Asia and South Asia are the main subjects in this work, the third chapter will provide a discussion on ASEAN and SAARC as two forms of regionalism. This part mainly provides general information about ASEAN and SAARC, including their emergences, characteristics, and basic ideas of the two regional organizations.

A detailed discussion on the issues of political and economic development in Southeast Asia and South Asia regions will be provided in the fourth chapter. In order to have a better comprehension and narrow of the subject matter, which in line with the main discussion on this study. The author will utilize several indicators to analyze and to measure the political and economic development and conclude the importance of regionalism on political and economic development in the two regions. It will be related to some initiatives that have been done by ASEAN and SAARC to assemble Southeast Asia and South Asia regions' political and economic development, respectively.

1.3. Research Question

Since its emergence, ASEAN and SAARC have been experiencing various dynamical integration processes. Through regional organizations, they have almost similar principles and objectives; unfortunately, there is no single matter that will be similar in one hundred percent between two entities. ASEAN and SAARC have accomplished various initiatives and strategies in order to maximize the benefit of their integrations. In decreasing bilateral and regional problems, most ASEAN member countries have practiced informal diplomacy. The “ASEAN way” also played an essential role in this matter; however, it sometimes does not show the maximum results.

On the other hand, even though the multifarious agreement has been set out by member countries through various meetings and summits, the India-Pakistan rivalry and mutual mistrust among other SAARC countries are still loud and made bloc’s initiatives progress very slowly and sometimes seems ineffective. Moreover, as the most significant power in the region, India tends as hegemonic power with exploring small countries. Nevertheless, by integrating with neighboring countries in the region, regionalism has been using by SAARC member countries to increase the several development and competitiveness with another region.

The integration achievements that have been contributed by ASEAN and SAARC to political and economic developments in their regions might reach different levels. It generally based on their initiatives in taking advantage and opportunities that the regions have. At the same time, their strategies in facing various obstacles and problems from outside and inside the regions also affected the effectiveness of initiatives and agreements. Those matters can be affected by the significant development in the regions. Thereby giving rise to a critical question:

What are the contributions of ASEAN and SAARC initiatives to the political and economic development of their regions?

Based on the regional situations, knowledge, and resources in political and economic development in Southeast Asia and South Asia context, this study will be underlining ASEAN as an ideal organization for regional peace and stability in Southeast

Asia. While in South Asia, SAARC, as an institution that responsible for accelerating the development of its member countries, has contributed several integration achievements to the South Asia region, even though it agonizes with political instability and lack of trust among the members. Those conditions then affected toward initiatives' implementation and the progress of political and economic development of the region.

1.4. Conceptual Background and Review of Related Literature

Regionalism has been one of the widely practiced integration schemes for accelerating various development in a region. However, there is no consensual definition of the concept of regionalism. There are numerous kinds of literature at hand that is related to that study as the work of Hagerty in 2006 which provides a comprehensive definition of that concept. He mentioned, “Regionalism has been described as a bloc set up, with the political or economic motive for development and prosperity, by member states of a certain region.”¹ In its progress, the conduct of regionalism is various, basically with similar objectives through specific motives and schemes.

In this study, firstly, Neo-liberalism will be a basic framework for elaborating on the emergence of regionalism in Southeast Asia and South Asia. Following this, Karns and Mingst provided a clear description about Neo-liberalism, as their word said, “Neo-liberalism or neo-liberal institutionalist tends to be an optimist. They perceived that cooperation as generally positive, and it can emphasize the role of common norms, values, and rules in international interaction.”² The work of Palmujoki in 2001 added, “Neo-liberal institutionalist viewed the state as a rational egoist and as the active gatekeeper between the domestic and international cooperation.”³

¹ Edward Mansfield and Etel Solingen, “Regionalism,” *Annual Review of Political Science*, Vol. 13, no. 1 (June 2010): 146, <https://doi.org/10.1146/annurev.polisci.13.050807.161356>.

² Margaret P Karns and Karen A. Mingst, *International Organizations: The Politics and Processes of Global Governance* (New Delhi: Viva Books, 2005).

³ Eero Palmujoki. *Regionalism and Globalism in Southeast Asia* (London: Palgrave Macmillan, 2001), 13.

Besides, some scholars argued that there are two reasons that have been constituting the international institution;

- (i) According to the work of Hurrell in 1995, “states realized that the interaction with the same actors will continue in the future and it will be repeated. Such a condition drives several states to build international institutions for generating ways out and solutions of various collective problems.” Related to this matter, the work of Keohane in 1993 stated that “under interdependence circumstances, governments (states) demand international institutions to enable them to achieve their interests through cooperative action.”⁴
- (ii) In addition to Hurrell's work, stated “the international institutions, in turn, support several advantages for states through the information provision, the transaction costs reduction, the transparency and monitoring promotion, the convergent expectations, and facilitating the productive use-linkage strategies.” Karns and Migst then added that “the benefits of institutions do things for members that cannot be accomplished unilaterally.”⁵

Neo-liberalist or institutionalist emphasized the idea that the institution conducts a notable role in considering the order and hefty necessary foundation to individuals and surroundings.⁶ They argue that institutions are central in providing the ideational norms and resources to individuals or its members. Furthermore, the foundation of a robust regional community is a strong institution, and as an institution plays a role as the game's ruler. It connects the members in the community and their reaction.⁷ Rule is followed for its proper

⁴ Judith Goldstein and Robert O. Keohane, (eds.), *Ideas & Beliefs, Institutions, Foreign and Political Change Policy* (New York: Cornell University Press, 1993), 175.

⁵ Ibid.

⁶ Johan P. Olsen, “Understanding Institutions and Logic of Appropriateness: Introductory Essay,” *Centre for European Studies: University of Oslo Working Paper* no. 13 (August 2007): 3.

⁷ Pattarapong Rattanaseevee, “Towards Institutionalised Regionalism: The Role of Institutions and Prospects for Institutionalisation in ASEAN,” *SpringerPlus* 3:556 (2014), <https://springerplus.springeropen.com/articles/10.1186/2193-1801-3-556>.

‘guide’ and ‘validity’. In its implementation, this approach is used to evaluate the establishment of the institution.

Institutionalism sees institution is established to accommodate states’ interdependence and interaction toward each other in acting for its interest and achieving maximum utility. This is supported by the view that sees the formation of the institution is a way-out in solving the coordination, collaboration, and governance cost problems of states.⁸ In line with neo-liberalism idea, since their establishments, it can be seen later that the establishment of ASEAN and SAARC were based on the countries optimistic on positive cooperation by emphasizing interdependence, common values and norms, and repeatedly interaction with other neighboring countries in the region as potential partners.

Secondly, since the importance of regionalism in political and economic development in both Southeast Asia and South Asia regions will be the main discussion in this study, in order to analyze their contributions to the regional development through ASEAN and SAARC, the author will also use the concept of political and economic development. It is including several indicators to measure and prove that role of regionalism is crucial to their regions. Opening the discussion on the concept of development, the author will begin with the definition of political development, which according to the work of Taylor in 1972, he stated that;

“Political development has been defined at one time or another as any one or more of the following facets of change. The growth of an impartial civil service and differentiation in the structures of government, the maintenance of stability and the provision for orderly change in leadership, fundamental changes in the style of thought, the increase of responsiveness in the personnel and institutions of government and the development of grassroots democracy, national integration that overrides primordial conflicts and brings purposive action to the state and its people, the provision of defense - military, economic, cultural - against the outside world, or simply

⁸ Arthur A. Stein, *Neoliberal Institutionalism*. The Oxford Handbook on International Relations (New York: Oxford University Press, 2008), 208-209.

constitutional development, the growth of rules by which authoritative decisions can be made⁹.”

In his work in 1956, Huntington provided additional interpretations of political development that are extensive but divide two related features:¹⁰

- (i) Political Development is recognized as a feature and it ties to the wider modernization process in the entire society, and it influence every segment of society.
- (ii) If political development is connected to modernization, it needs a vast as well as complicated operations. Thus, most scholars contend that many criteria ought to measure the political development.

Besides that, definitions of political development lean-to detail several yardsticks. Ward and Rustow in his work in 1964 provided eight characteristics,¹¹ Pye’s work in 1963 identifies that there are four main aspects of political development, and he added a set of additional factors.¹² Even though the definitions are multiple,¹³ yet the feature which they analyzed with political development as aforementioned are all aspects of the process of modernization. However, in summarize, four sets of categories appear in the criteria of political development, especially in the nation-state model, as follows;

- (i) Rationalization. It implies a movement from particularism to universalism, from ascription to achievement and from affectivity to effective neutrality. Thus, practical differentiation and achievement criteria are mainly underlined.¹⁴
- (ii) Nationalism and national integration. Since the “crisis of national identity” becomes a problem, the ethnic delimitation basis for the political community

⁹ Charles Lewis Taylor, “Indicators of Political Development,” *The Journal of Development Studies* 8:3 (1972): 103-109. <https://www.tandfonline.com/doi/abs/10.1080/00220387208421415>.

¹⁰ Samuel P. Huntington, “Political Development and Political Decay,” *World Politics*, Vol. 17, No. 3 (April, 1965): 386-387. <https://www.jstor.org/stable/2009286?seq=1>.

¹¹ Robert E. Ward and Dankwart A. Rustow, (eds.), *Political Modernization in Japan and Turkey* (New Jersey: Princeton, 1964), 6-7.

¹² Lucian W. Pye, ed., *Communications and Political Development* (New Jersey: Princeton, 1963), 17-18.

¹³ *Ibid.*, 16.

¹⁴ Gabriel A. Almond and James S. Coleman, *The Politics of the Developing Areas* (New Jersey: Princeton, 1960), 532.

is needed, and nation-building is also an essential aspect of political development.

(iii) Democratization. Pluralism, equalization of power, competitiveness, and similar qualities is the underlying assumption of democratization, which according to Coleman, “competitiveness is a crucial feature of political modernity.”¹⁵

(iv) Mobilization or Participation. Karl Deutsch argues, “Modernization implies social mobilization, and this complicated of the process of social alter is remarkably correlated with principal changes in politics,” thus “... modernization means mass mobilization; which means increased political participation, and increased participation is the crucial element of political development.”¹⁶

The definitions and indicators above, presumably with a primary purpose, facilitate the understanding of a nation's political development. However, since the indicators or criteria for measuring the political development of a region and regional organization cannot be obtained; hence, the author would like to analyze them by using two criteria of political development above, namely (i) nationalism and national integration, and (ii) Democratization. In the first criteria, given the importance of nationalism and national integration, they will be discussed, including several data and facts on regional integration in Southeast Asian and South Asia by compelling domestic and regional data. In the second criterion, democratization, the author will also analyze the dynamic of democracy from member countries' local data as well as regional institutions data.

Economic development, somehow, is a broad concept than economic growth. It is still a debate among scholars in which, similarly with political development, there are numerous definitions on it. In any case, economic development casts back to social and economic progress and needs economic growth. Kindleberger in his work in 1983 argued

¹⁵ Pye, ed., *Communications and Political Development*, 301.

¹⁶ Karl W. Deutsch, “Social Mobilization and Political Development,” *American Political Science Review*. LV (September 1961).

that “economic development infers both more yield and changes within the specialized and regulation course of action by which it is delivered and dispersed.”¹⁷ While in the classical era, it means; “an increment within the outright measure of yearly fabrication notwithstanding of the population estimation or an increment within the economy’s genuine pay over a long period.”¹⁸

In addition, according to Meier’s work, “economic development is an activity whereby an economy’s real national income enlarges over a long period.” Similar to this, Drewnowski in 1966 also argues on development in the term of economic, he stated, “people’s standard of living in economic development is steadily, and it involves the rise of per capita income ... Economic development insinuates the increasing per capita income, reducing income imbalances and the pleasure of the people.”¹⁹ Although many definitions, the economists agreed that per capita income or Gross Domestic Product (GDP) per capita had been a common tool to measure a country’s income and standard of living per person, and it helps to ascertain a country’s economic development.²⁰

On another hand, although it might not be a panacea for economic development, trade has been also recognized as a potential development tool by many prominent economists.²¹ In the regionalism context, regional integration has been a great instrument in trade promotion. According to Bagwell and Staiger’s work in 2001, “in the region with most developing countries, trade agreements assist to regulate the national trade policy and potentially could intensify the trade on development.”²² Besides, trade liberalization has become widespread, particularly among developing and transition economies due to

¹⁷ Gerald M. Meier, *Leading Issues in Development Economics* (New York: Oxford University Press, 1964), 2.

¹⁸ Bruce Herrick and Charles P. Kindleberger. *Economic Development*, 4th ed. (McGraw-Hill International Editions, 1983), 49.

¹⁹ Jan Drewnowski, “Social and Economic Factors in Development,” *UNRISD report*, no. 3 (1966).

²⁰ Kimberly Amadeo, “GDP per capita with its Formula and Countre Comparison,” *The balance*, last modified April 6, 2020, accessed May 3, 2020, <https://www.thebalance.com/gdp-per-capita-formula-u-s-compared-to-highest-and-lowest-3305848>.

²¹ Alisa DiCaprio, Amelia U. Santos-Paulino, and Matia V. Sokolova, “Regional trade agreements, integration and development,” *UNCTAD Research Paper* No. 13 (July, 2017): 3.

²² *Ibid.*, 5.

the limitation of import development strategies and the influence of international financial institutions.

Frankel and Romel's work in 1999 added, "liberalization broadens trade by reducing the tax and tariffs that distort markets. Going further, trade has been manifested to increase growth." The other works of literature at hand also showed several transmission channels for welfare gains from trade, especially the present of various elements to changes income. The work of Arokolakis, Costinot, and Rodriguez-Clare in 2013 suggests that "welfare benefits of trade may vary based on inputs, namely intermediate inputs and supply networks, however generally it can be calculated by staring at statistics of standard trade."²³ Other studies focus on the strength of demand to describe across differences in income and welfare across countries as a result.

In the last decades, in line with trade liberalization's objectives in lowering the tariffs and increasing total trade, many countries have been implementing free trade agreements (FTA) under regional trade agreements (RTAs) framework. In which according to WTO in 2018, "RTA refers to a treaty between two or more governments that define the rules of trade for all signatories."²⁴ It then occurs when member countries agree to reduce tariff and non-tariff barriers to underpin the free mobility of products, resources, and services. This way is essential because it will show the real number of regional trades, including intra-regional trade and productivity in a region.²⁵

Beyond wide themes, the multiplications of RTAs have introduced several specific issues that affect the welfare consequences of regionalism. RTAs are believed to be able to manage international trade and promote sturdy ties between RTAs member countries. However, in this context, trade liberalization benefits both members and non-members through preferential market access and internal commitments to lower the trade barriers among them.²⁶ Thus, RTAs may amplify the development impact of a trade by increasing

²³ Ibid.

²⁴ Dana Smillie, "Regional Trade Agreements," The World Bank, last modified April 5, 2018, accessed 2019, <https://www.worldbank.org/en/topic/regional-integration/brief/regional-trade-agreements>.

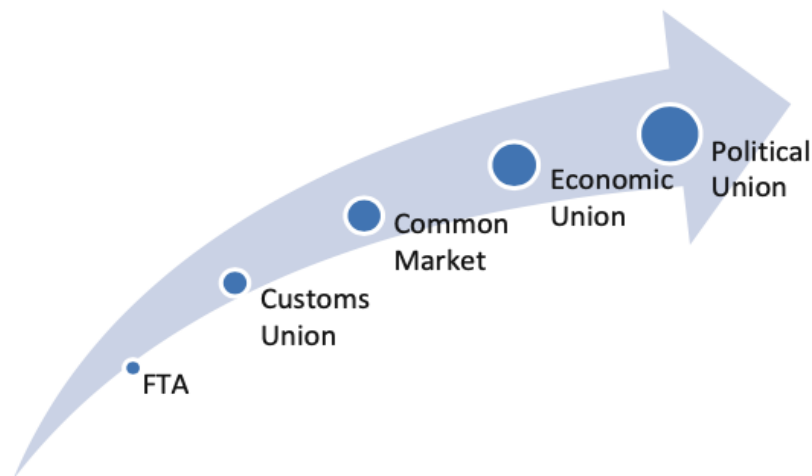
²⁵ Kankesu Jayanthkumaran, *Industrialization and Challenges in Asia*, (Singapore: Palgrave Macmillan, 2016), 99, <http://dx.doi.org/10.1007/978-981-10-0824-5>.

²⁶ DiCaprio, "Regional trade agreements," 5.

trade flows and access to goods and services, improving institutional and policy environments, and improving distributional outcomes.²⁷

The resources allocation due to the removal of the tariff will lead emerging countries to pursue with other wealthy countries. RTAs' tariff reduction emphasizes high-cost member countries' producers relative to low-cost non-member producers. Hence, regional partners take the benefit of lower trade barriers leading to freer regional trade with a familiar market and similar cultural scene. Besides, lowering regional trade barriers will amplify broader regional markets and promotes efficiency among regional partners. In the long run, a broader regional market allows economies of scale, product innovations, and economic development.²⁸

Figure 1.1 RTAs' levels of integration



Sources: Kankesu Jayanthankumaran, *Industrialization and Challenges in Asia* 2016

²⁷ Ibid.

²⁸ Kumaran, *Industrialization and Challenges in Asia*, 100.

²⁸ Ibid., 11.

In its development, Regional Trade Agreements (RTAs), at least, shared four characteristics and levels of integration;²⁹

- (i) Free (or preferential), which allow member countries to decrease or eliminate trade barriers among them and carrying barriers for the out-siders or non-member countries.
- (ii) Customs unions, allows its member countries to reduce or eliminate barriers to trade among them and embrace a common external tariff towards non-member countries.
- (iii) Common markets, it allows members to expand the basic custom union by reducing the barriers to the movement of factors of production (labor and capital),
- (iv) Monetary unions, allows member countries to blend their national economic and monetary policies and exchange rate regimes.
- (v) Political unions, allow political coordination with some form of sustained economic integration.

Therefore, besides GDP per capita, in the case of Southeast Asia and South Asia economic development in this study, the author would emphasize the role of RTAs initiated by ASEAN and SAARC and their impact on intra-regional trade progresses in the regions. As a matter of fact, not only increasing the number of trades but also the potential for extensive integration that accompanies some RTAs existed. For regionalism, there are many additional gains, beyond goods trade, to be had from regional integration, and RTAs could be the initial step to attain a deeper integration between member countries.³⁰

²⁹ Rossitza B. Wooster, Tapa M. Banda and Smile Dube, "The Contribution of Intra-Regional and Extra-Regional Trade to Growth: Evidence from the European Union," *Center of Economic Integration, Sejong University. Journal of Economic Integration* 23, (1) (March 2008): 165-166, www.jstor.org/stable/23001116.

³⁰ Caroline Freund and Emanuel Ornelas, "Regional Trade Agreements," *Policy Research Working Paper* 5314 (May 2010): 4.

1.5. Research Objectives

There are already several kinds of literature that provided a discussion on the concept of regionalism and comparative study between ASEAN and SAARC. As regional organizations, both ASEAN and SAARC are aiming to improve their regional quality in many aspects, primarily political, economy, and socio-culture. In practice, due to various obstacles and dynamical organization, not all objectives they could be achieved. Many kinds of literature are mainly focused on comparing the effectiveness of ASEAN and SAARC as a regional institution. However, they lack in providing specific data on what factors made one of them are more effective in running their functions with several achievements.

This study's objectives are to assess the importance of ASEAN and SAARC that will narrowly focus to comparison on the dynamical process in the political and economic development through ASEAN and SAARC's initiatives since they were founded until 2018. The significant factors that have helped ASEAN and SAARC address the issues also will be mentioned in this research. In this context, while both ASEAN and SAARC have some similarities in the term of regional organizations, the approaches that they have employed are different. It has an impact on their achievement in the political and economic fields. Therefore, the effectiveness of ASEAN and SAARC as regional organizations will be measured by both regions' political and economic accomplishments.

1.6. Hypotheses

In line with the purpose as mentioned earlier, this study proposes the following presumption;

Hypothesis 1:

ASEAN and SAARC have been contributing to the political and economic development in the regions.

Hypothesis 2:

Bilateral relations of member countries, lack of commitment, and unclear implementation procedure made ASEAN and SAARC initiatives ineffective.

1.7. Significance of the Study

This study will contribute to the limited literature on the subject by providing detail and informative view on the importance of a regional organization toward the development in the region. Thus, this study will be a reference source for future researchers investigating the political and economic development in both regions. By putting this case, it can be seen that regionalism has potential progress in the future development of countries in a region. This research can serve as a lesson for other regional organizations facing similar problems and overcome it in order to maximize regional integration, which will give positive political and economic development.

1.8. Methodology

As this discourse attempts to connect the concept of regionalism by using ASEAN and SAARC cases as a model and their importance toward political and economic development that will be deeply analyzed, the conduct of research will consist of theoretical studies, review of related literature and statistical data from prominent international institutions.

1.8.1. Research Methodology

Throughout the research, this study will employ qualitative methodology or archival research. The conduct of archival research enables the generating of essential data regarding the concept and theories of regionalism. The result of this literature review will set the framework that consequently determined the related point on ASEAN and SAARC case. Besides that, the regionalism in Africa, America, Arab and Europe were then used as a reference as to other examples of regional organization practice in the globe.

The political and economic development will be measured through the situations in the beginning, and after the ASEAN and SAARC were established. The data will be compiled from its domestic of the member states and the regional data with some indicators for political development, namely; nationalism and regional integration, and democratization. The economic development will be analyzed through the economic statistics taken from official data of several international institutions. The findings categorized in two ways to identify the economic development progress; the per capita income (GDP per capita) and RTAs impact on the inter-regional trade.

1.8.2. Data Collection and Tools

The qualitative or archival research was able to generate necessary data to discuss the subject matter of the discourse. This type of data collection based on books, journal articles, thesis, an official government, and non-governmental organizations' data and statistics, as well as online sources that discuss the concept of regionalism and show political and economic development data in Southeast Asian and South Asian region. Based on initial resource gathering, there are some books and journal articles at hand citing the regionalism. Similarly, the same process goes for discussing ASEAN and SAARC case. Numerous articles and studies or dissertations mostly written by Indonesian, Singaporean, Indian, and Bangladesh scholars are available and were referred to cite regionalism in Southeast Asian and South Asian regions.

1.8.3. Data Analysis

Data collection through qualitative or archival research will be expected to produce data like the critical concept and other regionalism dynamics. Other topics that will be focused on research about political and economic development in the region will also be considered and referred. In this framework, information related to ASEAN and SAARC progress will be used as a model to explain the application of such theories. Through the conduct of analysis of data sought, both ASEAN and SAARC case provided

the study a clear case exemplifying the pursuit of the importance of regionalism on political and economic development in the region.

After collecting data and conducting analysis, they will be considered to prove whether ASEAN and SAARC have an important role in political and economic development in both regions. It also will be a comparative evaluation to determine the degree of the effectiveness of a regional organization in a region.



CHAPTER TWO

THE DEVELOPMENT OF REGIONALISM IN INTERNATIONAL RELATIONS

Regionalism in divergent contexts and periods might designate different things for different individuals.³¹ Both academicians and policy makers have not been achieving their consensus and keep on debating this concept based on their different views and experiences. However, it has been widely overspread around the world, yet in various patterns. Since the geographical proximity is the most useful in defining regionalism, besides world politics or international relations, regionalism, in the beginning, has also used defining an autonomy issue of a neighboring area which consisted of some cities in a nation-state.

In this chapter, firstly, it is crucial to understand how regionalism emerges as an international relations phenomenon. Thus, this study will discuss the emergence of regionalism based on several phases, including its multiple interpretations by scholars in defining this concept. Secondly, to make a better understanding of the concept and its dynamical process, other regionalism practices will also be mentioned to compare the regionalism's patterns around the world.

2.1. The Emergence of Regionalism

Since the ancient era, integration had existed in order to strengthen a specific vision, such as cultural identity, social, later political, economy and law in a community as a form of unity before Westphalia's nation-state model. The scope was minor; however, the patterns were almost the same with today's configuration, when a community would integrate with other communities with geographically close and similar interest to them. It can be date back to ancient Greece that implemented a model of kingdom, alliance, and trade leagues in the beginning history of Europe.

³¹ Fredrick Söderbaum, "Old, New, and Comparative Regionalism: The Scholarly Development of the Field," *KGF Working Paper Series*, no. 64 (October 2015): 1.

Based on the period of its emergence in the world politics, scholars have been debating on the emergence of regionalism, and it comes to a conclusion that regionalism classified into two phases, namely; classical or old regionalism, and new regionalism. Classical regionalism emerged around the late 1940s, along with the emergence of regional cooperation organizations with “high politic” as nature, in which the political aspects dominated the performance of the organization. The new regionalism is developed in the early 1990s or after the cold war by applying “low politics” when economic and cultural aspects dominated the cooperation between countries.³²

While Söderbaum argues that the intellectual history was not included in the above-mentioned phases, because scholars claim that regionalism is only a phenomenon after World War II. It prevented an understanding of both its deep historical roots and its global heritage. Thus, he classified the development of regionalism into four phases: early regionalism, old regionalism, new regionalism and the current phase of regionalism or comparative regionalism.³³

2.1.1. Early Regionalism

As mentioned briefly, the early regionalism form can be traced back from the ancient period, since the pre-modern exchange systems and migratory patterns could be a sign of bonds and diplomacy’s element to create trust between isolated communities.³⁴ During the ancient Greek, according to Kleffens, through the leagues and confederacies among communities were non-political in manner, ancient Greek showed a model for future political integration, which later became the first regional organization with political motives known as *Lacadae Monian League*, formed around 6 Century B.C.³⁵ In several times later, the league transformed into a Pan-Hellenic League, and it changed into the Athenian League due to the wake of the Persian invasion.

³² Nuraeni S. et al., *Regionalisme dalam studi hubungan internasional* (2010), 83.

³³ Söderbaum, “Old, New, and Comparative Regionalism,” 5.

³⁴ Ibid, 6.

³⁵ E. N. Van Kleffens, “Regionalism and Political Pacts” *The American Journal of International Law* 43, no. 4 (October 1949): 672, www.jstor.org/stable/2193258?seq=1.

In another history, the imperial integration, which implied political unity and spread of values in some duration called as “empire,” has been clearly presented by Chinese. The Chinese Empire, which established in 211 B.C., ruled by several ancestry or dynasties until the existence of the People Republic of China in 1912. There were also The Empire of Alexander the Great between 336-323 B.C. and the Greater East Asia Co-prosperity sphere, which consist of several countries in East-Asia controlled by Japan Empire for several periods from 1930 to 1945.

In the next level, regional integration is also reflected in hundreds of peaceful unification schemes of Europe in the 16th and an outline of the European league of nations in the late 17th centuries. Those began after the collapse of empires, and the emergence of nation-state logic based on Westphalia.³⁶ Most European nation-states also shaped ideas on regional-building in Europe and its periphery during the colonial era. This path continues to influence not only the post-colonial world but present-day Europe as well. It is in line with Söderbaum 's statement, which said, "European colonial empires have sometimes been regionally organized, but anti-colonial struggles have also taken on such a regional form that has occurred in Africa."³⁷

The attempt to take control of their mineral resources during the colonial period had a firm regional intention for Africa until nowadays, especially for South Africa. As the world’s oldest existing customs union established in 1889, the Southern Africa Customs Union (SACU) and its successor, the Union of South Africa in 1910, had shifted the British colonial’s attention to the North. It was different from the British, during the French colonial empire, French applied a special relationship with the Francophone African colonies. The colonies have to sustain the French imperial dreams and, on the other hand, the former colonies could preserve regionalism among themselves, such as the formation of the West Africa Economic and Monetary Union (UEMOA).

The regionalism idea in Latin America can be seen during the existence of Pan-Americanism which pushed through the ideas of sovereignty and struggles for freedom

³⁶ Christer Jönsson, S. Tagil, and G. Törnqvist. *Organizing European Space* (London: Sage, 2000).

³⁷ Söderbaum, “Old, New, and Comparative Regionalism,” 65.

from the Spanish colonialism in the early 19th century.³⁸ Simon Bolivar was a key player for independence. His effort to create a league of American republics, with joint military and a mutual defense pact, resulted in the earliest International Conference of American States in 1889 and 1890 in Washington, D.C. with 18 nations, which later called as the Pan-American Union.³⁹

Nowadays, the Pan-American conferences transformed into the Organization of American States (OAS), which known as the oldest regional organization in the world.⁴⁰ While as for pan-Arabism, also emerged around this time, in the late 1800 and the early of the 1900s, Robert Danielson argues that the regionalism concept was initially a consequence of the awakening of Arab identity and during the Ottoman Empire period as well.⁴¹ Before World War I, regionalism has existed during Napoleonic wars. Some regional organizations, such as; the Holy Alliance and the Quadruple Alliance, have been created within this period. The triple entente consist of France, Russia and Britain was also the regional organization which formed after the unification of Germany in 1879 besides several counter-alliances.

While, during the wars, regional integration became more popular. In this period, most countries were integrated to form regional arrangements in order to achieve a “balance of power” against their opponents. The Little Entente made up of Czechoslovakia, Romania and Yugoslavia which established in 1920, the five-power treaty or Locarno Pact signed by Belgium, England, France, Germany and Italy in 1925, and Balkan Entente in 1934 were most important regional arrangement during the inter-war period between 1918 and 1939.⁴²

³⁸ Louise Fawcett and Monica Serrano. *Regionalism and Governance in the Americas: Continental Drift* (Basingstoke: Springer, 2005).

³⁹ Söderbaum, ‘Old, New, and Comparative Regionalism’, 10.

⁴⁰ Louise Fawcett, “The History and Concept of Regionalism” *UNU-CRIS Working Papers*, W- 2013/5.

⁴¹ Robert E. Danielson, “Nasser and Pan-Arabism: Explaining Egypt’s Rise in Power” (master’s thesis, Naval Postgraduate School, 2007), 20. Calhoun: The NPS Institutional Archive, accessed December 16, 2018, <https://core.ac.uk/download/pdf/36697105.pdf>.

⁴² Norman D. Palmer and Howard C. Perkins, *International Relations: Community in Transition* (Massachusetts: The Riberside Press, 1953), 561, accessed November 24, 2019 <https://babel.hathitrust.org/cgi/pt?id=mdp.39015074172092&view=1up&seq=9>.

2.1.2. Old or Classical Regionalism

As many scholars agree on old-regionalism as a post-World War II phenomenon, and it began in Western Europe in the late 1940s with a purpose in to demolish inter-war nationalism experiences and to achieve peace as well as stability, therefore the regional integrations have been built. In opposite with the early regionalism that focus on competing alliances, in this phase, the impetus of regional integration was to attain and integrate peace and stability after the World War II, particularly in Western Europe such as the establishment of the European Coal and Steel Community (ECSC) in 1951 with its goal to create the European Economic Community (EEC) in 1958.⁴³

Haas and Hurrell argue that during this phase, the regional institution played a role in creating functional, political, and cultivated spills that will eventually lead to the redefinition of group identities 'outside the nation-state' and around regional units.⁴⁴ The opinion of Karl Deutsch added that “regional integration during this period had been converted into 'security communities'. When a member of the security community believes they have agreed on at least one point: that common social problems must and can be solved through 'peaceful change' processes.”⁴⁵ The early debates and discussions in conceptualizing regional integration or regionalism were also happened during this period, specifically, in the late 1960s until the early 1970s. There were various theories attempted to explain the development of regionalism within this period, such as federalism, functionalism, neo-functionalism, and intergovernmentalism.

It is reflected in its legality; classical regionalism can be seen in the UN Charter, which recognizes the existence of regional organizations as important actors to dissolve conflicts before the problem was resolved in the UN international court. The emergence of classical regionalism is associated with two conditions; the first, that regionalism appeared in the preliminary version of the UN charter made in Dumbarton Oaks in 1944

⁴³ Söderbaum, “Early, Old, New and Comparative Regionalism”, 11.

⁴⁴ Fredrik Söderbaum, *The Political Economy of Regionalism: The Case of Southern Africa* (Basingstoke: Springer 2004), 21.

⁴⁵ Karl W. Deutsch, S. A Burrell and R. A. Kann, *Political Community and the North Atlantic Area: International Organization in the Light of Historical Experience* (Princeton: Princeton University Press, 1957), 5-6.

which stipulated that “the existence of regional bodies relating to issues of peace and security should not be impeded.” The second, the existence of regional organizations were only sub-ordinates of the power and influence of two superpowers, and this was demonstrated by the emergence of NATO, the Warsaw Pact, the Rio Pact, CENTO, SEATO, and ANZUS.⁴⁶

Besides in Europe, the discussion on regionalism was also developed in Latin America, Africa and Asia. The topic in those regions attributed on against colonialism and focus on ‘to facilitate economic development, nation-building, and industrialization in the newly independent nation-states’.⁴⁷ The focus then far from economic integration in order to achieve peace and political unification as in Europe, the regional integration in Latin America, Africa and Asia as means for state-formation and domestic economic development during this phase. The result of this was the creation of the Latin American Free Trade Association (LAFTA) in 1960. It consisted of all nation-states on the South American continent and Mexico, which later there was an internal conflict that affected the limited track-record and a miscarriage among states to cooperate.⁴⁸

In Africa, the debate on this phase influenced by the issues in Latin America as well as in Europe. The pan-Africa as the embryo of regional integration in Africa focused on mercantilist strategies and collective self-reliance based on regional industrialization in Latin America.⁴⁹ It formulated into the Organization of African Unity (OAU) in 1963 and the Southern African Development Coordination Conference (SADCC) in 1980, which has been widely discussed as an essential regional integration form for harmonizing a common African stand against colonialism and other discriminations.⁵⁰ On the other hand, for Asia, there was a discussion on the dimension of regionalism itself, ‘whether sub-region included or not?’ due to many scholars’ concern to the formation of the

⁴⁶ United Nations, “Chapter VIII: Regional Arrangements,” last modified December 16, 2018, www.un.org/en/sections/un-charter/chapter-viii/index.html.

⁴⁷ Söderbaum, “Early, Old, New and Comparative Regionalism,” 13.

⁴⁸ Ibid.

⁴⁹ James H. Mittelman, *The Globalization Syndrome: Transformation and Resistance* (Princeton: Princeton University Press, 2000).

⁵⁰ Söderbaum, “Early, Old, New and Comparative Regionalism,” 15.

Association of Southeast Asian Nation (ASEAN) in 1967 which consisted of countries in Asian sub-continent.

2.1.3. New Regionalism

The phase of new regionalism can be characterized by an increase in the number of regional trade agreements, an anti-hegemonic regionalism and the rise of a multi-dimensional type of regionalism that was not only about trading schemes or cooperation in security.⁵¹ During this phase, which began around the mid-1980s, the scholars stressed that regionalism needs to be linked to interrelated structural changes of a global system in the post-Cold War period, such as the end of bipolarity, the intensification of globalization until the multilateral trade order.⁵²

The development of theorizing around the world on the discussion about regionalism made intellectual progress. However, the scholars did not share a similar thing, the understanding of the excellent theory as well as the definition related to this topic. Several rationalist theories dominated regionalism in this phase, yet the distinction between old and new regionalism is less obvious.⁵³ Moreover, there were many arguments on regionalism was an economic globalization manifestation and common hegemony forms.⁵⁴ It also critics that investigated the new regionalism represent the ‘return of the political’ in the economic globalization context.⁵⁵

According to Söderbaum, the main discussion on new regionalism appeared, "There are no 'natural' regions, but they are made, refurbished, unmade – intentionally or

⁵¹ Michael Schulz, Fredrik Söderbaum and Joakim Ojendal, “Regionalisation in a Globalising World: A Comparative Perspective on Actors, forms and Processes,” (January, 2001): 6-8, www.researchgate.net/publication/259580865_Regionalisation_in_a_Globalising_World_A_Comparative_Perspective_on_Actors_Forms_and_Processes.

⁵² Björn Hettne, “Beyond the ‘new’ regionalism,” *New Political Economy* 10, no. 4 (2005): 546-549, www.doi.org/10.1080/13563460500344484.

⁵³ Finn Laursen, *Comparative Regional Integration: Theoretical Perspectives* (New York: Routledge, 2018), 19, www.doi.org/10.4324/9781315197111.

⁵⁴ Andrew Gamble and Anthony Payne (eds.), review of *Regionalism and World Order*, by Andrew Hurrell, *Journal of Latin American Studies*, (May 1997): 541-542: www.journals.cambridge.org/abstract_S0022216X97584768.

⁵⁵ Björn Hettne, Andrés Inotai, and Osvaldo Sunkel, *Globalism and the New Regionalism* (London: Macmillan, 1999), 7.

unintentionally – by collective human action and identity formation in the process of global transformation.”⁵⁶ It means the interests and identities were shaped in the process of interaction and inter-subjective understanding within a regional integration. Bøås then added, "Regionalism is understandable as a political plan. However, it is not necessarily state-led, since states are not the only political actor around ... we believe that several competing regionalizing actors with different regional visions and ideas coexist within each regional plan.”⁵⁷

It was clear from the above statements that non-state actors played an essential role in the new regionalism. At the same time, integration was a top-down and formal regionalist project driven by the state. Scholars noted that business interests and multinationals not only operated globally but also created regionalized economic activity patterns.⁵⁸

During this phase, some scholar claimed that the regional integration could be seen in the private economy which more effective than the state actors, for instance in Europe, there was a debate between the role of business actors and the creation of the European common market. In the US, the creation of the North American Free Trade Area (NAFTA) and Asia-Pacific has based the business interest. The South African enterprises have developed trade and commerce, mining, banking and financial service as regional strategy, while family-based networks and businesses in technology and investment were also discussed in East Asia, especially in Japan. For Africa, trading and smuggling networks operation is prominent in developing their region.⁵⁹

⁵⁶ Söderbaum, “The Political Economy of Regionalism: The Case of Southern Africa”.

⁵⁷ Morten Bøås, Marianne H. Marchand, and Timothy M. Shaw, “The Weave-World: The Regional Interweaving of Economies, Ideas and Identities,” in *Theories of New Regionalism*, ed. Fredrik Söderbaum and Timothy M. Shaw (New York: Palgrave Macmillan, 2003), 201.

⁵⁸ Alan M. Rugman and Alain Verbeke. “A perspective on regional and global strategies of multinational enterprises,” *Journal of International Business Studies* 35, no. 1 (2004): 6, www.doi.org/10.1057/palgrave.jibs.84000736.

⁵⁹ Markus Perkmann and Ngai-Ling Sum, *Globalization, Regionalization and Cross-Border Regions* (London: Palgrave Macmillan, 2001), 12.

2.1.4. Comparative Regionalism

The long phase of regionalism gives an impact on its current notions and projects. While the early regionalism discussed the interaction and the deep roots of regionalism, the current or comparative regionalism is exploring the apparent nature of regionalism that has happened around the turn of the mid-2000s and the changing world order.⁶⁰ Although no significant development occurred in the new phase of regionalism, regionalism's fingerprint has arisen and become a structural component of global politics today.

In contrast to Stubborn's opinion on current world politics as persistence of nation-states, Peter Katzenstein argues that "we are approaching a world of regions."⁶¹ It is undeniable since many trends shape the current world order, such as the war on terror, a multi-layered world order, and recurring financial crises worldwide. Those matters-built regions all over the globe. They are increasingly fundamental to the functioning of all aspects of world affairs, from trade to conflict management.⁶² Moreover, the current debates on regionalism have shifted, from the interaction between 'globalization and regionalization' to the complexity of the interactions between state and non-state actors.⁶³

The lack of discussion on regional specialization and the theoretical traditions during new regionalism caused the unprolific debate among scholars and policymakers. New regionalism was based on case studies, and many comparisons usually failed to take the historical and regional context into deliberation. It makes comparative regionalism focuses on changing regionalism's intellectual landscape, with not only making an intensive discussion of theoretical approaches but also accepting the need for a multitude of scientific viewpoints and sights.⁶⁴

⁶⁰ Hettne, "Beyond the 'new' regionalism,".

⁶¹ Peter Katzenstein, *A World of Regions: Asia and Europe in the American Imperium* (Ithaca: Cornell University Press, 2005), i.

⁶² Rick Fawn, "'Regions' and their study: where from, what for and where to?," *Review of International Studies* 35 (2009): 5, www.doi.org/10.1017/S0260210509008419.

⁶³ Francis Baert et al, *Intersecting Interregionalism: Regions, Global Governance and the EU* (Berlin: Springer Science & Business Media, 2014), 5-7.

⁶⁴ Philippe De Lombaerde and Fredrik Söderbaum (eds.), *Regionalism (four-volume set of the SAGE Library of International Relations* (London: SAGE Publicarion, 2013), xxxi.

Therefore, the most important standpoint in comparative regionalism is the consolidation of regionalism itself.⁶⁵ The particular point of comparative regionalism enables area studies, unlike the previous phase which, led to Eurocentrism. It enriched by the contribution and the comparative from other regions around the world. Regions can be compared comprehensively within and across diverse space and forms of organization such as security regions as well as trade blocks and others.

2.2. The Definitions of Regionalism

The original terms of '*Regionalismo*' and '*Regionalisme*' were used in Italy and France in the 19th century respectively. During that time, the term '*Regionalismo*' was used to describe the attempt of the opposition of Piedmontese centralism to preserve the variety of autonomous provincial government from centralization policy. It imposed during the Italian unification period, and another term was used to represent an attempt to turn over the central French government hegemony by French writers and poets in Southern France.⁶⁶

As the term had developed, regionalism concept has also been used in global politic as it has no consensual definition and remaining debatable among the scholars. The definition of regionalism may vary based on the point of view of the exportation.⁶⁷ Although no agreement is reached when elaborating the variables of a region, scholars had explained their views, and the theories have been developed. The term "regionalism" firstly appeared to describe the opposition movement in particular region against the power of hegemony.

⁶⁵ Ibid.

⁶⁶ Michael Hebbert, "Regionalism: A Reform Concept and its Application to Spain. Environment and Planning C," *Government and Policy*, Vol. 5 (1987): 240.

⁶⁷ Robert Tilman, *Man, State and Society: Contemporary Southeast Asia* (Pall Mall Press. London, 1969), 508.

2.2.1. Debate on the Definitions of Regionalism Concept

According to Norman Palmer, one of the most important variables in the concept of region is geography.⁶⁸ Indeed geographical proximity is the most global variable in elaborating the concept of region. Current classifications of the region based on their geographical proximity, such as Africa, East Asia, South Asia, Europe, North America, Central America, and even in sub-region such as Southeast Asia. B.V. Boutros Ghali as one of the earliest contributors in the regionalism development defines a region as;

“Organism of permanent character grouping in a geographically determined region of more than two states, which by reason of their proximity, their communities of interests or their affinities...(establish) an association for the maintenance of peace and security in their region and for the development of their economic, social and cultural cooperation with the final purpose of forming a distinct political entity.”⁶⁹

On another side, Peter Katzenstein seemed to oppose that argument. In this case, he had argued that the region is not only about a geographical feature, but also the dynamics of political practices and institutions.⁷⁰ The argument of Peter Katzenstein had seemed to be an example of the shift of the assumption that sees region is a naturally made by classification to socially made classification. Moreover, assumption of the region as the socially made classification is clearly described by some views that observed the interconnection between states in a region in the regards of economy, culture, and communal identities of states in a region as the other variables.⁷¹

Regionalism has also defined as an institutionalized coalition process. In his work, Raimo Vayrynen defines regionalism as an institutionalized intergovernmental coalition

⁶⁸ Norman Palmer, *The New Regionalism in Asia and The Pacific* (Lexington: Lexington Books, 1991). p.6.

⁶⁹ E. Sudhakar, *SAARC Origin, Growth & Future* (New Delhi: Gyan Publishing House, 1994), 70.

⁷⁰ Peter Katzenstein, *A World of Regions: Asia and Europe in the American Imperium* (Ithaca: Cornell University Press, 2005), 12.

⁷¹ Barry Buzan and Ole Waever, *Regions and Powers: The Structure of International Security* (Cambridge: Cambridge University Press, 2003), 48.

that controls access to a region.⁷² Moreover, TJ Pempel, Donald Barry and Ronald Keith have a common view in this matter; however, Barry and Keith specify the aim of the coalition, which is claimed to be pursuing trade benefits.⁷³ This view is somehow accepted, and interestingly regionalism as a process of trade benefits process is commonly seen as regionalism's definition in the economic point of view.

Barry and Keith define regionalism as an economy-centric coalition, in line with that Jagdish Bhagwati, Naoko Munakata, Fishlow and Haggard, and Paul Bowles also defined regionalism in a common economy-centric way. In addition, Jagdish Bhagwati and Naoko Munakata define regionalism with a focus on trade activity. Bhagwati elaborates regionalism as a policy designed to lift trade barriers between subset countries, regardless of the geographical proximity of these countries.⁷⁴

Meanwhile, Munakata explained that regionalism is an institutional framework set by the government as a tool for economic integration with its arrangements, entail different commitments from the members. Moreover, she also mentioned that the free trade agreement is the solid form of regionalism.⁷⁵ Interestingly just like Katzenstein, Bhagwati assumes that regionalism is not solely dependent on geographical factor and Munakata mentions the economic integration aimed framework, with both of the experts, correlate regionalism to trade.

Economic integration, as previously mentioned by Munakata, is somehow accepted as the analogy of regionalism. Fishlow, Haggard and Paul Bowles approve this analogy through their way of defining regionalism. According to Fishlow and Haggard, "regionalism is a political process which its characteristics are economic policy cooperation and coordination between the countries."⁷⁶ Meanwhile, Paul Bowles defines

⁷² Raimo Vayrynen, "The State of The Art of Regionalism: The Past, Present and Future of a Discipline" *United Nations University CRIS e-Working Papers* (2004): 6.

⁷³ T.J. Pempel, *Remapping East Asia: The Construction of a Region* (Ithaca: Cornell University Press, 2005), 19-20.

⁷⁴ Jagdish Bhagwati, *Regionalism and Multiculturalism: An Overview* (Cambridge: Cambridge University Press, 1993), 43.

⁷⁵ Peter Katzenstein and Takashi Shiraishi, *Beyond Japan: The Dynamics of East Asian Regionalism* (Ithaca: Cornell University Press, 2006), 130.

⁷⁶ Albert Fishlow and Stephen Haggard, *The United States and the Regionalization of World Economy* (Washington: OECD Publications and Information Center, 1992), 19.

regionalism as an economic policy choice of governments in the form of regional economic integration schemes.⁷⁷

Besides defining the concept of regionalism, in order to give a precise definition of regionalism, several scholars have tried to develop the criteria to identify a region. As Michael Brecher identified that there are six conditions in a regional system;⁷⁸

- (i) The regional group's range is defined by with a primary focus on the geographic region,
- (ii) A minimum of three actors must be present,
- (iii) Taken together, other actors recognize them objectively as constituting a distinctive community, region or segment of the global system,
- (iv) The members identify themselves as such,
- (v) Power units are comparatively inferior to those in the dominant system,
- (vi) Dominant system changes have a substantial effect than the reverse.

Thus, multi variability of the concept of region is proven through the existence of the raised variables, which are geography, and other ideational variables that make the region interconnected such as dynamics of political practices and political institutions, economic and cultural interconnection, as well as shared communal identities.

Such diversity could be, in principle, prolific and could show a rise in the maturity of the study. Although we are talking about an emerging academic community of regionalism, the present fragmentation is more than a sign of weakness than toughness. The lack of dialogue among academics and scholars was an issue on it. Regional specializations such as occurred in European integration, Asian, Latin American, and African regionalism, as well as theoretical traditions and approaches, such as constructivism, critical, rationalism, institutionalism, and postmodern approaches, were also included.

⁷⁷ Paul Bowles, *Regionalism and Development After the Global Financial Crises* in Fu-kuo Liu and Philippe Reigner. *Regionalism in East Asia: Paradigm Shifting?* (Oxon: Routledge, 2003), 6.

⁷⁸ Michael Brecher, "International Relations and Asian Studies: The Subordinate State System of Southern Asia" *World Politics* 15, no. 2 (1995): 219.

The fragmentation has also existed in the sense that different regional forms, such as economic, security, and environmental regionalism, are only seldom interrelated. These divisions subvert the cumulative knowledge and development of theory and methodology. The divisions and lack of dialog lead both academics and political leaders into unproductive disputes about the significance of regionalism and the causes and effects of regionalism, how to study it and how to compare it, how and what are regionalism and regional integration's costs and benefits.⁷⁹

2.3. The Practices of Regionalism

Even though in the same term and sometimes definition, different places and times create different motives and stories of regionalism around the world. As the state will integrate with other states in one institution with common problems and goals. Thus, in order to reach a proper understanding of regionalism, it is needed to explore the shapes and the role of each regionalism.

2.3.1. The Emergence of Africa's Regionalism

Pan-Africa, as a beginning of Africa's regionalism, contained an idea to create a bond between indigenous Africans whose existence can be traced back since ancient times and supports various values to Afruja civilization and also the struggle against slavery, racism, colonialism, and neo-colonialism. According to Henry Sylvester-William, the Pan-African concept refers to the desire to unite all African nations throughout the African continent.⁸⁰ In current development, there are several practices of regionalism in Africa as follow.

First, Organization of African Unity (OAU). It was the earliest multipurpose regional organizations to be established. The OAU formed in 1963 as a combination of

⁷⁹ Philippe De Lombaerde and Fredrik Soderbaum. *Regionalism. Volume I Classical Regional Integration (1945- 1970)* (London: Sage Library of International Relations, 2013).

⁸⁰ Hakim Adi and Marika Sherwood, *Pan-Africa History: Political Figures from Africa and the Diaspora since 1787* (London: Routledge, 2003), 2, www.doi.org/10.1353/arw.2005.002.

several groups of sub-regional independent countries in Africa. The objectives of the OAU are; supporting the solidarity and unity of African nations, efforts to collaborate and coordinate to achieve a better life for Africans, maintain the sovereignty, territorial integrity and independence of African countries, eradicate all forms colonialism from the African earth and supports international cooperation based on the UN Charter and the Universal Declaration of Human Rights.

Second, the African Union (AU) which its emergence was in order to fill the impasse of the movement of OAU. The OAU through its summit turned into an African Union (AU) which marked the occurrence of more political severe integrity among governments of countries in the African region. Third, Union Government which its establishment aims to guide the formation of the United States of Africa further. The first-choice states that the AU requires the armed forces; the second option which mainly representing South African countries, is more supportive of strengthening existing structures; the third option wants administrative and political reforms in making AU commissions and other bodies so that their performance is truly effective.

However, the debate over achieving integration in the African continent is that there are so many regional organizations or communities that are growing and developing in this region that their existence is based on the Lagos Plan of Action for Development of Africa in 1980 and the Abuja Treaty in 1991 as the predecessor of the African Economic Community.

2.3.2. Regionalism in America Continent

Geographically, America is divided into three sub-regions, namely; Central America, North America, and South America. Meanwhile, the American continent itself is divided into two regions, namely Latin America and Western Hemisphere. Latin America covers Central and South America. The struggle of regionalism on the American continent started from the 1800s, Central and South America, opposed and wanted to break away from Spanish colonialism. This struggle is known as Pan-America, it was a movement that seeks to create, develop and organize relations, associations and

cooperation among American countries in harmonizing common interests, in the way diplomatically, politically, economically and socially.⁸¹

The regionalism in the Americas can be seen from the development of organizations such as the Organization of American States (OAS) that can be traced back to the first Pan American Congress in 1826. The notable stride was signed by the establishment of the International Union of American Republics in 1890 with several functions, such as; to compile information on tariffs, trade statistics, and shipping regulations. In 1910, the organization's name changed to be "Pan American Union," it became well established in resolving conflicts between members and promoting economies during World War II. Finally, the Organization of American States was confirmed during the conference in Bogota, 1948.⁸²

Besides OAS, other leading regional organizations are also existed in this continent such as; North American Free Trade Agreement (NAFTA) a regional agreement between the US, Canada, and Mexico that established in 1994 in order to the liberalized barrier to trade and investment between the three members. Other regionalism forms in the region also can be seen in; *Sistema de la Integracion Centroamericana* (SICA) or Central American Integration System, Central America Common Market (CACM), Caribbean Community (CARICOM), and *El Mercado Comun del Sur* (MERCOSUR) or the Common Market of the South).

2.3.3. Arab League and Middle East's Regionalism

The Middle East is a term used after World War II, which refers to areas with northern borders, the Caspian Sea and the Black Sea, east of Afghanistan and Pakistan, south of the Arabian Sea, Gulf of Aden, and Sahara. In this region, three great religions were born, namely Judaism, Christianity, and Islam. According to Cantori and Spiegel,

⁸¹ Gordon Mace and Dominic Migneault, *Hemispheric Regionalism in the Americas* (Quebec: Laval University, 2011), 3, www.researchgate.net/publication/272683091.

⁸² Padelford J. Norman, *The Dynamics of International Politics* (New York: MacMilan Publishers, 1976), 472.

core countries in the Middle East region are the United Arab Republic, Saudi Arabia, Sudan, Yemen, Kuwait, Lebanon, Jordan, Sudan, Syria, and South Yemen (Persian Gulf States).⁸³ The peripheral countries are Israel, Turkey, Iran and Afghanistan.

Although the Ottoman Empire had long been known in this region, modern regionalism in the Middle East was initiated by the Arab League, which was an association of independent countries where the majority of people used Arabic for daily conversation. The elements that form the basis of their bond are the same religion, language, and culture. The Arab League was formed on March 22, 1945, based on the proposal of King Faruk of Egypt.⁸⁴ This organization was established with the signing of an agreement by five countries; Egypt, Syria, Iraq, Yemen, and Saudi Arabia, held in Cairo, Egypt. After that, Algeria, Kuwait, Libya, Morocco, Sudan, and Tunisia have also joined this League.

The Arab League aims to strengthen cooperation and collaboration between member countries without losing sovereignty to make independent regulations in their country that usually occur in organizations formed by unions. Moreover, since its establishment, the League played a significant role, especially in the dispute resolution among the member countries. Other achievements were also proved in several cases, such as; England-Egypt agreement in 1954, the Anglo-Yemen dispute, and the independence of Libya as a result of the question of Libya on December 24, 1951. The most important thing that this League focuses on the growth of Arab nationalism.⁸⁵

Besides the Arab League, in this region, there is also a small regionalism called as the United Arab Emirates (UAE), this is a united country of seven emirate countries that are rich in petroleum.⁸⁶ These seven emirates are Abu Dhabi, Ajman, Fujairah, Dubai, Sharjah, Ras al-Khaimah, and Umm al-Qaiwain. It is not a surprise if the economic motives, especially the oil problem and its trade, become UAE cohesion.

⁸³ Raymond Hinnebusch, *The International Politics of the Middle East* (Manchester: Manchester University Press, 2003), 1.

⁸⁴ Jonathan Masters, "The Arab League". Council on Foreign Relations, last modified October 21, 2014, accessed December 6, 2019, www.cfr.org/backgrounder/arab-league.

⁸⁵ V.D. Mahajan, *International Relations Since 1900* (New Delhi: S. Chand & Company Ltd, 1986), 342.

⁸⁶ Nada Al Hashimi. *The UAE & The World's Leading Economies: Managing Challenges and Opportunities Amidst Global Change*. Department of Economic Studies and Policies. Ministry of Economics, United Arab Emirates, 2018.

2.3.4. The Integration in Europe

The integration in Europe was aimed to break up protracted war among European countries. Thus, in order to secure peace and unite economically and politically, the European Coal and Steel Community (ECSC) was established in 1950 by six countries; France, West Germany, Belgium, Italy, the Netherlands, and Luxembourg. It was a stock market in Coal, Steel, and Iron. The effort then continued to the Treaty of Rome in 1957 as the place for the European Economic Community (EEC) and customs union's formation with the same members.⁸⁷

The community was proliferating during the 1970s when Ireland, Denmark and the United Kingdom decided to join this block on January 1973 following by Greece in 1981, Spain and Portugal in 1986, the same year with the signing of Single European Act as the basis of the free flow of trade across community borders and creates the 'single market'.⁸⁸ The end of communism's influence in Europe was also a sign that Europeans are getting closer. In the 1990s, there were two essential treaties for the region; the Maastricht Treaty on the European Union (EU) in 1993 and the Treaty of Amsterdam in 1999. As the concrete step, the single market is completed with the 'four freedoms' among neighbors; the movement of goods, services, people and money.⁸⁹

The European Union became borderless after the Schengen agreement that was signed in March 1995; it enabled the Europeans to move freely within the member countries without passport checked. In 1999, the EU decided to establish and merge its currencies with a monetary union. The use of the EURO as a common currency was an important development and history in the international money order in most EU countries, except for the United Kingdom, Denmark and Sweden. The EU has not only ensured

⁸⁷ Krishnaveni Muthaiah, *International Relations* (Mumbai: Himalaya Publishing House, 2001), 124-125.

⁸⁸ European Union, "The History of the European Union" European Union, last modified November 13, 2019, accessed December 6, 2019, www.europa.eu/european-union/about-eu/history_en.

⁸⁹ Ibid.

cooperation between twenty-six Member States today, but also influenced and inspired other economic development regions worldwide.



CHAPTER THREE

THE EMERGENCE AND DYNAMICS OF REGIONALISM IN SOUTHEAST ASIA AND SOUTH ASIA

The practice of regionalism has interestingly had arisen, in long colonized regions, Southeast Asia and South Asian. Even though not all practice of regionalism in hemisphere got to succeed, however, many people see that at the beginning of the establishment of Association of Southeast Asian Nations (ASEAN) in Southeast Asia and South Asian Association for Regional Cooperation (SAARC) in South Asia will be a critical element to increase regional integration and accelerating the political and economic development in the regions.

This chapter will discuss the overview of ASEAN as the regionalism form in Southeast Asia, and SAARC is representing South Asia regionalism. Their background and motive of emergence will be elaborated in-depth. In order to strengthen the overview's data on both regionalism forms, the dynamic process in creating regional integration will also be mentioned, including the challenges, achievements, and potential future.

3.1. ASEAN as the Regionalism of Southeast Asia

Southeast Asia is an Asian sub-region consists of two main areas; continental Southeast Asia, which includes Cambodia, Myanmar, the Lao PDR, Thailand, Singapore, Vietnam, and peninsular Malaysia. For archipelagic Southeast Asia consist of Indonesia, Brunei Darussalam, the Philippines, Malaysian Sabah, and also Timor Leste (not a member of ASEAN). Southeast Asia is in a strategic position of being in the east of India and the South of China. According to Lunn and Thompson, “the indigenous people of Southeast Asia are people who now inhabit the highlands of the Philippines, Indonesia, and Malaysia.”⁹⁰

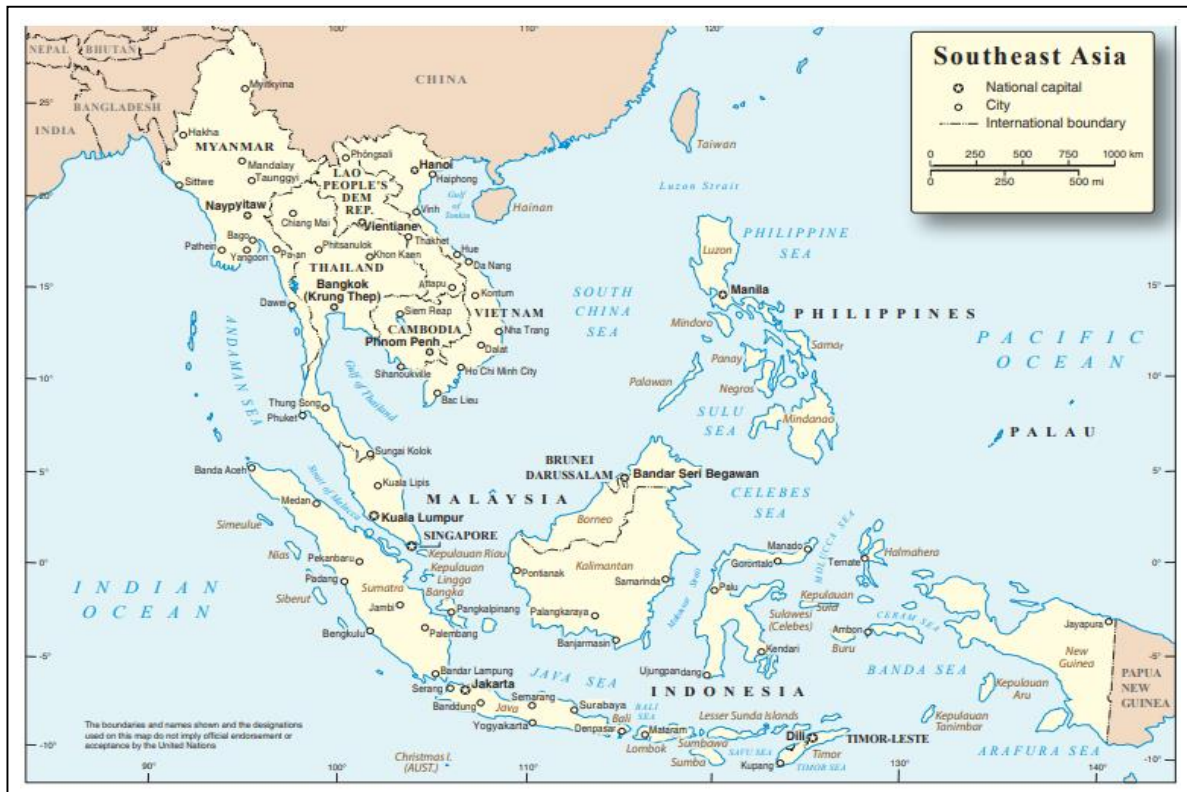
⁹⁰ Jon Lunn and Gavin Thompson, “Southeast Asia: A Political and Economic Introduction” *London: House of Commons Library*, 11/78 (2011): 1.

For the first time, Southeast Asian countries recognized a regional organization when the formation of the South East Asia Treaty Organization (SEATO) in 1954. This organization was formed as an effort of the United States to stem communist influence in Southeast Asia, especially from the influence of the Soviets through China. Nonetheless, the first regional organization formed by native countries in this region was the Association of Southeast Asia (ASA) in 1961. This organization did not last long because of a conflict between the Philippines and Malaysia which led to the formation of Malaya, Philippines, and Indonesia (MARPHILINDO), while it was disbanded because of the Indonesian opposed the formation of the Malaysian State.

On August 5-8, 1967 five of Southeast Asian's foreign ministers, namely; Adam Malik (Indonesian Foreign Minister), Tun Abdul Razak (Deputy Prime Minister and Minister of Foreign Affairs of Malaysia), Narciso Ramos (Philippine Foreign Minister), S. Rajaratnam (Foreign Minister of Singapore) and Thanat Khoman (Thai Foreign Minister) held a meeting in Bangkok. The result was an agreement to form Association of Southeast Asian Nation (ASEAN) based on the "Bangkok Declaration," which is now celebrated annually on August 8. In the beginning, ASEAN was established to create a peaceful region. Besides that, countries that signed the Bangkok Declaration wanted to achieve; economic growth, socio-cultural development, as well as regional peace and stability in ASEAN as a platform with the slogan "One Vision, One Identity, One Community."⁹¹

⁹¹ Mohamad Faisol Keling, "The Development of ASEAN from Historical Approach" *Asian Social Science* 7, no.7 (July 2010): 172.

Figure 3.1. Map of Southeast Asia



Source: The United Nations, 2019, www.un.org/Depts/Cartographic/map/profile/seasia.pdf.

In line with Neo-liberalism theory, it can be seen that the establishment background of ASEAN was influenced by several factors, starting from the geographical factor, the similarities, characteristics, norms, and common objectives to be achieved. At present, there are ten ASEAN member countries, which are the five founder countries, known as “ASEAN-5”, including Brunei (ASEAN-6) and Vietnam, Lao PDR, Myanmar, and Cambodia, called as “CLMV” joined later with headquarter located in Jakarta, Indonesia.⁹² It plays a significant role when ASEAN member countries are agreed to maintain and enhance peace, security, resilience, and a region with free nuclear weapons and mass destruction weapons.

With the same actor and repeatedly future interaction, as a community, ASEAN also works to build cooperation in the fields of trade, investment, employment, alleviating the community from poverty, and reducing the development

⁹² Ibid.

gap in the region. Besides that, the establishment of ASEAN also focuses on strengthening democracy, protecting and promoting human rights, and the environment, creating a safe environment from drugs, developing human resources, increasing community participation, and people's welfare.⁹³

Table 3.1. List of ASEAN Member Countries

No.	Country's Name	Joined
1	Indonesia	
2	Malaysia	
3	Singapore	
4	Thailand	8 August 1967
5	Philippines	
6	Brunei Darussalam	7 January 1984
7	Vietnam	28 July 1995
8	Lao PDR	23 July 1997
9	Myanmar	23 July 1997
10	Cambodia	30 April 1999

Source: ASEAN Secretariat, www.asean.org/asean/about-asean/.

Furthermore, ASEAN promotes its identity by increasing higher awareness of cultural diversity and regional heritage. It is continuing ASEAN's proactive role in cooperation with dialogue partner which consist of some countries and international organizations in various fields. In establishing relations between its member countries, ASEAN has a principle as contained in ASEAN Charter, such as; “respecting the independence, equality, territorial integrity, sovereignty, and national identity of all ASEAN members; shared commitment and collective responsibility in promoting peace, security, and prosperity in the region, and rejecting aggression, threats, use of force, or other actions in any form that is contrary to international law.”⁹⁴

⁹³ Ponciano Intal, Jr and Lurong Chen (eds.), *ASEAN and Member States: Transformation and Integration* (Jakarta: Economic Research Institute and East Asia, 2017), 108.

⁹⁴ Ponciano Intal, Jr and Lurong Chen (eds.), *ASEAN and Member States: Transformation and Integration*, 216.

In the regional interdependence, ASEAN has a concept of unity known as the “ASEAN Community,” a platform to strengthen the integration of the ASEAN society and to adjust the perspective of openness in addressing world development. The idea of the ASEAN community was established in 1997 in the ASEAN 2020 VISION. It later inaugurated in 2003 at the 9th ASEAN Summit in Bali, Indonesia.⁹⁵ Finally, on December 31, 2015, the concept of ASEAN Community started as a historic milestone and the culmination of ASEAN resilience, dynamism and the global signal of how far and how well the ASEAN Member States have been able to come to terms as one single community averaged more than a half century ago.⁹⁶

There are three pillars were agreed upon in the ASEAN Community; they are the ASEAN Political-Security Community (APSC), the ASEAN Economic Community (AEC), and the ASEAN Socio-Cultural Community (ASCC).

3.1.1. Pillar of ASEAN Political-Security Community (APSC)

In ASEAN Political-Security Community, as its name, the community handles the cooperation in politics and security to maintain peace and promote human rights as well as democratic values in the Southeast Asia region. The ASEAN recognizes the importance of the citizens by providing them with new opportunities, regional peace, and stability, a more open and regulator-oriented business, better health, educational, and sustainable development market. At the same time, the organization also commits to safeguarding the citizens from climate change, pandemic, transnational crimes, and other natural disaster threats.

Recognizing the twin visions of peace and prosperity, ASEAN has been integrating harmonious inter-state relations with its ASEAN member states and more than twenty external parties through the Treaty of Amity (TAC) framework, the Declaration of Conduct in 2002, and the Code of Conduct in the South China issue. In the next level, those initiatives guide ASEAN and China to exercise self-restraint,

⁹⁵ ASEAN, “ASEAN Vision,” Association of Southeast Asian Nations, last modified June 2012, accessed December 28, 2019, www.asean.org/?static_post=asean-vision-2020.

⁹⁶ ASEAN Secretariat, *ASEAN Community* (Jakarta: ASEAN Secretariat, 2018), 2.

engage in practical maritime cooperation, avoid using force and promote the resolution of a peaceful dispute in the South China Sea.⁹⁷

In line with the primary objective of the pillar was to create a people-oriented, people-centered community in a secure, peaceful, and stable region, ASEAN has implemented numerous initiatives that have brought ASEAN closer to its people. ASEAN member countries are currently ratifying the Visa Framework Agreement on Visa Exemption for the benefit of its peoples, before it was signed in 2006 for the short visit visa exemption for ASEAN citizens.⁹⁸ The discussion in people-oriented not only stops on this point, the organization also continue to develop drafts on the ASEAN Common Visa and the ASEAN Business Travel Card (BTC) guideline.⁹⁹

3.1.2. Pillar of ASEAN Economic Community (AEC)

This pillar is triggered to deepen and expand the economic integration, inside the ASEAN region and with regions outside ASEAN. It aims to form ASEAN as a single market and production base, a more dynamic and competitive region, with parallel development, and striving to accelerate the economic integration through blueprint development which contains scheduled work plans until 2015. Economic cooperation covers industry, trade, investment, transportation, telecommunications, tourism, and finance. Besides that, it also includes agriculture and forestry, energy and minerals, as well as small and medium enterprises with developing country characteristics.¹⁰⁰

Nowadays, through the AEC, ASEAN has placed several frameworks and legal structures that will improve the region's business environment. It regulates consumer protection, competition, and intellectual property as well as improved transportation and infrastructure networks. The AEC also seeks to be equitable and inclusive, focuses on supporting and facilitating the active participation in the economic community of small and medium enterprises, including newer ASEAN member countries. Since the

⁹⁷ Ibid.

⁹⁸ ASEAN, "2006 ASEAN Framework Agreement on Visa Exemption," *Centre for International Law*, accessed December 28, 2018.

⁹⁹ ASEAN Secretariat, *A Resilient and Innovative ASEAN Community, Annual Report 2017-2018* (Jakarta: ASEAN Secretariat, 2018), 9.

¹⁰⁰ ASEAN Secretariat, *ASEAN Economic Community (AEC)* (Jakarta: ASEAN Secretariat, 2017), 2.

AEC Blueprint 2025 launched in 2015, ASEAN has continued its focus on promoting competitiveness and sustainability over the long term.

As an economic community, by 2018, 98.7% of intra-ASEAN tariffs have been eliminated, while ASEAN continues to develop its trade facilitation work.¹⁰¹ At the same time, National Trade Repositories (NTRs) of ASEAN member countries are linked with the ASEAN Trade Repository (ATR). It provides a one-stop platform for laws on trade and customs regulations, and other relevant information. Besides, the ASEAN also initiated ASEAN Solution for Investments, Services, and Trade (ASSIST) with a fully operational mechanism for trade in goods, providing businesses with an online, cost-free consultation platform to quickly resolve cross-border issues to the implementation of ASEAN economic agreements.

Concerning service liberalization, ASEAN is also setting foot in the next stage of service integration through the ASEAN Trade in Services Agreement (ATISA) negotiations. At the same time, efforts were continued to promote the mobility of service professionals by reviewing the ASEAN Agreement on the Movement of Natural Persons (MNP) and implementing various MRAs for professional services. It has also begun implementation of the ASEAN Qualifications Reference Framework (AQRF).¹⁰²

3.1.3. Pillar of ASEAN Socio-Cultural Community (ASCC)

The pillar of ASEAN Socio-Cultural Community is a platform for strengthening the integration of ASEAN through cooperative activities based on people-oriented, inter-cultural understanding and mutual respect. The cooperation aims to strengthen awareness, solidarity, partnership, and a sense of community ownership of ASEAN. Thus, this will stimulate the ASEAN people's role in the integration of ASEAN.¹⁰³ ASEAN socio-cultural cooperation also covers the fields of culture, information, education, environment, science and technology, handling natural disasters, health, employment, social development, alleviating society from

¹⁰¹ ASEAN Secretariat, *A Resilient and Innovative ASEAN Community, Annual Report 2017-2018*, 15.

¹⁰² Ibid.

¹⁰³ ASEAN Secretariat, *ASEAN Community*, 2.

poverty, empowering women, youth, increasing administration and public employment.

Besides, this unity and solidarity are built by the strengthening shared identity and the development of a caring, sharing, and harmonious society. ASEAN also determined to strengthen unity and mutual understanding of cultural, historical, religious and civilization differences for the realization of the 2015 ASEAN community in the declaration on ASEAN Unity in Cultural Diversity. ASEAN Community Towards Strengthening was signed by the Minister of Culture at 2011, during the 19th ASEAN Summit.¹⁰⁴

ASCC has championed key policy frameworks that nourish the ASEAN member countries' commitment to inclusive and sustainable development through strengthening regional cooperation, consistent national initiatives, and as a main driving force for an inclusive ASEAN community that has nobody left behind, and every member has a chance to share in the success of regional integration. The ASEAN Consensus on protecting and promoting migrant workers' rights is one of the most considerable importance. The Consensus reflects the commitment of the leaders to strengthen social safeguards, improve access to justice, increase humane and equal treatment and boost access for migrant workers in the regions.

It also has fought over a number of outcome documents adopted at the 31st ASEAN Summit in 2017 which demonstrated the Leaders' determination to secure that regional integration will provide advantage and protection for all, including women and children, informal sector workers, disaster victims, and other endangered citizens. In particular, the pillar is believed to speed up multi-sectoral and multi-stakeholder evidence-based actions aimed at vulnerable and disadvantaged groups. The declarations will also enhance human, institutional planning and evaluation capacities, policy analysis and advocacy, research and surveillance, and service delivery while fostering public investment and collaboration.

To sustain this momentum, an action plan to utilize these commitments will be finalized, with solid initiatives to be adopted by labor ministers of member countries and noted by the leaders at the 33rd ASEAN Summit in 2018. Implementation of the

¹⁰⁴ Ibid., 3.

ASCC Blueprint 2025 was also progressing. From a total of 929 sectoral activities as of February 28, 2018; 8 percent (71) have been completed, 47 percent (442) are in progress, and 45 percent (416) are to be implemented in the remaining years. The ASCC pillar has also nourish its analytical capacity to verify that the ASCC sectoral bodies and mechanisms work together in order to implement the ASEAN Community Vision 2025.¹⁰⁵

3.2. The Dynamics in ASEAN

Southeast Asia is a region made up of ten countries with thousands of tribes on it, which geographically, Southeast Asian countries have many similarities to each other. This has resulted in far-reaching potential conflicts, both domestically and regionally, where the conflicts in ASEAN are dominated by domestic sectarian violence.¹⁰⁶ Hence besides the spirit of “ASEAN Way,” member countries are also facing some obstacles in this integration. According to Prof. Carl Thayer, the cooperation in handling ASEAN disasters, especially related to civil aviation, still stands on a weak legal framework and is met by distrust.

Where according to the ASEAN Political-Security blueprint, member countries are recommended to cooperate in handling SAR (Search and Rescue) at sea but do not cover recommendations related to information and technology exchange, and also government official visits.¹⁰⁷ As based on the systematical level of analysis, t this weakness and then creating a gap for Malaysia not to be open about the search finding in the case of MH 370 (Malaysian Airlines accident) in March 2014, which was very counterproductive to the SAR effort. The worst thing was when this dilemma occurs in a scope that is far more political and strategic, as the issue of sovereignty.

In another case, in contemporary ASEAN issues, there are different views among ASEAN member countries in the issue such as the South China Sea dispute. There are six out of ten ASEAN member countries are concerned in the dispute. On

¹⁰⁵ ASEAN Secretariat, *A Resilient and Innovative ASEAN Community*, 25.

¹⁰⁶ Zhang Yuan. “ASEAN can tackle religious divides,” *Global Times*, December 27, 2018, www.globaltimes.cn/content/775897.shtml.

¹⁰⁷ Carl Thayer. “Flight MH370 Shows Limits of ASEAN’s Maritime Cooperation,” *The Diplomat*, December 27, 2018, www.thediplomat.com/2014/03/flight-mh370-shows-limits-of-aseans-maritime-cooperation/.

the other hand, China, which is growing as a new world power and involved in regional disputes, is also struggling to initiate its hegemony in the Southeast Asian region. Responding to this issue, broadly the attitude of ASEAN countries divided into three attitudes, where the differences in foreign policy orientation were assessed by Vibashu Shekhar, making ASEAN's position weak, and easy to suppress;¹⁰⁸

- (i) The first are countries that openly oppose China regarding their claims to the South China Sea. These first countries are the Philippines and Vietnam.
- (ii) The second groups are ASEAN countries that are historically good and politically as close allies of Beijing. These countries are countries like Myanmar and Cambodia.
- (iii) The third group are ASEAN countries that choose to tie up "wait and see" in addressing this issue. These third group countries are Indonesia and Malaysia, despite sharing disputed territories, they become more cautious.

This polarization began to emerge when Beijing began to intensify in providing military assistance and economic assistance to ASEAN countries, along with the increasing tension over the South China Sea. The following are arm transfer data from Beijing to several ASEAN countries between 2003 to 2013, which are set up with offset mechanisms and financed through state credit or non-commercial credit.

Table 3.2. China's Military Assistance to ASEAN Countries

No.	Countries	Item	Amount	Details
1	Cambodia	AS 565 Panther Maritime Helicopter Type 52 -1G Patrol Craft	12	195 Million USD (through State Credit China) 60 Million USD (through State Credit China)
2	Myanmar	K-8 Karakoram Jet trainer Anawrahta Corvette	60-72 3	Built in Myanmar The recipient's participation in the delivery process

¹⁰⁸ Vibanshu Shekar, "ASEAN's Response to the Rise of China: Deploying a Hedging Strategy" *China Report* 48, 3 (2012), www.doi.org/10.1177/0009445512462314.

		FAC – 91	1	The recipient's participation in the delivery process
		Aung Zeya Class Frigate	1	Mechanism in assistance and transfer of technology
3	Indonesia	C 802 Anti-Ship Missile	100	The recipient's participation in the delivery process
4	Thailand	WS-1 Rocket System	18	<i>Joint Development</i>

Source: Pieter D. Wezeman, “Trends in International Arm Transfers,” *SIPRI Fact Sheet* (2018): 6.

From the data above, it can be seen that Beijing is intensely approached ASEAN member countries through arms transfers, even with bids which include offset processes. In this context, it could reflect the foreign policy of ASEAN countries regarding the South China Sea. This polarization becomes dangerous when one of the countries holding a position of secretary-general or country leader and uses the authority to drive ASEAN to achieve its objectives and interests related to the South China Sea dispute. From the analysis above, it can be seen how ASEAN regionalism is in a dilemmatic position with the fragile foundation of foreign policy polarization.¹⁰⁹

In the late 1990s, the Southeast Asian countries faced an acute financial crisis. At that time, the US Dollar was very rare; this resulted in many countries in Southeast Asia having difficulty making debt payments due. This scarcity has drastically depreciated various currencies in Southeast Asia. This depreciation then brought several ASEAN countries into the financial crisis.¹¹⁰ From that, it can be understood that economic integration in the context of regionalism not only provides an advantage in the form of accelerated trade, investment and workforce but also brings disadvantage in the form of easier distribution of financial crises among members, due to the high level of integration and macroeconomic interdependence of member countries.

This obstacle also faced in the case of the ASEAN Monetary System, as in the final goal of ASEAN Community roadmap is to form its monetary system as owned

¹⁰⁹ Ristian Supriyanto, “Indonesia’s South China Sea Dilemma: Between Neutrality and Self-Interest,” *RSIS Commentaries*, no. 126 (July 2012): 2.

¹¹⁰ Darfri Agussalim, “New Trends in Indonesia’s Foreign Policy Orientation and Practices: from Regional to Global Oriented”, (2013).

by the Eurozone. Although offering various advantages, in the EU itself, the unification of the monetary system is not an easy thing. Not only in Britain was showed the resistance related to this integration, but it was also powerfully conveyed in many countries such as Denmark, Sweden, Poland, and Austria.¹¹¹

3.3. SAARC as the Regionalism of South Asia

The South Asian region made up of a large country such as India, enclosed by several countries; Afghanistan, Bangladesh, Pakistan, Sri Lanka, Nepal, Bhutan, and the Maldives. It is one of the most complex regions and becomes a prominent place in global politics today with its multi-ethnic societies, situations, and experiences. As one of the world's most important regions, it is also nominated as the least integrated regions in economy. Its intra-regional commercial accounts represent five percent of total commerce. It is portioned 44 percent of the world's or a place for 570 million poor people.¹¹² However, regional integration can elevate the region's stability and development by creating common interests across the borders.

Even though it was not in regional cooperation's framework, in the beginning of 1980s, most South Asian countries had engaged as members of several multilateral organizations such as the British Commonwealth, the United Nations Organizations (UNO) or the Non-Aligned Movement (NAM). However, there was a lack of a regional organization to address the affair in the regional level, such as a long history of geopolitical tension in South Asia. Over time, the very first proposal of regional integration in South Asia was initiated by Ziaur Rahman, the president of Bangladesh in the early 1980s.

Before this, the integration notion in the region was discussed in several occasion, such as; the Asian Relations Conference in New Delhi (1947), the Baguio Conference in the Philippines (1950), the Colombo Powers Conference (1954), and

¹¹¹ Paul Taggart and Aleks Szczerbiak, "The Party Politics of Euroscepticism in EU Member and Candidate States" *SEI Working Paper*, no. 51 (2002): 27, www.sussex.ac.uk/webteam/gateway/file.php?name=sei-working-paper-no-51.pdf&site=266.

¹¹² Sultan Hafeez Rahman, Sridhar Khatri, and Hans-Peter Brunner, *Regional Integration and Economic Development in South Asia* (Cheltenham: Edward Elgar Publishing, 2012).

Bandung Conference (1955).¹¹³ In order to discuss and develop this framework for regional integration, President Ziaur Rahman visited neighboring countries between 1979 and 1980. As a result, several years ahead proposed member countries welcomed his proposal.

The countries in the region were agreed, yet, the journey to build a regional integration in South Asia was not smooth at all. Some countries were still half-hearted and suspicious of this regional cooperation framework. In Pakistan's view, this platform would become a tool for India to create its hegemony in South Asia, since India is the biggest country in the region. On another side, India seems disinclined to support this initiative because it saw the possibilities of small countries in the region to unify against India through this regional integration framework. In the end, both Pakistan and India agreed to establish and join an organization as a regional integration form without any traditional security agenda.¹¹⁴

¹¹³ Vineet Thakur, "An Asian Drama: The Asian Relations Conference, 1947" *The International History Review*, (2018), www.doi.org/10.1080/07075332.2018.1434809.

¹¹⁴ Surabhi Sinha Mathur, *A Brief History of South Asia Association of Regional Cooperation (SAARC)* (Mumbai: Vikas Adhyayan Kendra, 2008), 7.

Figure 3.2. Map of South Asia



Source: The United Nations, www.un.org/Depts/Cartographic/map/profile/SouthAsia.pdf.

In April 1981, seven of South Asian countries' foreign secretaries met for the first time in Colombo to continue the idea of a regional cooperation. It was identified five sectors for regional cooperation or later known as Integrated Program of Action (IPA). The program launched during the Foreign Minister gathering in New Delhi in August 1983 in conjunction with the adaptation of the Declaration on South Asian Regional Cooperation (SAARC) with the following sectors, such as; agriculture,

health, rural development, meteorology, telecommunications, and population activities.

In its development, arts, scientific and technological cooperation, sports, and culture were added to IPA.¹¹⁵ The Leader of states meeting in Dhaka on December 7-8, 1985 marked as the formal formation of the South Asian Association for Cooperation (SAARC) by signing SAARC Charter 1985 and the Dhaka Declaration first adopted. Whereas, Afghanistan was joined to SAARC as the eighth formal member of SAARC in November 2005.

In order to equip the headquarters in Dhaka, SAARC member countries also established SAARC Secretariat to construct the well-organized institution with several directors of the working division proposed by member states. The secretariat's staffs are working in inaugurating the strategies which considers as essential for regional integration. While the secretariat performs on consensus-based approach or unanimity on a decision.¹¹⁶ Similar to ASEAN, for coordination purposes among SAARC's institutional bodies, it leads by Secretary-General, who nominated by the Ministers Council based on alphabetical basis-rotation. Secretary-General appointment shall be for a three-year non-renewable tenancy and shall carry the Ambassador status.¹¹⁷

The rivalry between India and Pakistan is one of the biggest obstacles in South Asia's regional integration. However, the facts had proven that a vital step towards regional integration was also taken by India and Pakistan when they implemented the South Asian Preferential Trade Agreement (SAPTA) in 1995. SAPTA was considered as a vital instrument to reduce tariff duties as well as to remove non-tariff barriers within countries in the region. In 2004, another step of regional integration development had done by India and Pakistan. Under the 'Composite Dialogue' framework, which has a positive trend towards economic regionalization in South Asia, they decided to discuss 'eight identified issues including economic and

¹¹⁵ ICSW, "South Asian Association for Regional Cooperation (SAARC)" *International Council on Social Welfare (ICSW)*, (January 2003): 4, www.icsw.org/images/docs/Regions/sasia/pub/book.pdf.

¹¹⁶ Ibid., 12.

¹¹⁷ SAARC, "V. Appointment of Secretary General," *Memorandum of Understanding on the Establishment of the Secretariat*, www.saarc-sec.org/uploads/digital_library_document/2_MoU_Sect_Estab_.pdf.

commercial linkages.' It was also known as a framework that running progress on one issue that does not link to the progress of another issue.

After observing positive progress on it, SAARC countries concluded to the South Asian Free Trade Agreement (SAFTA), which was signed on January 6, 2004, during the 12th SAARC Summit in Islamabad. According to this agreement, South Asia integration will implement a free trade area with eliminating tariffs and duties as well as free movement of goods between SAARC member countries. It would be enforced on January 1, 2006, to boost economic cooperation in the region. Even though it implemented in 2016, SAFTA enhanced a regional trade in general among SAARC member countries and specifically between India and Pakistan.

In accordance with the Dhaka Declaration, the countries of the SAARC reiterated their fundamental aim, by maximizing their human and other material resources, to speed up the process of economic and social development in the region. Through SAARC, the member countries believed that many common values rooted in their cultural, ethnic, social, and historic traditions could be used as a basis for strengthening cooperation with their vast potential market, as well as promoting their peoples' welfare and prosperity, and improving the quality of life. In addition, the Declaration acknowledged that improving the quality of life could only be achieved in an atmosphere of peace and safety.

3.1.3. SAARC's Areas of Cooperation

Integrated Program of Action (IPA) is a crucial component of the integration progress of SAARC. It is connected to the Social Charter that signed in January 2004, when the Member States realized to put their responsibility on people as a center of development and unswerving their economies to meet human needs more advantageously. The Charter emphasizes the amalgamation between economic, social, and cultural policies that reciprocally hold up the interdependence of public as well as special activities in the region. Thus, the aims of the Social Charter that put family as a basis of social development in South Asian integration can be achieved at all levels. Moreover, Social Charter also deals with the cooperation areas of SAARC's IPA. It employs as a preliminary behind several cooperation areas that pilot the program

designed and implemented by the IPA's Technical Committee (TC).¹¹⁸ There are additions and transformation of cooperation areas over the IPA after the signing of "SAARC Social Charter" as follows;

a. Agriculture

According to the people's livelihood in the region, SAARC member countries realized that agriculture is one of the top positions. Thus, agriculture becomes the first area of cooperation point out for regional cooperation. It was settled up, the SAARC Agricultural Information Center (SAIC), in Dhaka in 1988 with particular functions, such as; information exchange and interaction on issues of forestry, livestock, fishery, wheat breeding program, and training in the related fields of farmers in SAARC member countries. Besides, behind this framework, there is also a regular meeting of scientist network within member countries discussing rice, wheat, oilseeds, transfer of agriculture technology, post-harvest technology as well as agricultural economics and policies.¹¹⁹

b. Communications

The IPA's Technical Committees (TC) are committing to improve the quality of regional communication, not limited to postal services only. They are managing various seminars and training, postal operations, and management services, as well as customer care and financial services. Moreover, they aspire to provide telecommunication services in the rural and poor population as a majority entity in the region. These efforts are pursuing by promoting technological and human resources development and management. As the primary focus of regional integration in South Asia, people to people contacts will nourish mutual understanding and sympathy among the peoples in the region. Thus, in order to enlarge the consciousness of people about the SAARC information, regular TV and Radio Programmes have been initiated under the SAARC Audio Visual Exchange (SAVE). The other programs, such as

¹¹⁸ Mathur, *A Brief History of South Asia Association of Regional Cooperation (SAARC)*, 16.

¹¹⁹ *Ibid*, 16-17.

telecast or broadcast is also launched on first and 15th each month in all SAARC member countries.¹²⁰

c. Educations, Culture and Sports

Since education is the most prominent field for promoting development and eradicating poverty, the Social Charter focuses on the young generation by providing free formal education to all people between ages 6 and 14. Besides, Technical Committees invest in vocational training in order to equip South Asian people with the excellent capability and also providing non-formal education such as family planning, consumption of tobacco, and drugs. To provide an exchange-ideas and interaction among students, scholars, and academics, SAARC also instituted the SAARC Chairs, fellowship, and scholarship scheme within the member countries. In culture, there were held South Asian Festivals in India in 1992 and in Sri Lanka in 1996 to promote mutual understanding and friendship among the artists in the region. In April 2007, the SAARC Ministers for Culture endorsed a SAARC Agenda for Culture through the promotions of SAARC Culture online, establish the connection between culture and other sectors and also the making of cultural source materials on South Asia.¹²¹

d. Environment and Meteorology

The environment is the primary component of global warming and climate change. It becomes an issue today, and the destruction of the environment will be getting more significant in the future. Member State Head stressed the need to foster regional cooperation in order to govern the region's fragile ecosystem, including the need to formulate the barriers posed by climate change and natural disasters. The meetings of the SAARC Environment Ministers and the Technical Committee on the Environment and Forestry also provide vital instrument to escort and facilitate the agenda of cooperation, such as; the amalgamated of SAARC Environment Center with SAARC Energy Center (SEC) for preservation, conservation and wise use of environment resources by acquiring sustainable forest management operations through

¹²⁰ Ibid, 22.

¹²¹ Ibid, 18.

research, education, and coordination among member countries. Besides that, the SAARC has conducted various studies and formulated collective positions such as the “Greenhouse Effects and Its Impact on the Region” and the Kyoto Conference in December 1997, respectively. The “SAARC Environment Action Plan” was also adopted during the 3rd SAARC Environment Ministers Meeting in Male on October 15-16, 1997.¹²²

e. Health, Population Activities and Child Welfare

Transmittable diseases, sharing of expertise among the member states had addressed as the foremost health issue in the region. According to SAARC’s Technical Committee, the human-centered approach should be implemented in population policies so that it will reach significant development and human survival. As addressed in the SAARC Charter, the member countries have to protect the children from all exploitation and other conflicts. In health area development, as their commitment, the SAARC Tuberculosis was built in Kathmandu in 1992. Besides that, in 1992 they also established SAARC Tuberculosis Center in Kathmandu continued in 1996, there was the SAARC Ministerial Conference on Children of South Asia, in aim to formulate several discussions on Child Welfare promotion in the region. It also became a first step for the SAARC Decade which concern on the Rights of the Child from 2001 to 2010.

f. Prevention of Drug Trafficking and Drug Abuse

Since the South Asian region is the principal trafficking route for a psychotropic drug such as cannabis and opium, Drug trafficking and drug abuse are a very harmful matter, especially for the young generation. In order to eradicate this practice, Technical Committee provided the SAARC member countries with exchange information, investigations, exchange control of production and use of drugs, as well as share national experiences in strengthening the legal system to face drug trafficking and drug abuse. The Head of State identified the need for acute and effectual measures

¹²² SAARC, “Environment Natural Disasters and Biotechnology,” SAARC, accessed on 8 January 2020, www.saarc-sec.org/areas_of_cooperation/area_detail/environment-natural-disasters-and-biotechnology/click-for-details_6.

to exterminate this ignoble and decided to declare the year 1989 as the “SAARC Year for Combating Drug Abuse and Drug Trafficking” and the South Asian Regional Convention on Narcotic Drugs and Psychotropic Substances that signed on November 23, 1990, and entered into force on November 1993. Besides that, they also created the SAARC Drug Offices Monitoring Desk in Colombo to control and analyze on drug offenses.¹²³

g. Rural Development

Rural development becomes the main focus of SAARC since poverty as a prominent problem in the region has a very close relationship with the rural areas. The inequality of life and limited information that mainly happen in the rural area initiated the Technical Committee to convey on exchange information, literature, and experience on rural development. They also prepared research studies on rural development topics, including sharing and training facilities within the region through a Shelter Information Network (SHELTERNET) framework. Besides, to equip young people to work in other countries especially in forestry and agriculture field, SAARC Youth Volunteers Programme was also initiated by the Technical Committee.

h. Science and Technology

It is indisputable that the majority of populations in this region are living in rural areas. However, the existence of India in this region could be represented in this region as developed in the science and technology sector. Under SAARC, several activities such as a workshop or expert meeting, training, and joint research programs on nowadays issues such as Food Technology, Bio-Gas, Mineral Resources Exploration, Building Material, and Housing Technologies have been set up by the Technical Committees among member countries. The SAARC member countries identified a Technology Mission in the area of Agriculture and Dairy development (SARTEM-I) focused on an critical regional approach to its genuine understanding, alteration and implementation as well as a Technology Mission for Natural Resources

¹²³ Sai Pranathi Meda Venkata, Balamuralidhara and Mahalakshmy R., “Regulation of Controlled Drug Substances in SAARC Countries: With Unique Attention to India, Bangladesh, Bhutan and Maldives” *International Pharmaceutical Industry* 9, Issue 3 (2017): 12.

Survey and Satellite Communications (SARTEM-II) which relate to pleasant uses of space technology in the region of resources survey and management, and satellite communication in Science and Technology area.¹²⁴

i. Tourism

The historical richness and historic places, nature, and multi-cultural background are among valuable tourism materials for South Asia. As tourism brings more income to local people, the Technical Committees provide tourism cooperation in the region. They focus on Joint-venture investment and intra-regional tourism. It was predicted before, that the plan of action would facilitate organized group tours' exchange among member countries, providing concessional airfare, and positioning for currency exchange through a voucher system for the traveler. Besides that, for the region, it also produces the SAARC Travel Guide and SAARC tourism promotional films on the specific subject matter.¹²⁵ The SAARC Visa Exemption was commenced in 1988 in Islamabad and actively operated on March 1992 with 24 categories of person who authorized to the scheme. This simplification process aims to assist business people and people to people contacts to speed up trade and tourism promotion within the region.¹²⁶

j. Transport

SAARC member countries agreed that their cooperation covers three significant transport divisions; i.) land transport (roadways and railways), ii.) sea transport (inland waterways and shipping, and iii.) air transport. The exchange data and information, a compilation of transportation's database and direction center, are prepared in order to increase the quality of transport in a vital area, including to provide access to markets and products to the new areas through the operationalization of SAFTA. During the 12th SAARC Summit in Islamabad, January 4 to 6, 2004, the Head

¹²⁴ P.J. Lavakare "Science and Technology in SAARC: Aspirations, Achievements and Hopes" *South Asian survey* 3, issue 1 & 2 (1996): 126-128.

¹²⁵ Mathur, *A Brief History of South Asia Association of Regional Cooperation (SAARC)*, 23.

¹²⁶ "SAARC Visa Exemption Sticker Scheme (SVES)," SAARC Chamber of Commerce & Industry, last modified 2020, www.saacrchamber.org/images/stories/pdf/List_of_categories_of_entitled_persons_under_the_saa_rc_visa_exemption_scheme.pdf.

of member countries draw attention to speed up and balanced economic growth; it is necessary to strengthen transportation, transit and communication links across the region. At a subsequent time, in order to increase transport connectivity among member countries and to advance intra-regional trade and travel, SAARC Regional Multimodal Transport Study (SRMTS) was established with the financial and technical assistance of the Asian Development Bank (ADB).¹²⁷

k. Women in Development

SAARC has taken up the Preparation of a Regional Plan of Action for Women in aim to increase the women's involvement in regional development. It was almost similar to the Child Welfare program. The Technical Committee selected in 1990, as the SAARC Year of the Girl Child and between 1991 and 2000 as the SAARC Decade of the Girl Child. It also carried out the Girl Children in Especially Difficult Circumstances (GCEDC) in December 1996 to formulate some vital common problems and SAARC member states concern on women, including to hold a Regional Convention on Combating the Crime of Trafficking in Women and Children for Prostitution during the 11th Summit in Kathmandu in January 2002.

On the same occasion, a SAARC Autonomous Women's Advocacy Group (SAWAG) also was configured to assemble recommendations on a wide range of gender-related matters. The fundamental step happened in April 2007, during the 14th SAARC Summit in New Delhi. The Head of member countries acknowledged the women's full participation in all spheres of society, including participation in the decision-making process.¹²⁸

To a greater extent of SAARC goals, SAARC member countries agreed to establish the SAARC Development Fund, the South Asian University in India, built a SAARC Food Bank, and establish the Arbitration Council in the 14th SAARC Summit. In a remarkable step, in the same time the European Union, the People's Republic of China, Republic of Korea, the United States of America, and Iran were invited as

¹²⁷ SAARC. "Energy Transport Science and Technology," SAARC, accessed on www.saarc-sec.org/areas_of_cooperation/area_detail/energy-transport-science-and-technology/click-for-details_10.

¹²⁸ SAARC Secretariat, *Gender Initiatives in SAARC: A Primer* (Kathmandu: Lumbini Printing & Publication, 2007), 4-5.

observers' countries status to supplement the SAARC line-up with their inputs and experiences.¹²⁹

3.4. The Dynamics of SAARC

Many believe that SAARC has not been demonstrated as a prosperous regional block, while it is not fair to blame that its attainments as a regional block are only telling failure story. On one side, it has brought about many initiatives, summits, and meetings, as well as expert-committee reports among member countries. On another side, it has also been a home for the India-Pakistan rivalries and a key barrier on the way to South Asian regionalism since its foundation in 1985. Due to geographical factors, the successful functioning of SAARC economic integration was blocked and ruled out by India and Pakistan. In line, Barry Buzan's explains in his Regional Security Complex Theory (RSCT), that the dilemma of SAARC resulted from the bilateral conflict between India and Pakistan, which according to him and Wæver, RSCT is:

“...defined by a lasting pattern of friendship and hostility in the form of regional or geographical security interdependence. Historical factors such as long-standing enmity or cultural linkage to a specific geographical region shape the particular characteristic of the Regional Security Complex¹³⁰.”

The bipolar conflictual power structure in South Asia according to Karim, is the consequence of ‘zero-sum notion of security’, especially in India and Pakistan case which creates complexes like ‘we’ and ‘they’. Therefore, they should take on the approach to end their conflict through what Burki said as ‘Pareto optimality’, which means when given solutions bring benefits to all participants in the transaction resulting into the plus-sum game.¹³¹ Even though, the SAARC Charter not discussing the contentious and bilateral dispute, India and Pakistan should seize regional point of

¹²⁹ Zahid Shahab Ahmed and Stuti Bhatnagar, “Interstate Conflicts and Regionalism in South Asia: Prospects and Challenges” *Perceptions* 61, no. 3 (July 2008): 5.

¹³⁰ Rodrigo Tavares, “Understanding Regional Peace and Security: a Framework for Analysis” *Contemporary Politics* 14, no. 2 (June 2008): 107-127.

¹³¹ Md. Tahir Ashraf, and Akhir Nasrudin Md, “SAARC as a Tool of Regionalism in South Asia: Lesson from ASEAN” *JATI*, Volume 21 (December 2016): 11, https://pdfs.semanticscholar.org/f9ee/73a7b4def739eb5539bec87b0e8173a49a4c.pdf?_ga=2.229089628.1102297439.1579545330-195798696.1579545330

view as an alternative of following “country-centric approach” to transform South Asia into a viable regional economic block, since the connection between a broader strategic split in the region primarily between India-Pakistan and minor in regional cooperation among member countries.

Inter-state disputes in the region do not end in India and Pakistan hostility; the mistrust and mutual security perceptions among other SAARC member countries are also haunted their way to integrate. A fright of India’s hegemonic role in the region through its inclination to take a big part in the regional decision-making process as a superior has caused a negative paradigm to the neighboring countries especially Pakistan, Sri Lanka, and Bangladesh.¹³² Indo-centric is mainly the underlying problem in inter-state disputes in the region, and there is an imbalance between India and other SAARC member countries. The Indian population, economic and demographic being more substantial, with its high technological infrastructure. Besides that, more than three-quarters of the regional GDP and two-third of global export of the region comes from India. The other countries in the region play with disagreeable about the current tariff structure on their trade relations with India.

Table 3.3. Types of Inter-state Conflict between SAARC member countries

No	SAARC members	Conflict
Territorial Conflicts		
1	India vs Pakistan	Deadlock on issues of Sianchen glacier, Kargil and Sir Creek.
2		Kashmir dispute resulted two major wars
3	Afghanistan vs Pakistan	Durand line issue
Cross-border Terrorism		
1	India vs Pakistan	There have been blames from both sides for supporting terrorist activities in their country.

¹³² Malik H. (Ed.), *Dilemmas of National Security and Cooperation in India and Pakistan* (New York: St. Martin’s Press, 1993).

2		The tough debate regarding the Baglihar dam being built over River Chenab in India's part of Kashmir.
3	India vs Bangladesh	By opposing the construction of Farrakha Barrage in India, Bangladesh demands a fair share of the Ganga River.

Immigrants and Refugees

1	India vs Bangladesh	Illegal immigration moves to India
2	Afghanistan vs Pakistan	Pakistan has decided to shut down refugee camps to crack down on cross-border militancy, under increasing pressure.
3	Nepal vs Bhutan	Bhutanese refugees are being returned back from Nepal

Source: Interstate Conflicts and Regionalism, www.sam.gov.tr/tr/wp-content/uploads/2012/01/Ahmed-Bhatnagar.pdf.

It is no doubt that most member countries' leaders do not trust each other due to their nationalistic senses, invest in interests, and inter-state dispute. The different political systems colored their various political views. South Asia can be narrated as not stable democratic region, while India is democratic and Pakistan is on its transitional democracy, Nepal is still pursuing kingship system and Sri Lanka in its presidential system, other countries can be demonstrated as remained unstable.¹³³ Moreover, they are still entangled in the historical antagonism of colonial order, and the dispute situation after the leaving of the invaders, such as the loss of goods, existence and communal roughness is still ongoing in this region.¹³⁴ There is always high uncertainty that can distress the endeavor for cooperation due to communal and terrorist threats.

¹³³ Irum Shaheen, "South Asian Association for Regional Cooperation (SAARC): Its Role, Hurdles and Prospects" *IOSR Journal of Humanities and Social Sciences (IORS-JHSS)* vol. 15, issue 6 (September-October 2013): 5.

¹³⁴ Bhargava K. K., & Lama M. P, *SAARC 2015: Expanding Horizons and Forging Cooperation in a Resurgent Asia* (New Delhi: Friedrich Ebert Stiftung, 2008), 3.

Another internal problem, that the SAARC member countries' hope on establishing SAARC Secretariat to make the organization a well-planned. In reality, the Secretariat's staff and employment issue become a barrier in initiating the policies deemed essential to regional integration. The consensus-based approach seems to make the representatives of the countries fail to support an initiative promoted by the SAARC Secretariat, in particular the Directors of Working Divisions. It could cause friction with the specific policy their respective countries have adopted. Furthermore, although the SAARC Secretariat was dominated by diplomatic personnel, it does not have the technical expertise or lack of technical staff nominated by the member states.

Table 3.4. The Military Expenditure of Five SAARC member countries

No	Member Country	Amount
1	India	USD 21.7 billion
2	Pakistan	USD 4.14 billion
3	Bangladesh	USD 840 million
4	Sri Lanka	USD 686 million
5	Nepal	USD 139 million

Source: IISS, "The Military Balance 2007," *The International Institute for Strategic Studies*. (London, 2007)

The people situation data on the region shows that there are more than 340 million people lack of drinking water; more than 840 million are without proper sanitation, and 400 million in hunger every day. On another hand, this region is the most militarized area in the world. India and Pakistan are spending almost 30 billion dollars on their military expenses, while Afghanistan, as the newest member country, is experiencing a long war situation. Constant ascend in military spending shows a detrimental territory for human development and the peaceful interstate relationship. The people in the region mostly do not know what SAARC is and when was the Association made.¹³⁵ It is indicated that the people to people contact program that has

¹³⁵ Irum Shaheen, "South Asian Association for Regional Cooperation (SAARC): Its Role, Hurdles and Prospects": 6.

been planned is remaining not sufficient, and it makes a lack of people's participation to help their regional problems.



CHAPTER FOUR

THE INITIATIVES AND ACHIEVEMENTS OF ASEAN AND SAARC IN POLITICAL AND ECONOMIC DEVELOPMENT

Since their establishment, the founding countries of ASEAN and SAARC were optimists on the goals in emphasizing the role of shared norms, values, and rules in international integration and interconnection through collective actions. Through the regional organization that they have built, the member countries anticipate finding concentrated solutions in addressing regional problems, as well as to achieve their mutual interest based on interdependence conditions. Moreover, they hope the peaceful co-existence of the region as a whole will be perceived, and it can be impactful to the significant political and economic development in the region and member countries.

In order to measure the political and economic development in Southeast Asia and South Asia regions that have been achieved through ASEAN and SAARC initiatives, in this chapter, the author would like to utilize several indicators such as; integration and dynamical democratization to measure the political developments. While GDP per capita and Regional Trade Agreement will be utilized as indicators to measure the economic development in the two regions. Those indicators will analyze the role of ASEAN and SAARC, the progress, and the development that have occurred in the two regions. Thus, the results will show the importance of regionalism for the development in the regions.

4.1. Political Development in Southeast Asia

Despite stable economies, a sound investment, and multiply trade chains, the political field seems indefinable for the ten member countries of the ASEAN. Domestically, the political outcome or transition in some Southeast Asian countries such as Cambodia, Malaysia, Thailand, and Indonesia seem to generate uncertainty when there were conflicts among elites, mostly in corruption, identity, and inequality issues. On the other hand, Southeast Asia is regarded as notable growth and investment

engine in Asia, even though there are realities of political developments in the region, which is an endeavor to break out cultural and historical constraints.¹³⁶

4.1.1. Nationalism and Integration in Southeast Asia

The processes of national and regional integration in Southeast Asia is not an easy task. The developments between countries in the region are quite uneven; mainly, is dominated by the status of developing countries, it makes a firm to define the political dynamic in this region. Regional integration was a new hope to prove the region exists in the international political realm. Even though several discussions compared the integration method of the EU and ASEAN, in reality, both of them are unable to be equated. According to Dr. Alexander C. Chandra, Associate Fellow in the Habibi Center,” The EU and ASEAN cannot be thoroughly compared. Several things distinguish the two, as viewed in historical terms”.¹³⁷

Theoretically, the scholars are analyzing national and regional integration from the diversity standpoints, consist of cultural and political identities in national and regional substructures, (i) wealth (the mobility practice and work), (ii) knowledge (localization of external technology and development models) and (iii) security (impact of political communities’ interdependence on human security). Accordingly, the national and regional integration of Southeast Asia was affected by the legacies of the colonial period. It was linked to Europe and other parts of Asia and brought with its legacies such as the ideologies of the rule of state.¹³⁸

During the colonial rule, Southeast Asian was satiated with conflicts and wars. The societies and peoples divided into subjects of the British, Dutch Empires, and other Western colonial power consecutively. Acted as peripheral territories to the British and the French, only Siam or Thailand exempted from colonization. It was the same during the outbreak of World War II, All of Southeast Asia was occupied by

¹³⁶ Michael Vatikiotis, “Southeast Asia stumbles over politics,” Nikkei Asian Review web, last modified February 20, 2019, accessed January 3, 2020, <https://asia.nikkei.com/Opinion/Southeast-Asia-stumbles-over-politics>.

¹³⁷ “ASEAN dan Nasionalisme: Tantangan Integrasi?,” Binus University web, last modified March 5, 2017, accessed January 2020, www.student-activity.binus.ac.id/himhi/2017/03/asean-dan-nasionalisme-tantangan-integrasi/.

¹³⁸ Andrew Hardy, “Integration in Southeast Asia: Trajectories of Inclusion, Dynamics of Exclusion,” *Seaside*, (Final Report, 2012): 2.

Japanese forces, not including Thailand positioned as its ally. The communist insurgencies obtained in North Vietnam and present a severe national security threat in other countries in the region. Nation-building and national security were the main pivot of all government leaders during the post-war; hence, the notion of regional cooperation seemed an unfamiliar concept.¹³⁹

In the first region's political models, undoubtedly, some Southeast Asian countries took Western and Soviet political integration structures. The Cold War alignments dominated how states' use of ethnicity to categorize, control, and integrate ethnic groups. Marxist-Leninist ideas dominated the socialist states of Lao PDR and Vietnam nationalities and ethnic groups. Another way notion of nation, identity, and ethnicity in Thailand was shaped by Western European civilization, which emphasizes on assimilation process of integration. Most groups were framed by the Cold War in assimilating to the majority Thai, except the non-Thai hill tribes. It has also occurred in Cambodia with Muslim Chams and Upland Khmer.¹⁴⁰

However, in constructing national identities, Europe's notion of the nations and its assimilation practices does not imply merely favorable in other Southeast Asian Countries in the pre-modern era, especially for the minorities' point of view. The national integration of ethnic, religious, and territories could not formulate only in assimilation terms; it would present a formidable challenge. Indonesia and Malaysia were the sites of an abiding attempt to construct a modern nationalism or national integration without staring at the ethnic identity of the politically dominant ethnic group. They formed interethnic, inter-religious, hierarchical social structures, in which all elements retained their particular identity by acquiring a shared cosmological system.¹⁴¹

In Myanmar, the assimilative nation-building scheme has not succeeded, and the political transition dispensed uncertainty and chances for state-minority relations.¹⁴² The democracy's new response to local interest may release tension, both

¹³⁹ Termsak Chalermpanupap, "Five Decades of ASEAN: The History of a Political Miracle," *The Diplomat*, December 27, 2016, www.thediplomat.com/2016/12/five-decades-of-asean-the-history-of-a-political-miracle/.

¹⁴⁰ Hardy, "Integration in Southeast Asia," 49.

¹⁴¹ *Ibid.*, 50

¹⁴² Vattthana Pholsena, "SEATIDE Integration in Southeast Asia: Trajectories of Inclusion, Dynamics of Exclusion Ethnic minorities, the State, and beyond: Focus on Mainland Southeast Asia Ethnic

inter-communal and non-state nationalists that have been controlled by military rule, as in the Rohingya case. The government is taking care of the ethnic states for real political and cultural autonomy; it is separating the central government and several ethnic groups. In addition, the granting of their own ethnic and religious heterogeneity by federated states would also hint to keep away from the tension between the Buddhists as majority and the Muslims minority.¹⁴³

Aside from countries in the region, the most noticeable account of Southeast Asia's political model is in its regional integration itself. The very first regional cooperation in the region, "SEATO" was primarily political and military made by post-colonial powers to stem communist influence in the region after World War II. However, some parties argued it could not be included since its limited participation of countries in the region. In 1961, Thailand, the Philippines and Malaysia as indigenous in the region initiated to integrate and to improve regional ties through "ASA" and then "Maphilindo," even though they were not successful and there were many unresolved problems between member countries, many ideas of them were carried over to the establishment of ASEAN.¹⁴⁴

ASEAN's creation was the same with its predecessors; it was the undeviating upshot of global conflict's indications in the region, mostly during the communist insurgencies in some countries that made the block strenuous to rise. However, after the USSR's fall, ASEAN, that concern with inter-state security, presented enthusiastic touch to the prospective member. The ASEAN member countries could indicate which countries that were posing a similar integration spirit, even though with the different political regimes. The integration in ASEAN has advancement based on "the ASEAN Way," which consists of three fundamental principles: (i) consensus decision-making, (ii) respect the national sovereignty, and (iii) non-interference in members' domestic matters.¹⁴⁵

minorities, the State, and beyond: Focus on Mainland Southeast Asia," *Online paper 1* (December 2018): 2, www.halshs.archives-ouvertes.fr/halshs-01963789/document.

¹⁴³ Ibid, 18.

¹⁴⁴ UNCTAD, *ASEAN at 50: Achievements and Challenges in Regional Integration* (New York: 2017), 4.

¹⁴⁵ "The ASEAN Experience: Insights for Regional Political Cooperation," *South Center*, Analytical note SC/GGDP/AN/REG/1, (February 2017): 11.

In fact, for the first integration in Southeast Asia, the past colonial rule brings mostly on the border's issues among modern Southeast Asian countries.¹⁴⁶ Besides that, the experience of being colonized makes countries in Southeast Asia have high nationalism. The colonizers created borders as a part of the ideological foundations, and they were drawn up into a small matter, such as the difference of languages, ethnic groups, and identities. Moreover, in the early of independence, the border was mainly expounded as a security phrase. It was a militarized place on the outskirts, far away in the forest or from the sea, crossed by illegal persons of refugees and other threats.

Over time, the nation-states' border policies of today transformed the border at the heart of Southeast Asia's desire for regional integration and connectivity. Currently, local Southeast Asians have freely transgressed the border under the ASEAN free-visa exemption. More frequently, the cases at several frontiers in Thai-Myanmar, Laos-Vietnam, Malaysia-Indonesia on Borneo demonstrate that people are aware of structuring the national administrations and the available resources between the state-based modernity that is on both sides. It directly describes vast quantities of Southeast Asia transnational connections.

Thus, the earliest refined political integration among Southeast Asian countries began with the initiative of ASEAN establishment itself. As the newly-born regional organization, it was prepared as a regional association for economic, social, and cultural cooperation. Despite that, political turmoil from the historical pattern of dispute, Cold war competitiveness, and intervention from external powers that happen in the region, made ASEAN could not attain national stability and socio-economic development. Thus, political matters were their priority. It is in line with the statement of Ali Alatas, an Indonesian Foreign Minister who said;

“The truth is that at its birth, politics were attending ASEAN. It was the convergence in political outlook among the original Members, their shared pronouncements on national priority goals, and how to secure these goals in East Asia 's evolving strategic environment that encouraged them to build ASEAN.”¹⁴⁷

¹⁴⁶ Hardy, “Integration in Southeast Asia,” 48.

¹⁴⁷ ASEAN, “Political Achievement,” ASEAN, last modified July 9, 2012, accessed April 11, 2020 www.asean.org/?static_post=political-achievement.

Thus, in 1971, following up on their commitment to reduce the foreign military influence and to be more integrated, the member countries signed the Zone of Peace, Freedom, and Neutrality (ZOFAN), it also known as the Kuala Lumpur Declaration. In fact, it was a political intent's declaration to be attained by constructing national and regional resilience several years after the establishment of ASEAN. It later then built a commitment of all ASEAN Member Countries to "exert the effort that was initially needed to secure recognition and esteem for Southeast Asia region as a Zone of Peace, Freedom, and Neutrality, free from all forms of interference by outside forces."¹⁴⁸

As a follow-up pace on security issues, five years later, the member countries have signed the Treaty of Amity and Cooperation (TAC), which described as "an original and indigenous Southeast Asian answer to the question of how to cope with intra-regional conflicts and disputes." It would constitute the regional foundations for regional neutrality as well as strengthen their regional integration.¹⁴⁹ Through the treaty, member countries are committed to solve every problem in peaceful way and established a code of conduct for members if any disputes occur among them. This effort has been implemented during the Cold War and Vietnam war to limit the US and Russian influence in the region.

As political cooperation in the region has developed, in line with its pillar ASEAN Political and Security (APSC) 2009-2015, its blueprint has achieved its goal as maintaining peace and regional stability, at least minimizing the conflict between member states. In the next stage, APSC 2025 Blueprint is aimed at continuing the development of existing achievements in order to increase ASEAN political and security cooperation to the next level. This blueprint promotes people-oriented and people-centered in all sectors of society. Even though the decision-making process in

¹⁴⁸ ASEAN "The Declaration of Zone of Peace, Freedom and Neutrality," ASEAN, last modified July 30, 2012, accessed April 11, 2020, www.asean.org/?static_post=joint-press-statement-special-asean-foreign-ministers-meeting-to-issue-the-declaration-of-zone-of-peace-freedom-and-neutrality-kuala-lumpur-25-26-november-1971.

¹⁴⁹ Surya P. Subedi, "Problems and Prospects for the Treaty on the Creation of a Nuclear-Weapon-Free Zone in Southeast Asia," *International Journal of Peace Studies* Vol.4, No.1 (January 1999), www.gmu.edu/academic/ijps/vol4_1/subedi.htm.

ASEAN is still limited to government elites, it is hoped that the public will participate and directly get involved in policymaking in ASEAN community development.¹⁵⁰

Although many political and other issues such as different positions in the South China Sea case, drug trafficking, and others. In reality, under ASEAN, the Southeast Asian countries today stand to work together as one community to attain the objectives chased in ASEAN Declaration more than 50 years ago. The integration of ASEAN has managed to deactivate the regional tensions and kept up volatile circumstances. In addition, the Association managed to turn a region riddled with rivalries and disputes into a stable region. It can be said that, ASEAN integration in the Asia Pacific region has contributed significantly to peace, security, and stability.

4.1.2. Democracy in Southeast Asia

Since the ASEAN was established, democratic values have been an essential thing for its construction. It can be traced back when the signing of the Bangkok Declaration on August 8, 1967, by five founding countries. The original commitment to prioritizing the people and individual rights, which currently adopted in the ASEAN Charter, the ASEAN Declaration on Human Rights, and the establishment of the ASEAN Community showed a serious basic foundation of ASEAN in embracing universal human rights, democratic principles and good governance. In line with this matter, following the principles of the United Nations Charter, in the last paragraph of the Bangkok Declaration, the fifth point stated that;

“...the Association represents the collective will of the nations of Southeast Asia to bind themselves together in friendship and cooperation and, through joint efforts and sacrifices, secure for their peoples and posterity the blessings of peace, freedom, and prosperity.”¹⁵¹

While democratic ideas have been equipped and enshrined in the constitutions of most countries in the region, democratic progress sometimes is uneven. Not all

¹⁵⁰ “ASEAN Selayang Pandang, Satu Visi, Satu Identitas, Satu Masyarakat”, *Sekretariat Direktorat Jeneral Kerjasama ASEAN*, Ed. 22 (2017): 17
www.play.google.com/books/reader?id=IxJDDwAAQBAJ&hl=en&pg=GBS.PA17.

¹⁵¹ “The ASEAN Declaration (Bangkok Declaration) 1967,” ASEAN, last modified January 27, 2016, accessed April 11, 2020, www.asean.org/the-asean-declaration-bangkok-declaration-bangkok-8-august-1967/.

countries in the region are constituting democracy as their political system; once it divided based on their colonies during the Cold War, which mostly autocracy, it makes the Association could not regulate a sustained approach those rights and concepts across ASEAN's ten Member States. The major obstacles are their democracy translation into action in the state, as in the case electoral practices which still fall far below international standards, voter intimidation, vote-buying, and the repression of civil society as well as the accountability and transparency.¹⁵²

Table 4.1. Current Southeast Asian Countries' Political Systems

Country	Political System
Brunei	Absolute monarchy
Cambodia	One-party authoritarian dictatorship
Indonesia	Democracy
Lao PDR	Marxist-Leninist, one-party system
Malaysia	Democracy, currently with strongman ruler
Philippines	Democracy, currently with strongman ruler
Singapore	Democracy, with dominant party
Thailand	Normally democratic regime, with politically powerful military
Myanmar	Semi-democratic regime, with politically powerful military
Vietnam	Marxist-Leninist, one-party system

Source: Freedom House; The Heritage Foundation, Oxford Analytica, www.dailybrief.oxan.com/Analysis/GA244662/South-east-Asias-lack-of-democracy-will-have-costs.

In the post-cold war period, Southeast Asian has experienced at least three significant democratic triumphs: first, the fall of President Marcos's regime in the Philippines by the People Power Revolution and the awake of a new democratic administration under Cory Aquino in 1986. Second, the President Soeharto's retirement after a massive demonstration, it ended the authoritarian government that

¹⁵² "Democracy in Southeast Asia: Achievements, Challenges and Prospects," *Electoral Integrity*, A Kofi Annan Foundation Initiative, Conference Report (September 2017), 22.

had lasted for three decades (32 years) and began a period of *reformasi* or reform that introduced direct elections and decentralization in 1998. Third, the triumph of the National League Democracy (NLD) party piloted by Aung San Suu Kyi for the Myanmar parliamentary election in 2015. Despite these achievements, the region continues to be restrained by diverse challenges in its democracy.¹⁵³

Elections are still often used as the ultimate indicator of Southeast Asia's democracy. Covering the region, governments perform polls, and people throw their votes. The different level of freeness and fairness in election, indicate the performance of being a peaceful mediatorship of political rivalries, in other cases it legitimates the authoritarian regimes. Besides, the intimidation, corruption, populism and undemocratic strategies to keep or achieve power in election can be tested through the people right.¹⁵⁴

In Cambodia, by ignoring the dominant opposition party 'the Cambodia National Rescue Party (CNRP),' the ruling Cambodian People's Party (CPP) led by Prime Hun Sen won the last election again. Shortly after the arrest of its leader Kem Sokha, the Supreme Court disbanded CNRP in 2017 on betrayal charges.¹⁵⁵ Besides, the CPP rule also increased the media control and taking about 15 independent radio stations off the air in the same year.¹⁵⁶ The crisis also happened in Myanmar, even though there was a historic and significant democratic triumph, it fades away as San Suu Kyi's rule faces the allegations that it has failed to handle the Rohingya humanitarian conjuncture. While most observers agreed, the country is remaining under the military control.¹⁵⁷

After a repeated cancellation of the general election and coup d'état in 2014 by General Prayut Chan-o-cha leadership in Thailand, the constitution ratified in 2017

¹⁵³ Deasy Simandjuntak, "The State of Democracy in Southeast Asia. Heinrich Böll Stiftung South Asia," Heinrich Böll Stiftung Southeast Asia, last modified October 19, 2018, accessed April 18, 2020.

¹⁵⁴ Ibid.

¹⁵⁵ "Sokha arrested for 'treason' is accused of colluding with US to topple the government," The Phnom Penh Post, September 4, 2017, www.phnompenhpost.com/national/sokha-arrested-treason-accused-colluding-us-topple-government.

¹⁵⁶ "Cambodia Daily newspaper closes in government tax row," BBC News, September 3, 2017, www.bbc.co.uk/news/world-asia-41141473.

¹⁵⁷ Nur Asyiqin Mohamad Salleh, "Aung San Suu Kyi outlines Myanmar's efforts to resolve Rohingya crisis, help refugees return," The Straits Times, August 21, 2018, www.straitstimes.com/asia/suu-kyi-outlines-myanmars-efforts-to-resolve-rohingya-crisis-help-refugees-return.

was designed by the military government to weaken big political parties. According to critics, its main objective was to restrain the former PM Thaksin Shinawatra political allies including his sister's position that was displaced in 2014 from obtaining power. Finally, the constitution introduces a modified proportional procedure at the last election to determine which of the remaining 150 party list seats to be selected by the 500 parliamentary lower houses. The total of which is regulated by the constitution.¹⁵⁸

It was different with Malaysia, the massive triumph of the opposition coalition called as *Pakatan Harapan* led by a veteran politician as well as former prime minister, Tun Mahathir Mohamad who opposed to the *Barisan Nasional* coalition led by the incumbent Prime Najib Razak in the 14th general election or GE14 of Malaysia generated a great democratic optimism. This election was the first in Malaysian history since the country's independence in 1975, it resulted in a power change from the incumbent to another coalition.¹⁵⁹ In addition, this enormous acquirement shows a noticeable distinction to the common complications that some other countries in Southeast Asia suffer.

In Singapore's case, People's Action Party (PAP) as the ruling party since its independence in 1954, has already been spotlighted for the next election. It is also essential that politics remain active in one-party governments such as in Brunei, Laos and Vietnam. In such cases, state media accounts and forthcoming conferences can often disregard of sight or simplify the more complicated realities among the regime and broader societies. These are only the greatest events or regular revamping of these ever-present complexities, and this has received very few international titles but has been important domestically.¹⁶⁰

The speed-up of democracy progress in ASEAN as an institution took place at the 9th Summit of ASEAN in October 2003. The result was the ASEAN or Bali Concord II that transformed this block into an ASEAN Community by 2020 with the

¹⁵⁸ "Thailand's military junta may at last be ready to call an election," *The Economist*, August 30, 2018, www.economist.com/asia/2018/08/30/thailands-military-junta-may-at-last-be-ready-to-call-an-election.

¹⁵⁹ Luke Hunt, "What Does Malaysia's Earthquake Election Mean for Democracy in Southeast Asia," *The Diplomat*, May 15, 2018, www.thediplomat.com/2018/05/what-does-malysias-earthquake-election-mean-for-democracy-in-southeast-asia/.

¹⁶⁰ Prashanth Parameswaran, "Southeast Asia Between Democracy and Authoritarianism: Look Beyond the Litmus Tests," *The Diplomat*, January 25, 2019, www.thediplomat.com/2019/01/southeast-asia-between-democracy-and-authoritarianism-look-beyond-the-litmus-tests/.

three pillars as mentioned in the previous chapter, namely; ASEAN Political-Security Community (APSC), ASEAN Economic Community (AEC) and ASEAN Socio-Cultural Community (ASCC) which later the ASEAN leaders accelerated the process to be realized by 2015.¹⁶¹ Some achievements accompanied by a commitment to make ASEAN a community that is not only ‘owned by the elite’ but also ‘people-oriented.’

Along with collaborative efforts and people-oriented commitment, several things will be a severe record to ASEAN, one of the essential issues is the enforcement of democracy. As in the ASEAN Charter adopted in 2007, commits ASEAN member to the idea of ‘enhance the rule of law and good governance, strengthen democracy and protect human rights and freedoms’.¹⁶² While the APSC Blueprint provides details on it, ASEAN has taken several steps related to the enforcement of democracy at the Regional level by holding various forums, seminars, and other capacity-building related to the promotion of democracy's values and Human Rights.

In October 2011, the ASEAN secretary held a significant institutional event, the ASEAN Electoral Management Bodies' (EMBs) Forum. The meeting was initiated by the General Elections Commission of the Republic of Indonesia (KPU) and of the International Institute for Democracy and Electoral Assistance (International IDEA) and highlighted on the topic: "Inspiring Credible ASEAN Election Management Bodies."¹⁶³ It attended by 71 participants, consisting of election organizers in ASEAN member countries such as Thailand, Cambodia, Malaysia, and the Philippines, election organizers for friendly countries: Timor Leste, India, United States, Australia, Jordan, Fiji, and non-governmental organizations affiliated with NGOs in Indonesia.

The forum resulted in the "Jakarta Declaration" on the Southeast Asian Electoral Community, which was an agreement of all participants regarding carrying credible elections in the Southeast Asian region. Notably, it could be implemented in

¹⁶¹ Rizal Sukma, “Democracy Building in South East Asia: The ASEAN Security Community and Options for the European Union,” *International Institute for Democracy and Electoral Assistance* (2009):4-5.

¹⁶² ASEAN Secretariat, *The ASEAN Charter*, Jakarta, 2020. www.asean.org/storage/2012/05/The-ASEAN-Charter-14042020-final.pdf

¹⁶³ “Message by Dr Surin Pitsuwan, Secretary-General of ASEAN, at the ASEAN Electoral Management Bodies' Forum, 'Inspiring Credible ASEAN Electoral Management Bodies' ASEAN,” last modified July 25, 2012, accessed April 15, 2020, www.asean.org/?static_post=message-by-dr-surin-pitsuwan-secretary-general-of-asean-at-the-asean-electoral-management-bodies-forum-inspiring-credible-asean-electoral-management-bodies.

their respective countries. The Jakarta Declaration contains nine points, including those concerning people's participation in the political, economic, social and cultural system; promoting gender equality and equal rights for persons with disabilities; improvement of regulation about political parties and campaign funds; and in-depth consideration of the technology used in the elections. In this meeting also agreed on a plan to form the foundation on the ASEAN Election Community and support the leadership of the ASEAN election commission in late 2013.¹⁶⁴

Although the variance among member countries regarding the nature of democracy serves as a significant limitation, another ASEAN's efforts related to democratic values can be seen by striving to uphold the universal nature of human rights in the region. It reflected in several agendas, such as at the 16th AEMM in 2007, ASEAN congratulated the success of the Aceh Monitoring Mission in facilitating peace to manage the dispute resolution and peace-building that emerged between the Aceh Free Movement (GAM) and Indonesian government which drags humanitarian law.¹⁶⁵ It also happened in the post-conflict area during the Cambodia invasion that has done by Vietnam in 1978, and the settling of other border disputes in the region.¹⁶⁶

In Cambodia case, ASEAN succeeded in pushing the UN to stop recognizing the Government of the People's Republic of Kampuchea (PRK), and admit Pol Pot 's Democratic Kampuchea as Cambodia official government. It then persuades the UN General Assembly to withdraw all foreign forces including Vietnam from the Cambodian region. ASEAN argued the PRK considered as a foreign intervention case, and ASEAN's position was the restoration of Cambodian self-determining based on democratic value. In 1989 under Jakarta Informal Meeting (JIM) II, UN Security Council approved the conflict settlement plan by ASEAN fully endorsed, and the 1991 Paris Peace Agreement was accepted by Cambodian factions, with full support from ASEAN for the holding of elections and restoring democracy.¹⁶⁷

¹⁶⁴ Vanessa Johanson Alpern, "Promoting Electoral Integrity in Southeast Asia: ANFREL and ASEAN," *International Institute for Democracy and Electoral Assistance* (2012): 8.

¹⁶⁵ Sukma, "Democracy Building in South East Asia," 14.

¹⁶⁶ Julio S. Amador III and Joyce A. Teodoro, "The Role of the Association of Southeast Asia Nations in Post-conflict Reconstruction and Democracy Support," *International Institute for Democracy and Electoral Assistance* (2016): 7.

¹⁶⁷ Amador III "The Role of the Association of Southeast Asia Nations," 10-11.

It is undebatable, although there have been many initiatives undertaken by ASEAN in efforts to uphold democracy, ASEAN has still not fully internalized democracy-building, which includes the rebuilding and strengthening of democratic institutions, as some ASEAN countries are wary of democracy and consider it just a norm. The regional democratic development shows that Myanmar is the only one whose status has been improved from "not free" to "partially free" after the military acquired the results of the 2015 parliamentary elections as the country's first relatively free presidential election. However, Indonesia, the Philippines and Malaysia have been listed as "partially free" whereas Brunei, Laos, Thailand and Vietnam are remained "not free".

Table 4.2. Independent Countries and Democracy Index in Southeast Asia

Country	Freedom Status 1975	Freedom Status 1997	Freedom Status 2017	Global Rank 2017	Regime type
Indonesia	Partly free	Not free	Partly free	68	Flawed democracy
Philippines	Partly free	Free	Partly free	51	Flawed democracy
Malaysia	Partly free	Partly free	Partly free	59	Flawed democracy
Singapore	Partly free	Partly free	Partly free	69	Flawed democracy
Thailand	Partly free	Partly free	Not free	107	Hybrid regime
Cambodia	Not free	Not free	Not free	124	Authoritarian
Myanmar	Not free	Not free	Partly free	120	Authoritarian
Vietnam	-	Not free	Not free	140	Authoritarian
Lao PDR	Partly free	Not free	Not free	151	Authoritarian
Brunei	Not free	Not free	Not free	-	-

Source: Southeast Asia countries ranking in The EIU Democratic Index 2017, Freedom in the World, www.freedomhouse.org/report/freedom-world.

Note: No data available for Democratic Index of Brunei Darussalam

4.2. Political Development in South Asia

South Asia's political circumstances may not be indefinite, the diversity of culture, language, and environment throughout South Asia would not be surprising if this region's political landscape were rearranged to match its variety. Essentially, South Asia's constellation is undoubtedly not a simple one. The countries in the region are inseparable from the issues of population, technological development, military power, infrastructure, and political influence. Despite India's success in several contexts, the region as a whole also plagued by mega-urbanization, extreme poverty, tremendous disparities between rich and poor. On top of this, there are also high levels of internal conflicts and political instability within the region.¹⁶⁸

4.2.1. Nationalism and Integration in South Asia

Similar to Southeast Asia, as a region consists of the developing countries, and had been colonized. The idea of nationalism and national integration in South Asia borrowed from the west in the condition of the rise of indigenous movements to fight against the colonial rule. While Southeast Asian countries were divided by several colonial laws conducted by Western countries such as British, Dutch Empires, and French, almost the entire region of South Asian was a part of the British Empire. Hence, although there is a different culture, there are often cross-border similarities in traditions and customs in the region; a question then appeared from some scholars 'Could these forms be a basis for collective South Asian identity?'.¹⁶⁹

The patterns, policies, and issues of 'national integration' in South Asia vary one country to another, but it still in the same theme, which is "nationalism initiated by 'native elites' or 'state-sponsored nationalism' runs through statements and action programs of political leaders in all of these countries. Although they did not come in conflict with nationalist aspirations due to discriminatory policies of the colonial authorities and ethnocultural questions, the ideology of 'national integration' faced a severe deception in the form of counter-movements whose Nation views differed from

¹⁶⁸ Tomislav Delinic, "SAARC-25 years of Regional Integration in South Asia," *Kas International Reports* (2001): 8-9, www.kas.de/c/document_library/get_file?uuid=8a368f41-f5d0-6ffe-1d25-9a4a1a0a35a3&groupId=252038.

¹⁶⁹ *Ibid.*, 9.

those of the ruling elites of the existing State. Many of them became more assertive in the post-independence era.¹⁷⁰

In many cases, these counter-elites were organized in the form of smaller political parties or sub-nationalism movements. They questioned the legitimacy of post-colonial states and sought to form new political systems and communities. These groups usually emerged from the hegemonic political order, and the majority-minority constructs the emergence of contradictions in terms of religion, language, ethnicity, and most large regions. However, in general, countries in South Asia are strong enough to call such movements illegal and impose severe penalties for activities calculated to disrupt the stability of the existing political-legal order.¹⁷¹

Besides state-sponsored, it cannot be denied that several factors have contributed to nationalism and national integration development in the South Asia region. The India sub-continent history, its glorious traditions, the notions of composite culture, religion, and ethnic group have played a significant role in uniting the people into a single national entity. The wake of a struggle for independence from colonial rule is no less important for considerable countries in this regard. While in Bhutan and Nepal the absence of colonial rule was taken up a source of national pride and identity.¹⁷² It contribute them a sense of ascendancy, at least to further strengthen their integration in comparison to those countries, which were under the colonial rule.

It may be added here; it is different from Southeast Asian countries with the minimal conflict between neighboring countries in the region, the nature of Indo-centric in South Asia creates the smaller countries of the region have dependence and sometimes get serious conflict with India. It worked as a source of national integration and has given rise to aggressive nationalism. As for India itself, the idea of national integration derived from the notion of unity in diversity, which consists of ancient civilization entity, composite culture, religious entity, as well as great nationalism and

¹⁷⁰ Pramod K. Mishra, "Nation-building and Ethnicity in South Asia (With Special Emphasis on Sri Lanka & Bangladesh)," *Indian Journal of Asian Affairs* Vol.1, No. 2 (December 1998): 34-35, www.jstor.org/stable/41950335.

¹⁷¹ B. C. Upreti, "Nationalism in South Asia: Trends and Interpretations," *The Indiana Journal of Political Science* Vol. 67, No. 3 (July-September, 2006): 537-538, www.jstor.org/stable/41856240?seq=1&cid=pdf-reference#references_tab_contents.

¹⁷² Ibid.

little nationalism. It was shaped during the Indian national movement and sustenance from the great historical traditions.¹⁷³

Pakistan appeared as an independent state with the dividing up of India in 1974 on the requested that Muslims constituted a distinct identity. Hence, religion was the basis of the autonomous identity and national integration of Pakistan. In its national-building process, the Pakistani ruling elite lack of success in expanding the bases of nationalism due to the rise of military dictatorship, the turndown of democratic institutions, unsuccessful development, and the rise of fundamentalism. Furthermore, linguistic separatism and territorial identity were also led to the disintegration in the eastern wing of Pakistan. In March 1971, it became an independent state of Bangladesh, and in 1975, the country began to promote the religious bases of nationalism after the secularism lost the track.¹⁷⁴

In Sri Lanka, the western-educated elite represented a strive against the colonial rule, and it was the beginning of a compound nationalism in the country. On the other hand, the rise of religio-cultural nationalism was also mainly a symbol of the majority Sinhala nationalism, which resulted in other communities, particularly the Tamils, was set apart. Moreover, the domination by Sinhala as a ruling elite has frequently ignored the demands of Tamils. It gave a national integration issue due to the rise of Tamil separatism in the Island country.¹⁷⁵ This sub-nationalism by Tamil community has thus become a significant challenge to religio-cultural nationalism in Sri Lanka for a long-time.

After escaped from the colonial rule, the founders of the Kingdom of Nepal promoted religious identity to the country and presented Hindu nationalism as a national integration instrument. In its process, under Monarchy institution, there were several attempts to integrate various non-Hindu communities through a procedure of Hinduization. Even though there was a convergence between the propagation of Hindu nationalism and monarchy's interest, the religion has not been a source of tension in

¹⁷³ Ibid., 539

¹⁷⁴ Khalid Ahmed, "Islamic Extremism in Pakistan," *Journal of South Asia* 2 (October – December, 2003): 33, www.jstor.org/stable/resrep09209?seq=1#metadata_info_tab_contents.

¹⁷⁵ Sinnappah Arasaratnam, *Sri Lanka After Independence, Nationalism, Communalism and National Building*, Madras, 1986 on B. C. Upreti. "Nationalism in South Asia: Trends and Interpretations," *The Indiana Journal of Political Science* Vol. 67, No. 3 (July- September, 2006): 540.

Nepal, nor used for political mobilization. While the Maldives with its a homogenous society has been enjoying its peace and stability in the country's national integration progress, with only several slight disturbances during the mid of eighties.¹⁷⁶

In the monarch of Bhutan, the national integration reached due to a close inter-linkage between monarchy, the Bhutanese national identity, and the Drukpa culture. It has been promoted by the Bhutanese ruling elite and become a base of their nationalism. The cultural identity's threat comes from the Nepalese migrants.¹⁷⁷ The dissimilar process happened in Afghanistan; its national integration and nationalism have been challenged by ethnolinguistic polarity. The different ethnic groups in Afghanistan are geographically strenuous, and they examine their ethnolinguistic identity as a consequential part of their existence. While the ruling Pashtun elite considers this diversity as a threat, the integration campaign was viewed by the non-Pashtun groups as an endeavor of their extermination.¹⁷⁸

In the middle of high nationalism and a prolonged conflict among neighboring countries, regional integration became such a fresh air in the region. It is similar with several issues in ASEAN regional integration and its national integration in most countries, the persisting legacies of South Asia's colonial in the past brought a number of the problematic political model in the region, such as unsettled borders between neighbors, ethnic and religious difference, intra-regional economic disparities, bilateral disputes were some factors delaying the regional integration. Dissimilar to Southeast Asia, which there were few regional organizations before ASEAN, for South Asian integration, the establishment of SAARC was a milestone.

Internal disputes and various factors fulfill the development of this organization. It has played an important role since its formation, however, by bringing the Member States into closer relation and integrate as regional unity by carrying different levels' meeting and it created hope for its future progress. In line with its purpose to improve the welfare of people in the region, upraise the living standards,

¹⁷⁶ P. Sahadevan, "Challenges to Political Order in Maldives", *BISS Journal* vol.19, no.1 (January 1998): 94-108, www.jnu.ac.in/Faculty/sahadevan/.

¹⁷⁷ Upreti," Nationalism in South Asia: Trends and Interpretations," 541.

¹⁷⁸ Ayaz Ahmad, "National Integration and Ethnolinguistic Polarity in Afghanistan," *Journal of Applied Environmental and Biological Science* Vol. 7 No. 11 (2017): 195-199, www.researchgate.net/publication/335964710.

promote culture, science and other fields among SAARC members states, over more than a quarter-century the Association has made some progress in challenges widespread poverty alleviation, the energy crisis, the effect of globalization and combating terrorism.¹⁷⁹

Compared to other regional organizations that continued to fully-grown and deepen, the SAARC member countries predominately have a solid sense of top priority to accelerate the stride of cooperation and progress and the advocate to resuscitate the SAARC. The stands out point from the formation of SAARC for regional integration is in the prolonged conflict, and cooperation between neighboring countries that seems impossible in the region became slowly but surely can be realized after the SAARC establishment. It has enabled the political leaders of South Asian countries to encounter regularly and held the informal discussion to solve their mutual problem.¹⁸⁰

Although, many believe that several discussions were not give a significant achievement to the history and interaction of South Asia in the past. In reality, however, the SAARC leaders' informal talks in many sensitive questions lead to elite reconciliation and it was resulting some remarkable solutions in South Asia. As for instance, during the breaks of SAARC Summit at Bangalore in 1986, there was informal talk between India and Pakistani Prime Minister which discussed the solution to reduce tension between the two countries over Operation Brasstacks, the military exercise site of India in the Indo-Pakistan border. In consequence, a move by the Jammu and Kashmir Liberation Front (JKLF) to cross a stop-fire in Kashmir was prevented by Pakistani authorities.¹⁸¹

It was almost similar to ASEAN that belief by adopting the informal political process consultation would prove useful in promoting peace and accelerated socio-economic cooperation in the region. During the 9th SAARC Summit in 1997, the Heads of Government agreed, and they restate this intention during their 10th and 11th Summits in Colombo and Kathmandu, respectively. In other regional integration progress, SAARC has also reached a consensus on several global issues, such as

¹⁷⁹ Ma Jiali, "SAARC: Achievements and Challenges", *Policy Perspectives* Vol. 9, No. 1, Special Issue: China and SAARC (2012): 162, www.jstor.org/stable/42922698.

¹⁸⁰ Muhammad Jamshed Iqbal, "SAARC: Origin, Growth, Potential and Achievements," *Pakistan Journal of History & Culture* Vol. XXVII/2 (2006): 138.

¹⁸¹ Ibid.

environmental protection and global climate change. In this matter, SAARC spoke highly on the concept “Gross Nation Happiness” coined by Bhutan which focuses on promoting social progress, maintaining traditional values and advancing good governance not only in the region but also for all human kind.¹⁸²

Though the substantial increase of cooperation level among the member countries in many fields, the attempt to develop a congenial environment through diplomacy meetings and summit where all member countries may communicate peacefully one with other as well as fertilize sustainable peace and promote mutual political-economy sources. The assumption that peace and the end of conflict can be reached through SAARC without solving other political issues in the region needs a long journey or even only a hallucination. SAARC should evolve into an entirely ‘regional entity’ that allow people free movement across the member countries, and common foreign and economic policies which will bring peace and maximize its regional integration.

4.2.2. Democracy in South Asia

The history of democracy in South Asia has been multi-colored. Most countries in the region are still fragile democracies at the beginning stage, but surprisingly, based on population, South Asia constitutes the largest democratic region in the world. Much the same to Southeast Asia before, the region taking competitive election as an indicator for democracy, which in India, Sri Lanka, Bangladesh, Pakistan, and Nepal were able to vote in the election. As South Asian countries share several common characteristics, such as Political and Economic development remain insufficient and faced domestic crises as a result of demands from minority ethnic groups that challenge state legitimacy.¹⁸³

Despite shared historical, cultural legacy, and democratic upsurge, the regions come after a different path in their democracy development. India and Sri Lanka are the only countries in the region that have flourished in upholding the democratic

¹⁸² Jiali, “SAARC: Achievements and Challenges,” 162.

¹⁸³ Chrisitan Wagner, “Democracy and State in South Asia: Between Fragmentation and Consolidation?” *Asian Survey* Vol. 39, No. 6 (November-December, 1999): 909, www.jstor.org/stable/3021145.

system and performing regular elections since their independence. Though civil liberties and political rights have been constricted several times, such happened in India between 1975 and 1977, and Sri Lanka 1979 and 1983. In the other six countries in the region, all undertake the democratic exertion of elections in recent years.¹⁸⁴ The electoral parameters like the participation of voters in the electoral system and the party system reinforce democratic awareness among the people of the region.

Democracy in India can be seen as the world's largest in terms of population. The country became a democratic nation straight after its independence in 1974. India gave its people the right to vote and elect their leaders, ignoring their religion, caste as well as their gender. As its effort in promoting democracy in international level, in 2000, India became a member of Community of Democracy (CD) and the UN Democracy fund in 2005.¹⁸⁵ Even though the country actively supports neighboring countries in adjusting democracy against authoritarian regimes, there have been many obstacles in its democracy, especially in discrimination issues.

Since the constitution and government system transformation from parliamentary to presidential system in 1978 in Sri Lanka, A radical difference in ethos from that of Sri Lanka up to that time has occurred in its political process. In its journey, to take advantage of the voting pattern and guaranteed victory for ruling party United National Party (UNP) since 1977, there was a parliamentary term extension until 1982.¹⁸⁶ In the eighties, the Sri Lankan difficulties have been the fact that 'functional democracy' was formally established and democracy actually died at the functional or operational level. However, there is a hope for democratic freedoms and a democratic political process at a grassroots level, aside from the political ideologies of each party.

In Pakistan, since its independence, the military dictatorship has been playing an overindulgent role in the country's democratic structure and processes, including

¹⁸⁴ Avishek Jha, "Measuring South Asian Democracy: An Assessment of 2018," South Asian Voices, last modified January 31, 2019, accessed April 28, 2020, www.southasianvoices.org/measuring-south-asian-democracy-an-assessment-of-2018/.

¹⁸⁵ S.D. Muni, "The New Democratic Wave and Regional Cooperation in South Asia," *International Institute for Democracy and Electoral Assistance* (2009): 11.

¹⁸⁶ Siri Gamage, "Democracy in Sri Lanka: past, present and future," *Asian Studies Review* 17:1 (1993): 110, www.doi.org/10.1080/03147539308712906.

in influencing elected leaders.¹⁸⁷ At the beginning of independence, the political regimes became inefficient due to the political Doman with its first Martial Law in 1953. Between 1971 and 1977, there was elected democratic political government under people's party. However, it took-over by Ziaul-Haq regime that can be seen as a true reflection of an authoritarian rule under the democratic parliamentary mask.¹⁸⁸ In March 2007, Musharraf first postponing and then sacking the Supreme Court's Chief Justice, Iftikhar Chaudhry, came the firm turn against the military rule.¹⁸⁹

Similar to Pakistan, Bangladesh has had a wrinkled path to democracy since its partition from Pakistan. Even during the formal democracy period, the armed forces frequently determined the decision. In the beginning, the military coup led by Lieutenant General Hossain Mohammed Ershad seized power in 1982 and later subsequently won the election in 1986 and 1988 after boycotted significant opposition parties.¹⁹⁰ After a significant opposition movement from all spheres in 1991, a transitional government quickly established democratic institutions, and since then, Bangladesh has remained an electoral democracy every five years, though electoral violence remains a significant problem, and parliamentary boycotts happened the legislative process.

After the end of monarchy and the declaration as a republic in 1968, another political reform process in the Maldives was initiated by President Gayoom in 2004. It was his response to public protest whose reinforced the demands for human rights and political liberalization since 2003. Besides, after a long-term in the office, President Gayoom was also left his power peacefully in 2008 after the same coalition opposition parties led by Nasheed from Maldivian Democratic Party (MDP) challenged his power, and in the same year it was the country's first regular multiparty for the presidential election.¹⁹¹ Eventually, Nasheed became the first democratically

¹⁸⁷ Heena Makhija, "Democracy and electoral challenges in South Asia," Observer Research Foundation, Event reports, October 30, 2015, www.orfonline.org/research/democracy-and-electoral-challenges-in-south-asia/.

¹⁸⁸ Arshad Rizvi, "Democracy in Pakistan: Root Causes of Weak Democratization System in Pakistan," *SSRN Electronic Journal* (December, 2015), www.dx.doi.org/10.2139/ssrn.2700586.

¹⁸⁹ Muni, "The New Democratic Wave and Regional Cooperation in South Asia," 5.

¹⁹⁰ *Ibid.*, 6.

¹⁹¹ Azim Zahir, "The Maldives: The rise and fall of a Muslim democracy," Aljazeera, September 23, 2018, www.aljazeera.com/indepth/opinion/maldives-rise-fall-muslim-democracy-180920221055118.html.

elected in Maldives and he defeated by Yameen in the presidential race with despotism drama.

The transformation of the monarchy into a democratic system in Nepal happened from 1990 to 1991. In 2006, Nepal's peoples' movement (Jan Andolan-II) triumphed to end the Maoist insurgency, eliminating the monarchy and establishing a republic. In August 2008, an elected Constituent Assembly took office, together with a representative government. By electing a legislative assembly and a representing government in 2008, Bhutan began the transition from absolute to constitutional monarchy in 2004. In Afghanistan, the forces of extremism, fundamentalism, and terrorism influenced the international community to engage collectively in promoting and ensuring sustainable democracy in a hostile environment in 2004.¹⁹²

Table 4.3. Independent Countries and Democracy Index in South Asia

Country	Freedom Status 1975	Freedom Status 1997	Freedom Status 2017	Global Rank 2017	Regime type
India	Free	Partly free	Free	42	Flawed democracy
Pakistan	Partly free	Partly Free	Partly free	110	Hybrid regime
Bangladesh	Partly free	Partly free	Partly free	92	Hybrid regime
Sri Lanka	Free	Partly free	Partly free	62	Flawed democracy
Bhutan	Partly free	Not free	Partly free	99	Hybrid regime
Maldives	Partly free	Not free	Partly free	-	-
Nepal	Not Free	Partly free	Partly free	94	Hybrid regime
Afghanistan	Partly free	Not free	Not free	149	Authoritarian

Source: Southeast Asia countries ranking in The EIU Democratic Index 2017, Freedom in the World, www.freedomhouse.org/report/freedom-world.

Note: No data available for Democratic Index of Maldives

¹⁹² Samuel P. Huntington, *The Third Wave. Democratization in the Late Twentieth Century* (London: University of Oklahoma Press, 1991), xvi.

In terms of accelerating the implementation of democratic values throughout the institution in the region, the way that has been taken by South Asia is not far different from Southeast Asia. While the ASEAN people-oriented commitment is the enforcement of democracy, inspired by the common goals to promote the welfare of the people and realize their full potential as enshrined in the SAARC Charter. The Association has prepared the SAARC Charter of Democracy during the Regional Conference on ‘SAARC Democracy Charter: Citizens’ Initiative’ held at Kathmandu in 2011.¹⁹³ The aim of this Charter is to promote at the local, national, and regional levels, the universal democracy’s value based on people 's sovereignty and respect for human rights.

Despite the magnificent democratic norms that reflected in the SAARC Democracy Charter, the past of democratic structures in South Asia presents an indistinct sketch. The need to stable democratic governments in an ever-changing neighborhood was highlighted by the charter in identifying democracy as a basis of development in South Asia. However, most of the South Asian countries suffer from a ‘democratic deficit’. It was, to a large extent, accounts for the obstacles to the democratic institution established under their respective constitution that created a threat to their national stability and the divergence in the democratic relationships between them, both at the bilateral level and at the regional institution level.¹⁹⁴

Contrasting with ASEAN, when democracy has been rooted in regional level mechanisms since the long term, it can be found that democracy is not an essential requirement at the regional level in SAARC. Despite that, the countries in the region have their constitutions which committed to democracy and constitutionalism. Furthermore, it reaffirms the SAARC democratic commitment that has been made as an institution with its recently signed ‘Addu Declaration’ which it would be imprudent for the organization to improve the quality of life and achieve economic growth as set out in Article 1 of the SAARC Charter.

¹⁹³ Deepshikha Shahi, “South Asian Association for Regional Cooperation,” *First International Democracy Report* (Routledge, 2014): 22, www.researchgate.net/publication/301771192.

¹⁹⁴ Puneeteh Nagaraj, “The SAARC Charter for Democracy: A Forgotten Hope?,” *Fair Observer*, last modified January 1, 2012, accessed April 29, 2020, www.fairobserver.com/politics/saarc-charter-democracy-forgotten-hope/.

Although the provisions do not mean much, it is actually a vital step to update the objectives of SAARC if we recognize democracy as one of the starting points of cooperation. SAARC has great potential as an organization to serve the people of the area. This potential and geopolitical relevance are demonstrated by the presence of the US and the EU as observers. It failed to fulfill this potential for a number of reasons. Nonetheless, the South Asian countries have the opportunity of setting out a future cooperation framework which cannot be undermined by the Democracy Charter.¹⁹⁵ While the Charter provisions and its implementation may be blocked, a start is always essential.

4.3. Economic Development in Southeast Asia

In the economic, Southeast Asia is a domain to tremendous natural resources and is one of the world's largest producers of agricultural commodities. Many ASEAN Member Countries used this endowment as a springboard for their industrialization. Most of the member countries in the region have achieved macroeconomic fundamentals and high saving rates, besides, they determine fairly open trading systems with a young rapidly growing population which contribute to the demographic dividend. Several regional economic developments increased rapidly, including its combined GDP that placed as the 6th largest in the world in 2016 with its impressive intra-regional trade.¹⁹⁶

4.3.1. The Development of GDP per capita in Southeast Asia

Since its establishment in 1967 until its 50 years, ASEAN has made extraordinary economic progress. From five founding Member countries and currently ten full membership, ASEAN economy has enlarged over 100-fold with powerful economic development during the last five decades. As a region, its economic growth raised the living standards for 10 ASEAN Member Countries with a nominal GDP per capita of US\$4,021 compared with an average nominal GDP per capita of just US\$

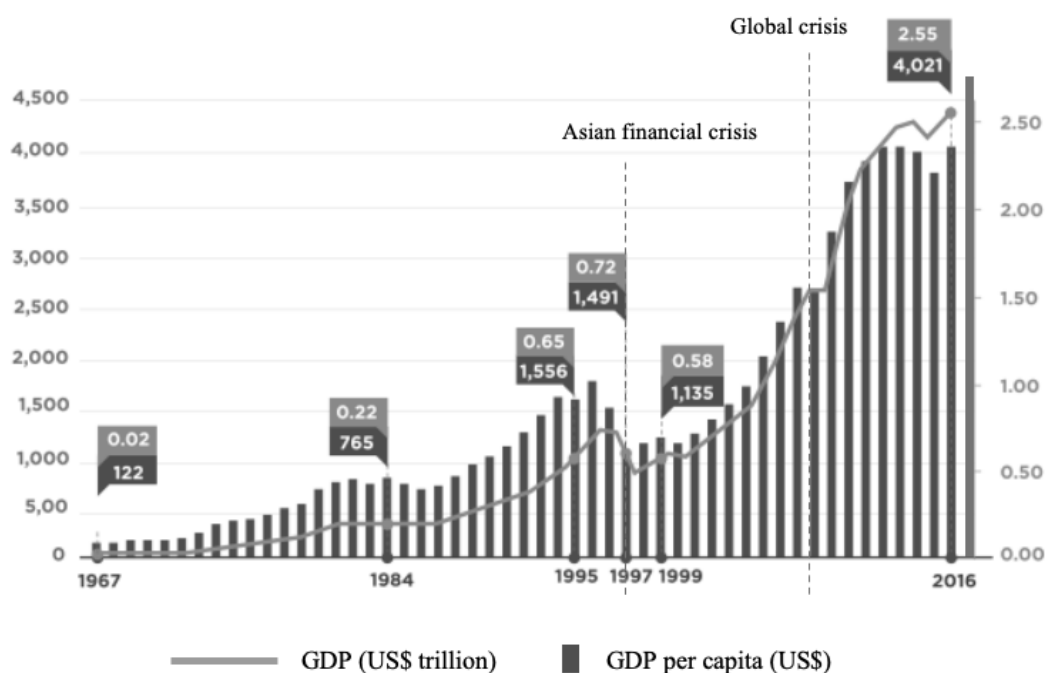
¹⁹⁵ Ibid.

¹⁹⁶ ASEAN Secretariat, "ASEAN 2018: Boosting Competitiveness and Inclusive Growth," SME Policy Index: 2.

122 in 1967. Furthermore, this economic development has led ASEAN population to social progress and has helped to reduce poverty.¹⁹⁷

While the gross domestic product (GDP) is regularly used to estimate economic progress, GDP per capita is a measure of ASEAN economic output that accounts for population, obtained by dividing ASEAN nominal GDP by its total population. Over the first decade of ASEAN establishment, the GDP per capita progressed at a slow pace, a slight decrease was noticed in the mid-eighties. After that, it increased to US\$1,556 in 1995.¹⁹⁸ It only until 1996 delight in the increasing number, however, between 1997 and 2001, reflecting the Asian financial crisis period, ASEAN GDP per capita fluctuated and saw some sharp decreases.

Figure 4.1. Evolution of ASEAN GDP per capita 1976 - 2017



Source: ASEAN Secretariat

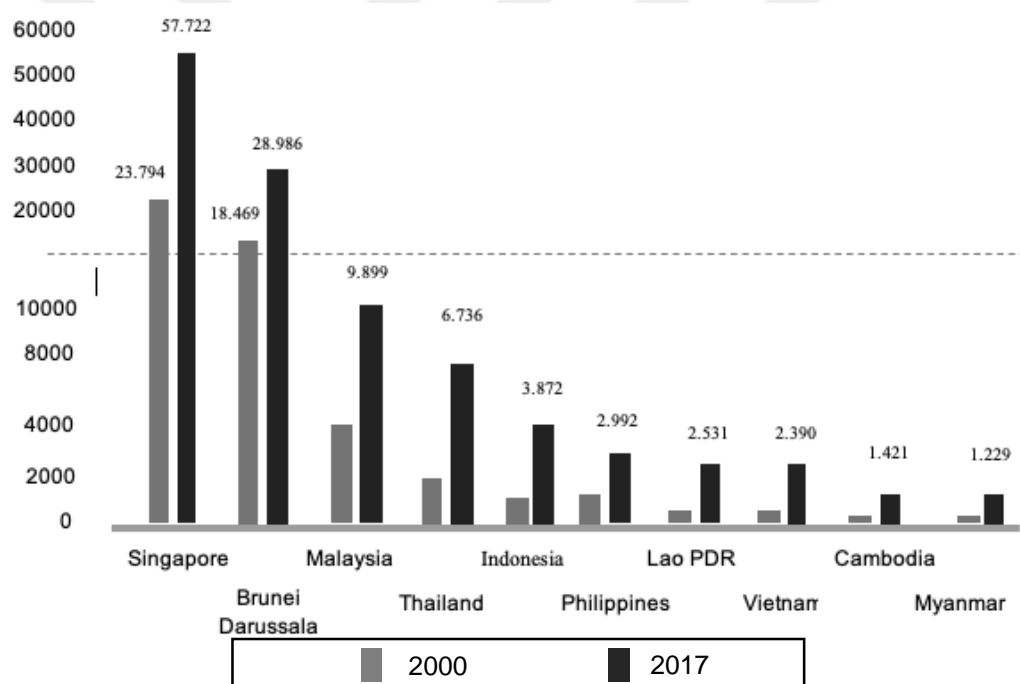
Note: 1967-1983: ASEAN-5; 1984-1994: ASEAN-6; 1995-1996: ASEAN-7; 1997-1998: ASEAN-9; 1999-2017: ASEAN-10. (number of ASEAN membership countries)

¹⁹⁷ ASEAN Secretariat, *Celebrating ASEAN: 50 years of Evolution and Progress: A Statistical Publication*, (Jakarta: ASEAN Secretariat, 2017), 13.

¹⁹⁸ Ibid, 16.

The crisis caused two least developed member countries in ASEAN had much lower GDPs than other ASEAN members. The average GDP per capita in the region was therefore reduced in some cases. After the region's recovery after the crisis, the ASEAN per capita GDP grew significantly in the time between 2002 and 2014, with a slight decline in 2009, probably due to the global financial crisis 2007–2008. In 2015, a slight decrease to \$3,870, up to \$4,021 in 2016 and \$4,308 in 2017 was also observed. On the other hand, ASEAN GDP growth ranged from 2.5% to 7.5% since 1999, the year in which ASEAN became a full member.

Figure 4.2. GDP per capita (US\$) in ASEAN Member Countries between 2000 and 2017



Source: ASEAN Secretariat, ASEANstats database

As the ASEAN unity, the GDP per capita in the region is continuously increasing year by year; however, it does not eliminate the fact that the GDP per capita disparities between member countries still exist. The trend in ASEAN member countries shows that Singapore and Brunei Darussalam significantly had a higher GDP per capita than other member countries every year. For instance, between 2000 to 2017, the GDP per capita in both countries escalated from US\$23,794 to US\$57,722

and US\$18.469 to US\$28.986, respectively. While in other countries are slightly increased, a very rapid increased were mainly accounts of Lao PDR, Vietnam and Cambodia.¹⁹⁹

In relationship with the increasing standard of living in the Southeast Asian region, three main sectors contribute to form GDP in the country and region, namely agriculture, manufacturing and services. In the last recent years, services were the leading sector in ASEAN's economy, with some increase from 46.6% in 2005 to 50.9% of the region's total GDP in 2017.²⁰⁰ It covers government activities, communication, trade, transportation and all other economic activities that not producing goods. In contrary, the shares of both manufacturing that covers electricity, construction, gas and water supply, and agriculture sectors includes farming, forestry and fishing remained to decrease.

Many those economic achievements are inseparable from the role of the ASEAN economic initiative, such as under ASEAN Economic Community (AEC). In the region's financial integration, the launch of AEC as a pillar of ASEAN in 2015 marked the milestone. The ASEAN ten member countries as an economical community, guided by the AEC Blueprint 2025, marked the start of their collective journey. A wider audience is interested in the AEC 's progress.²⁰¹ It shows that the AEC considers the bloc to be a single market with free flows of goods, services, investment and skilled labor.

Indeed, the achievements of ASEAN member countries that has been built the regional acquirement cannot be said radically as the results of ASEAN secretariat's led programs at most. Many factors contributed to it both domestically and externally. However, ASEAN has a fundamental pace that contributed to robust economic activities and the positive competition between member countries.²⁰² As a rules-based organization, it also provided a comfortable climate for economic activities that far from conflict, and harmonized trade and investment laws that will be strengthened

¹⁹⁹ ASEAN Secretariat, *ASEAN Key Figures 2018* (Jakarta: ASEAN Secretariat, 2018), 28, www.asean.org/?static_post=asean-key-figures-2018.

²⁰⁰ Ibid., 31.

²⁰¹ ASEAN Secretariat, *ASEAN Integration Report 2019* (Jakarta: ASEAN Secretariat, 2019).

²⁰² "About AEC," Invest in ASEAN web, accessed April 23, 2020, <http://investasean.asean.org/index.php/page/view/asean-economic-community/view/670/newsid/755/about-aec.html>.

investment interest in the region. As a result, its increased income and people's purchasing power that contribute positive effect to its GDP per capita.

In order to be a competitive region with well-functioning markets, ASEAN determined effective rules on competition. In its progress, ASEAN stresses that member countries have to establish their competition law in the near term. While nine out of ten ASEAN member countries already have it, and it has been translated into English as the official language of the Association, Cambodia the only country that has not submitted the competition law is expected to enact in the near term. All competition laws presented as an annex to the ASEAN Handbook on Competition Policy and Business Law 2017 compendium of English Translations of National Competition Laws.²⁰³

The similar matter was also implemented to investment, including foreign investment as a fundamental contributor to which later effected to the increasing number of GDP per capita in the Southeast Asia region. In line with ASEAN goals on the ASEAN Comprehensive Investment Agreement (ACIA), since the launching of AEC Blueprint 2025, ASEAN initiated to amend several protocols in this regard. However, the amendment expected to improve investment cooperation through the built-in incorporation agenda in ACIA. Consistent reforms across the member countries, for example by increasing investment protection, have also supported the enhanced investment environment.²⁰⁴

In the term of GDP per capita, ASEAN's economic development has performed better progress than the global economy in almost every decade. Despite the substantial challenges posed by uncertainties in the global and regional economy that have been shaken the ASEAN's economic development in several crises, ASEAN has sustained its growth momentum. Most ASEAN Member Countries are well-positioned to face their risks; they provided fundamentals integration strength and the desire to continue its reforms. Therefore, ASEAN member countries must build economic gains during this decade, even when growth is tapering in the coming years, increasing regional integration efforts to foster resilience to external shocks.

²⁰³ ASEAN Secretariat, *ASEAN Integration Report 2019*, xvii.

²⁰⁴ *Ibid.*, xvi.

4.3.2. Regional Trade Agreements in Southeast Asia

Since its establishment, apart from the ASEAN Preferential Trade Agreements (PTAs) that signed in 1977, most of the Regional Trade Agreements (RTAs) in the Southeast Asian region have taken place since the 1990s. Historically, the Framework Agreement on Enhancing ASEAN Economic Cooperation signed in Singapore in 1992 was the first economic integration concept of ASEAN. The framework emphasized on the importance of co-operation in several trade areas; agriculture, banking, food, finance, industry, minerals and energy, communication as well as transportation between ASEAN member countries and eventually led to the ASEAN's earliest key agreements foundation.²⁰⁵

In 1992, the Convention on the Common Effective Priority Tariff (CEPT) for the ASEAN Free Trade Area (AFTA) was signed as an immense step towards more commitments to economic integration. Besides speeding progress in liberalization, the leaders of the ASEAN declared that ASEAN Economic Community (AEC) was formed at the 9th ASEAN Summit to be the objective of regional economic integration. It is in line with ASEAN Vision 2020, which was adopted in 1997 with the aim of transforming ASEAN into a stable, prosperous, competitive, economically equitable and socio-economically disparate region alongside APSC and ASCC.²⁰⁶

Even though there were many RTAs have been signed, which aim to integrate the economies of ASEAN member countries, in its progress, the beginning of intra-ASEAN trade was not attractive. It mainly occurred due to ASEAN founder member countries' inability to reach stable agreements in reducing tariff and non-tariff barriers collectively between 1967 and 1992. ASEAN member countries were producing homogenous products such as footwear, textiles, and electronic products, besides that they were by nature competitors, not collaborators.²⁰⁷ This condition impacted the ASEAN member states' unwillingness to give up their interests at the bargaining table.

In 1990, ASEAN Free Trade Area (AFTA) was launched in the form of trade creation to achieve economic benefits from the region and to eliminate the problems

²⁰⁵ ASEAN Secretariat, *A Blueprint for Growth, ASEAN Economic Community 2015: Progress and Key Achievements* (Jakarta: ASEAN Secretariat, 2015), 3.

²⁰⁶ Ibid.

²⁰⁷ Jayanthankumaran, *Industrialization and Challenges in Asia*, 111.

in their previous RTAs. The AFTA Council was an institution incorporating ministers of the ASEAN Member States when it actually started its functioning in 1992. The general secretary of ASEAN was appointed to oversee, coordinate and review the implementation of the CEPT agreement, which identified the list of annexation of commodities prepared for a rate reduction of 0-5% by 2002 to 2003.²⁰⁸

The CEPT rate reductions were both in rapid and normal tracks, but for ASEAN-6 and CMLV member states as a latecomer were a different in time of implementations. Tariffs on goods light up the reduction of customs duties by 2000 and the normal route by 2003. on the fast track. Approximately 81 percent of the ASEAN tariff lines were traveling either quickly or normally. The provisional exclusion list was also placed on commodities which are not ready to be cut into tariffs, including objects of artistic protection, national security, historical and archeological values.²⁰⁹

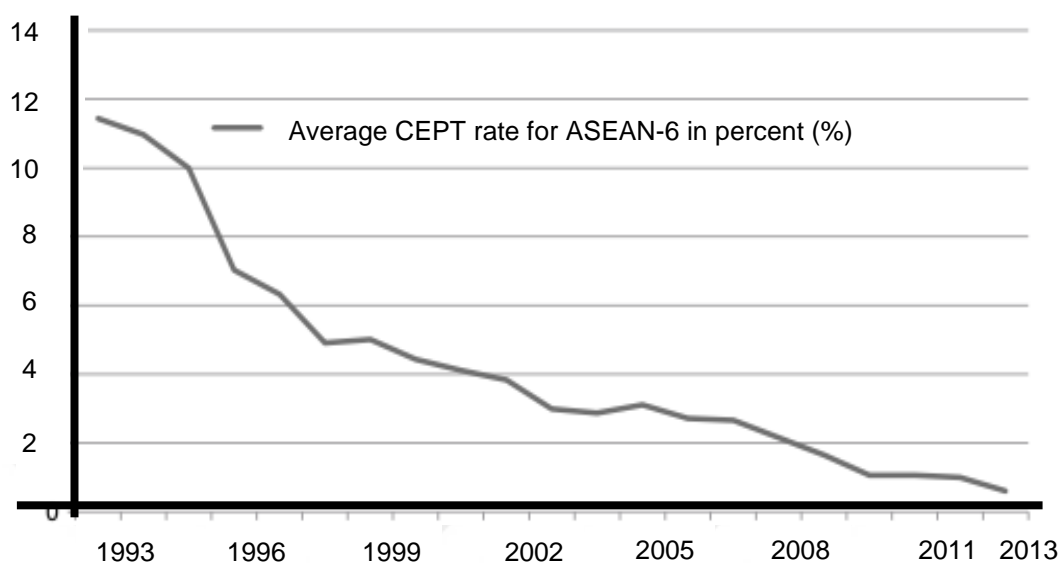
Since AFTA was signed, there were significant gradual declines in CEPT overall average tariff reductions from around 11 percent to 1.6 percent in 1993 and 2009, respectively. It was also showed a potential increase in trade creation when average tariff rates on imports in ASEAN-6 consist of Indonesia, Malaysia, Brunei Darussalam, Thailand, Singapore, and the Philippines was at 0.05 percent in 2010, while in CLMV member countries, which consists of Cambodia, Lao PDR, Myanmar, and Vietnam was in 2.47 percent in the same year. Besides that, the average tariff for ASEAN-10 also drop down from 4.43 percent in 2000 to 1.06 percent in 2010.²¹⁰

²⁰⁸ Ibid, 112.

²⁰⁹ Ibid.

²¹⁰ ASEAN Secretariat, *ASEAN community in figures (ACIF) 2011* (Jakarta: ASEAN Secretariat, 2012), www.asean.org/?static_post=asean-community-in-figures-acif-2011-3.

Figure 4.3. Average tariff rates reductions for ASEAN: 1993-2013



Source: ASEAN Secretariat 2014

In the 2000s, collectively as the member countries and as an individual, ASEAN members were attempted to enter into more RTAs with outsider, such as ASEAN plus China, Korea, and Japan that is well known as ASEAN+3, it includes ASEAN-China FTA, ASEAN-Korea FTA, and the ASEAN-Japan Comprehensive Economic Partnership Agreement (CEPA). The Association also expanded its RTAs with other economic powers such as India under the ASEAN-India (AIFTA) framework agreement that was initially signed in 2003 and came into effect in 2010. For the individual, there were India and Malaysia, Thailand and the US that have been expanded their RTAs.²¹¹

The leaders of ASEAN, Australia and New Zealand issued a joint statement on the 2010 entry into force of the ASEAN-AUS NZ Free-Trade Agreement (AANZFTA) in the perimeters of the East Asia Summit on October 25, 2009. In addition, most ASEAN member countries became members of Asia-Pacific Economic Cooperation (APEC). APEC is a loose form of integration in support of a multilateral trading system and is dedicated to 'open regionalism.' APEC has expressed a determination among member countries of unconditional Most-Favored-nation (MFN) treatment.

²¹¹ Jayanthankumaran, *Industrialization and Challenges in Asia*, 113.

As a next milestone after the success of AFTA, ASEAN member countries set ASEAN Economic Community (AEC) blueprint in 2007 to attain AEC's target by 2020, which in its progress was accelerated by 2015. In line with characteristics of RTAs, the AEC blueprint incorporates a complete plan for the AEC creation with its several pillars; (i) realize a single market and production base; (ii) provide a tremendously competitive economic region through strengthening competition policy and protection, (iii) ensure an impartial or equitable economic development process, and (iv) generate integration into the global economy or within and outside ASEAN economies.²¹²

In addition to the AEC, other ASEAN initiatives can be seen in ASEAN Trade in Goods Agreement (ATIGA) and Regional Comprehensive Economic Partnership (RCEP), which they have also colored the massive development of RTAs in Southeast Asia region. ATIGA was prepared in 2008 and later specified by 2010 removed 99 percent of tariff for ASEAN-6, and approximately 95 to 99 percent reduced to the 0 to 5 percent range for other member countries.²¹³ While for RCEP which consist of the ten ASEAN member countries and the six outside partners in the FTA framework with open access membership targeted to cover 28 percent of the world's economy by 2015.

In line with its success measurements, following tariff reduction, RTA will extent more regional trade. The RTAs in the Southeast Asia region led by ASEAN initiatives affected the increase of total trade of the region. After decades, the data have shown that the intra-ASEAN market is the largest for the ASEAN trade. Since 1993 or right after AFTA, the intra-ASEAN export and export of goods followed the same trends. There was slow growth in the first decade; however, intra-ASEAN trade started to accelerate in 2001 before facing the global financial crisis in 2009. The immense increase after the crisis was also followed by slightly decreases in the last period, in step with the global trend.²¹⁴

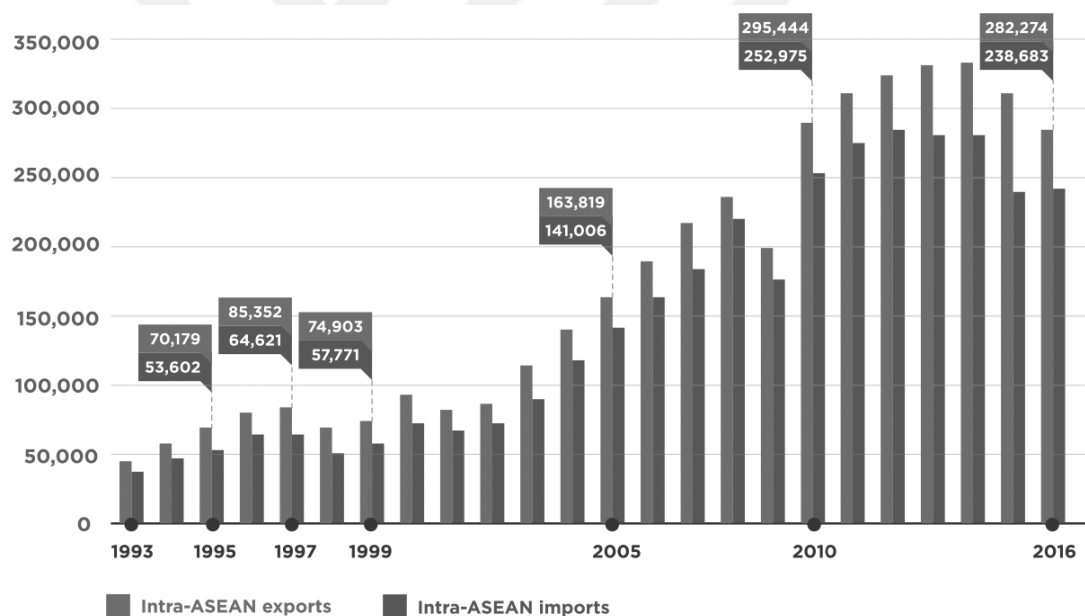
²¹² ASEAN Secretariat, *ASEAN Economic Community 2015: Progress and Key Achievements* (Jakarta: ASEAN Secretariat, 2015), 5.

²¹³ S. Urata and M. Okabe, "The Impact of AFTA on intra-AFTA trade," *Economic Research Institute for ASEAN and East Asia working papers* (May 2013), www.eria.org/ERIA-DP-2013-05.pdf.

²¹⁴ ASEAN Secretariat, ASEAN Secretariat, *Celebrating ASEAN: 50 years of Evolution and Progress: A Statistical Publication*, 23.

In 2016, intra-ASEAN exports amounted to US\$282,274 million, and it represented almost 25 percent of total ASEAN exports amounted to US\$1,141,832 million in the same year. Its number was increased up from 21 percent since ASEAN achieved its full membership in 1999. Similarly, in 2016, the intra-ASEAN import is vertical at US\$238,683 million, which representing more than 22 percent of total ASEAN imports amounted to US\$1,076,702 million. In other words, the number of intra-ASEAN imports in 2016 increased by 20 percent of its import in 1999. The trends in intra-ASEAN trade were also followed the overall trends in ASEAN total trade broadly.²¹⁵

Figure 4.4. Intra-ASEAN exports and imports of goods (US\$ million)



Source: ASEAN Secretary

Note: 1993-2016: ASEAN-10, Myanmar started to report data in 1999, Cambodia in 2000, Lao PDR in 1993 and Vietnam in 2004.

4.4. Economic Development in South Asia

South Asia is assured to take part in the global economy. Under SAARC, over the last few decades, the member countries together built up the steady process of

²¹⁵ Ibid.

economic progress and reform. Despite several economic slowdowns, India remains one of the fastest-growing big economies and the contribution of South Asia to global growth is slightly increasing. As Asia's youngest region, more than 150 million people are predicted to enter the labor market by 2030, based on age.²¹⁶ A large and young workforce can be South Asia's strength in the future, although currently the pace of economic growth is remaining slow with several ineffective regional trade scheme.

4.4.1. GDP per capita in South Asia

The creation of SAARC in 1985 as a regional organization has paved the way to the adoption of the regional entity's charter. Like most regionalism forms, delivering a multilateral arrangement of economic and social development incorporating cultural expansion promoting regional integration and cooperation beyond borders along with other international players. Hence, SAARC has essentially aligned its focus on economic growth among its member-states. In fact, SAARC member-countries upheld 8.9 percent GDP growth rate in 2006. This happenstance in GDP growth indicates a sophisticated degree of economic development compared with other developing regions.

However, in contrast, the results of growth was taken time to effect considering the outsized figure of the population in the region, and on a side note, the real rate of GDP growth has significantly increased in almost all member countries.²¹⁷ It is best to argue that growing economies are parallel to the growing populations as it deliberately has a reciprocal relationship. Increasing people's purchasing power is subsequent to the spiraling demand of both workforces and economic ingestion by the general consumers, India's population, diverse goods and services in the region and member-states' financial viability are some of the factors to consider.

Growth in India, Bangladesh and Pakistan, the three biggest economies of the region, jump over from an average of 5 percent in the 1990s to the highest in 2000 to

²¹⁶ IMF, "Building on South Asia's Economic Success," *IMF Contry Focus*, last modified November 4, 2019, accessed May 13, 2020. www.imf.org/en/News/Articles/2019/11/01/NA110219-building-on-south-asias-economic-success.

²¹⁷ Ghulam Akhmat, Khalid Zaman & Tan Shukui, "Impact of financial development on SAARC'S human development," *Qual Quant* 48 (2014): 2804, www.ideas.repec.org/a/spr/qualqt/v48y2014i5p2801-2816.html.

2008. At the beginning of the global financial crisis in 2008, India's extraordinary growth rate was inclined around 9 percent; while Pakistan, Bangladesh and Sri Lanka around 7 percent. Over a decade, although there are still many gaps in the community, poverty declined with a percentage of 10 points or above in India, Pakistan and Bangladesh. On the other hand, Nepal experienced a decline on the same scale despite relatively weak economic growth due to political obstacles.²¹⁸

As one of main production, in Agriculture sector, there has been a constant drop in output. Worker productivity in the industry in Pakistan was seen higher than for services in the 1980s and the 1990s but has descended in recent years. Agriculture's productivity was robust in the past yet fell sharply in 2000 to 2006. Worker productivity in Sri Lanka in the same industry has continued to collapse in the last 26 years. Employment growth in recent years in India, on the one hand, has been higher in the industry than in the service sector. Pakistan, is relatively strong in employment growth in the industry. While in Sri Lanka, employment growth is the strongest of all sectors since 1990 to 2006.²¹⁹

South Asia's GDP is expected to rise by 5.4 percent in 2019 and 5.9 percent in 2020, based on the growth estimated in 2017. Private consumption is expected to support economic growth and, in some cases, investment demand, even as monetary policy establishment in some economies has been tightened up. Although inflation is growing throughout 2017, owing to domestic currencies devaluations and higher oil prices, inflation is likely to be only modestly accelerating or stabilizing in most economies over the short term.²²⁰ Conversely, remittances are keeping fairly hence its positive contribution to the economies.

In spite of the progressive pace, South Asia remains the poorest among the sub-regions in Asia. Numerous persistent threats may occur, such as the rising trade protectionism, monetary tightening and geopolitical tensions which could possibly affect these estimates. Nevertheless, it is difficult to predict the timing and impact of

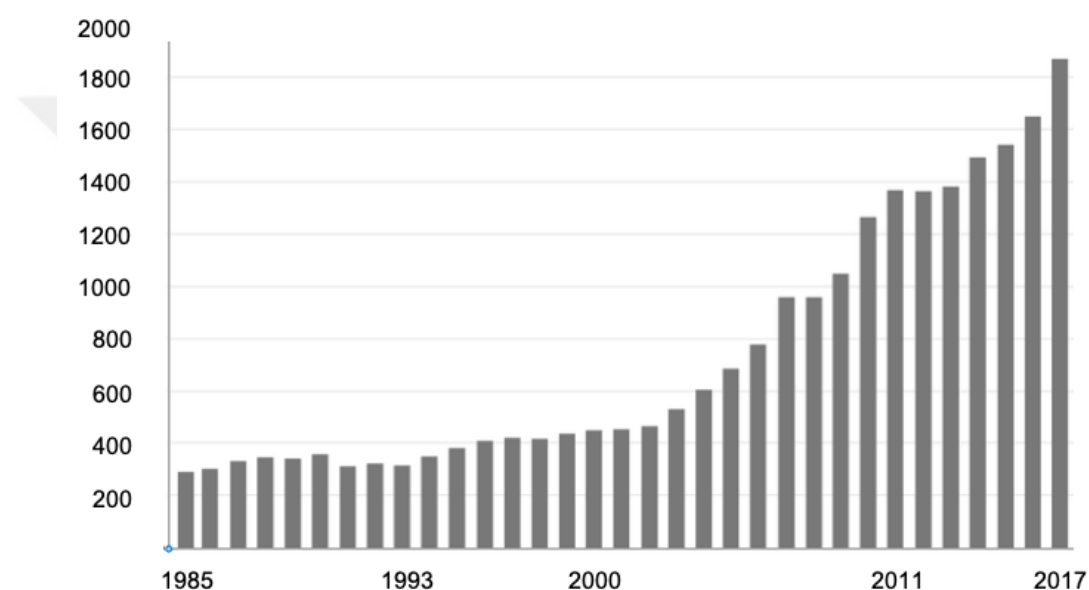
²¹⁸ Ijaz Nabi, "Economic Growth and Structural Change in South Asia: Miracle or Mirage?" *International Growth Center Working Paper* 10/0659 (March 2010): 4–10.

²¹⁹ *Ibid.*, 46–47.

²²⁰ United Nations, *World Economic Situation and Prospects 2019* (New York: United Nations, 2019), 143.

these risks.²²¹ As it can be seen, GDP per capita across the SAARC has huge disparities. The differences in their total GDPs and number of populations, one over the other will ascend concerning their GDP per capita since it reflects the country's economic productivity conforming with its number of populations, it mirrors the region's standard of living and quality of life.

Figure 4.5. The Evolution of GDP per capita of South Asian between 1985 and 2017



Source: The World Bank, Database of World Development Indicators, www.databank.worldbank.org/source/world-development-indicators.

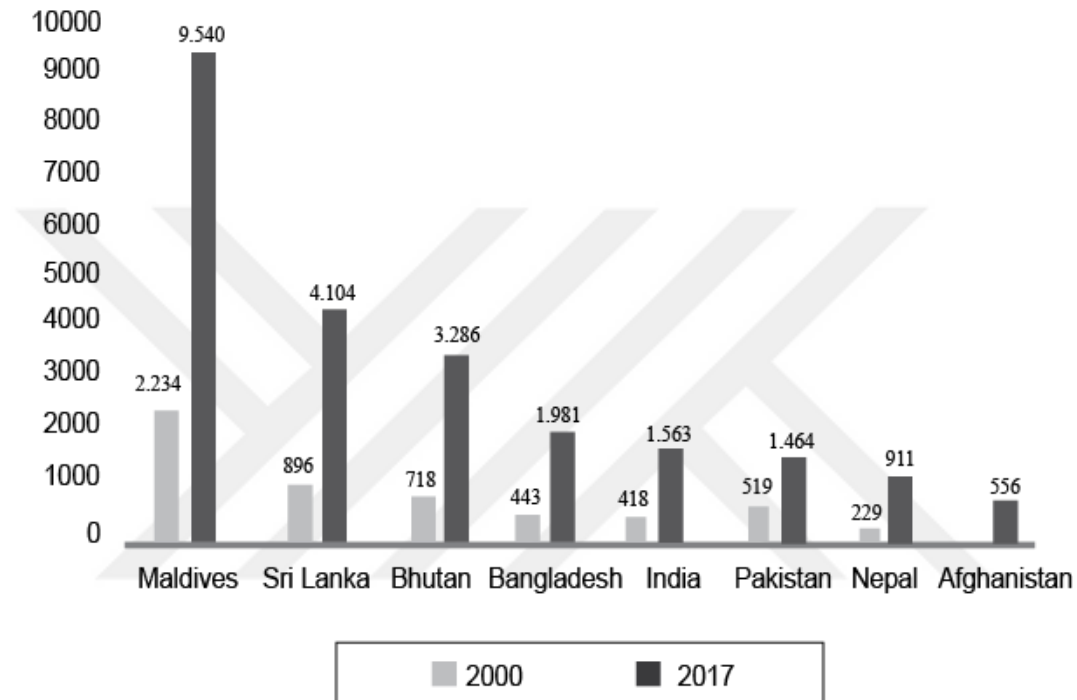
Note: Afghanistan join to SAARC in 2007

Similarly, to Southeast Asia pattern, GDP per capita in South Asia region has been steadily expanding since the early 2000 to 2017, however, it barely reached the US\$2.000 mark of GDP per capita. The region's GDP serves as the measurement of the latter's economic productivity that also take into account for the number of populations, which then summarizes all SAARC's member countries standard of living and the quality of life. Nonetheless, this is only a glimpse of the South Asian

²²¹ Ganeshan Wignaraja, Judith Tyson, Annalisa Prizzon & Dirk Willem te Velde, "Asia in 2025: Development prospects and challenges for middle-income countries", *ODI Research reports and studies* (September 2018): 9.

economy in general hence, it is necessary to record the economic performances of every country in SAARC, which may redefine the economic standing of each member-state.

Figure 4.6. The GDP per capita in SAARC member countries 2000 and 2017



Source: The World Bank, GDP per capita (current US\$) – South Asia, www.data.worldbank.org/indicator/NY.GDP.PCAP.CD?locations=8S.

Note: the data for Afghanistan's GDP per capita in 2000 is not available

Since the establishment of SAARC as a regional bloc, Maldives has predominantly contributed to GDP per capita in the region with over US\$9,540 total GDP per capita in 2017, whilst Afghanistan as a later comer remains the region's underperforming with merely US\$556 per capita. In defiance of its huge economy and apportioned with its massive population, India has approximately valued US\$1,563. Sri Lanka, a small island state, has around US\$4,104. Bhutan, on the one hand, a small landlocked country has US\$3,286 of its GDP per capita. Other countries such as

Pakistan, Bangladesh and Nepal reached about US\$1.464, US\$1.981, and US\$911 GDP per capita in the same year, respectively.²²²

While the collective output of GDP per capita in SAARC member country, just like the case of Southeast Asian countries, is spawned from the combine labor and capital, therefore, with rising number of populations in a country would mean more workforce engagements and would translate into a higher GDP. Over and above that, low capital may resolve to a less dynamic working activities and will surely conclude to a lower GDP per capita. There's a significant turnaround of the region: South Asia has a fifth of the world's population and over 40 percent of the globe's poor. Having said that, the rapidly increasing middle class is fervent to expend more and better-quality goods and services.²²³

At the fifth meeting of SAARC Finance Ministers in Dhaka in 2012, they have decided the region has to progress to shared approaches in fronting global economic crisis under the spirit of multilateral cooperation. The importance of initiating effective measures and synchronized policy undertakings are also acknowledged to avoid potential risks.²²⁴ The region may be growing rapidly, but that does not connect to the fact that there is an absence of ample opportunity present in every member-state such as the circumstance of Afghanistan, the poorest country in the region. Though, in reality, it is the job of every government to look for better alternatives in managing its economy, making it all-inclusive for its constituents.

Nevertheless, GDP per Capita of South Asia is a unique indication that the region is lacking, or perhaps South Asian countries are comparatively outpacing one another, a standard indication that every state is sovereign and shall do its obligations which is to serve the best interest of its people. It is high time to study the demands economic collaboration and to improve strategies in regional cooperation through comprehensive policy actions. For one, to estimate the outcome of external shake in the economic activities. Second, to prepare South Asian economies from the possible

²²² "GDP per capita (current US\$) – South Asia," The World Bank, accessed May 2, 2020, www.data.worldbank.org/indicator/NY.GDP.PCAP.CD?locations=8S.

²²³ Tirthankar Roy, *The Economy of South Asia from 1950 to Present*, Kent Deng Ed. (London: Springer, 2017), 2.

²²⁴ SAARC, "Economic Trade and Finance," South Asian Association for Regional Cooperation, Economic and Financial Cooperation, accessed May 2, 2020, www.saarc-sec.org/areas_of_cooperation/area_detail/economic-trade-and-finance/click-for-details_7.

financial crunch, and lastly, to enhance economic collaboration in the spirit of reciprocity and mutual interest.

4.4.2. Regional Trade Agreements in South Asia

South Asia region is surrounded by major export destinations and import sources. However, it is among the least economically integrated region in the world. As a whole, the region supplies only about 2 percent of world exports and 3 percent of world imports. While ASEAN around 25 percent, SAARC intra-regional trade remains about 5 percent of its total trade due to hostile diplomatic relations.²²⁵ In its recent progress, there was an upsurge in trade agreements. SAARC has been focusing on various trade arrangements since the 1990s to strengthen economic and trade relations. Once many South Asian countries entered the WTO, they also focused on establishing Regional Trade Agreements (RTAs).

When ASEAN countries were developing its AFTA, SAARC member countries started their first RTA by establishing the South Asian Preferential Trade Agreement (SAPTA) that was signed in 1993 and came into effect in 1995. Despite SAPTA, SAARC member countries moved to various Bilateral Trade Agreement (BTA).²²⁶ In the beginning, they entered BTAs with SAARC member countries, and later they formed with non-member countries. Interestingly, dealing within South Asia costs more than trading outside the region, even thousands of miles away, as it is 20 percent cheaper for India to trade with Brazil than with Pakistan, its neighbor.²²⁷

After several years, SAPTA has facilitated the first step of greater specialization and tariff reduction. However, in January 2004, the South Asia Free Trade Agreement (SAFTA) was signed as a more liberalized agreement and became effective in 2006. SAFTA's objectives were to initiate structural reforms in the process of intra-regional trade among SAARC member countries. Come after the agreement

²²⁵ P. Dembatapitiya and J. Weerahewa, "Effects of Regional Trading Agreements on South Asian Trade: A Gravity Modl Analysis," *Tropical Agriculture Research* Vol. 26 (3), 2015: 469. DOI: 10.4038/tar.v26i3.8110

²²⁶ Ibid.

²²⁷ The World Bank, "Potential of Intra-regional Trade for South Asia," last modified May 24, 2016, accessed May 10, 2020. www.worldbank.org/en/news/infographic/2016/05/24/the-potential-of-intra-regional-trade-for-south-asia.

into force, the SAFTA Ministerial Council (SMC) has been formed consist of the member states' Commerce Minister. Besides, the SAFTA Committee of Experts (SCOE) was also formed to assist the SMC, and to submit its report to SMC every six months.²²⁸

The importance of trade integration in the South Asia region as a growth facilitator has been recognized by SAARC member countries. It is noticeable from the increasing trade openness of SAARC economies over the years. However, there are broad disparities in economic performances within the SAARC region; thus, it diverged bigger countries with smaller countries to develop cooperatively. Accordingly, SAFTA provides special and favorable treatment to the least developed countries (LDCs) in the region, while the non-least developing countries (NLDCs) which include; India, Pakistan, and Sri Lanka required to bring their duties down to 20% of tariff barriers in the first phase by 2008.²²⁹

In addition, the NLDCs are also required to diminish their duties from 20 percent to 0-5 percent in a series of annual cuts in the final five-year SAFTA phase by the end of 2013. While, the LDCs which consist of Afghanistan, Bangladesh, Bhutan, Nepal, and the Maldives had an additional three-years' time frame to tariff reduction to zero by 2016.²³⁰ It is showed that LDCs countries of SAARC are more dependent on intra-regional trade than the SAARC NLDCs countries with larger economies. Thus, the South Asian region, theoretically, will benefit more from trade liberalization, even though its intra-regional capital flows are more limited than its intra-regional trade.

²²⁸ Vilas B. Khandare and Someshwar N. Babar, "Trade among SAARC Countries: With Special Reference to India," *IJIBF* Volume 2, No. 1 (January-June, 2012): 130, www.researchgate.net/publication/330080933_Trade_among_SAARC_Countries_With_Special_Reference_to_India.

²²⁹ Rakesh Kumar, "India & South Asia: Geopolitics, regional trade and economic growth spillovers", *The Journal of International Trade & Economic Development* (2019):7, DOI: 10.1080/09638199.2019.1636121.

²³⁰ Ibid.

Table 4.4. Tariff Reductions Proposed under SAFTA

Country	Existing Tariff Rate	Proposed SAFTA reduction	Timeline
First Phase			
Non-LDCs (Pakistan, India, Sri Lanka)	More than 20%	Reduce Maximum Tariff rate to 20%	Within 2 years (January 1, 2006 – January 1, 2008)
	Less than 20%	Further annual reduction of 10%	Each of 2 years (January 1, 2006 – January 1, 2008)
LDCs (Afghanistan, Bangladesh, Bhutan, Maldives and Nepal)	More than 30%	Reduce Maximum Tariff rate to 30%	Within 2 years (January 1, 2006 – January 1, 2008)
	Less than 30%	Further annual reduction of 10%	Each of 2 years (January 1, 2006 – January 1, 2008)
Second Phase			
Non-LDCs (Pakistan, India, Sri Lanka)	20% or below	0-5%	Within 5 years (January 1, 2008 – January 1, 2013, Sri Lanka: January 1, 2014)
LDCs (Afghanistan, Bangladesh, Bhutan, Maldives and Nepal)	30% or below	0-5%	Within 8 years (January 1, 2008 – January 1, 2016): Primary products within 3 years and other products within 5 years

Source: Agreement on South Asian Free Trade Area, Article 7.

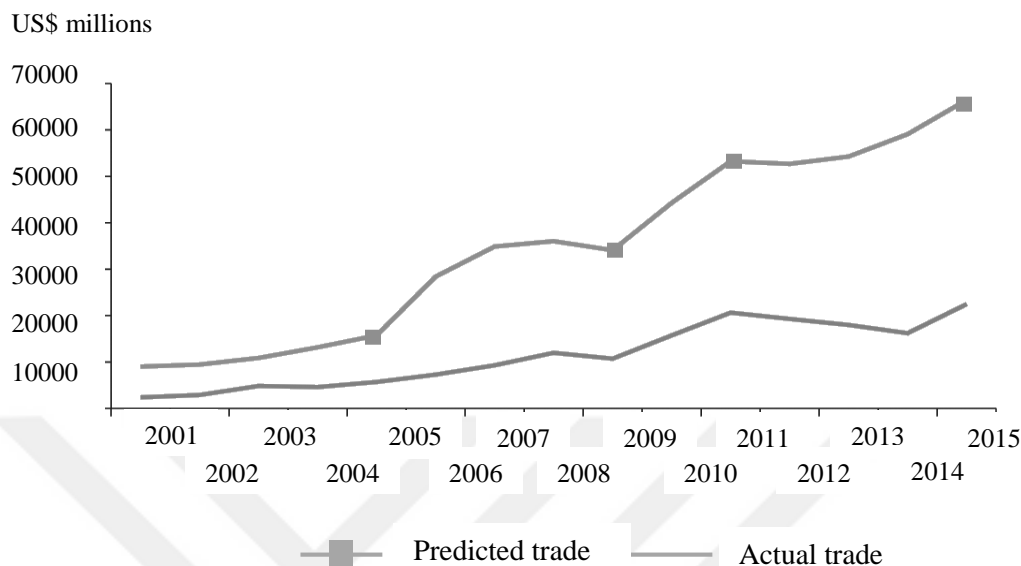
Right after the SAFTA establishment, SAARC member countries were also set up the next stage framework for 2015 to establish the South Asian Customs Union (SACU), and it will be followed up in 2020 to drive the final stage of economic union in South Asia. However, since the trading bloc or RTAs were established, they were not improved trade in this region. Besides its intra-regional trade that is still very low in comparison to ASEAN or other trading blocs in the world,²³¹ the free trade that has been arranged in this region has generated limited scope; at the same time, member countries as an individual are growing with a high growth rate.

According to the gravity model approach in determining potential trade flows among countries in the region, it predicted that the potential of intra-regional trade of goods in South Asia in 2015 valued at about US\$67.000 million. However, in contrast, the actual intra-SAARC trade achieved at about US\$23.000 million, it represented only about one-third of the potential trade. The large gap between trade potential and actual intra-SAARC trade largely attributed to the bilateral trade gap, such as happen between Bangladesh and India, and India and Pakistan as the largest economies in the region. Thus, as mentioned earlier, small countries such as Afghanistan, Nepal and Sri Lanka relatively import more from their larger trading partners.²³²

²³¹ Neetu Ahmed, "Intraregional Trade within SAARC Nations-A Review," *Journal of Business Thought* Vol. 8 (April 2017-March 2018): 72, www.informaticsjournals.com/index.php/jbt/article/view/21197.

²³² Sanjay Kathuria (ed.), *A Glass Half Full: The Promise of Regional Trade in South Asia* (Washington: The World Bank, 2018), 36.

Figure 4.7. Intra-regional Trade in South Asia

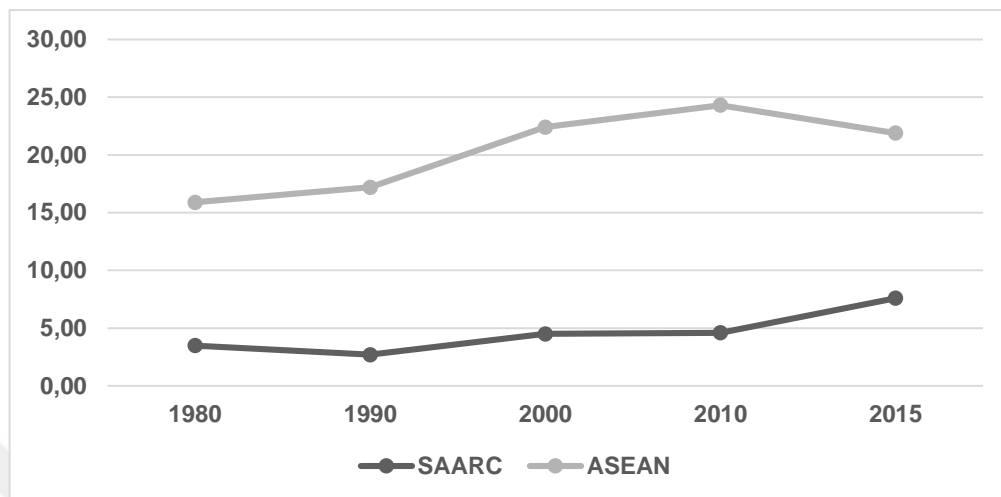


Source: Calculations based on data from CEPII Gravity Database, Centre d'Etudes Prospectives et d'Informations Internationales, Paris, www.cepii.fr/cepii/en/bdd_modele/presentation.asp?id=8.

South Asia has enormously kept the South Asia Region from closer intra-regional trade connectivity in the middle of mutual trust deficit, the current and perceived threats. Although most of the SAARC member countries have a reciprocal MFN status, their intra-regional proportions are below 6 percent. India, which is the region's largest economy, has regional total trade only below 4 percent. Moreover, India and Pakistan have shown low trade relations in recent decades due to a deficit of trust, a conflicting political relationship, and an unsolved territorial dispute that affected Indian protests against a terrorist attack on its forces by canceling the 19th SAARC Summit in November 2016.²³³

²³³ Rakesh Kumar, "India & South Asia: Geopolitics, regional trade and economic growth spillovers", 7.

Figure 4.8. Intra-SAARC Group Trade compared to intra-ASEAN (percent)



Source: United Nations Conference on Trade and Development Report, 2015

After conducting several RTAs within SAARC members, indeed, its intra-regional trade improved from 2.7 percent in 1990 before the establishment of SAPTA to 7.6 percent after following years the implementation of SAFTA in the region. However, such a low level of regional trade and integration among SAARC member countries, it seems that the SAARC free trade area is beyond the bounds of possibility. Even though during the SAARC summit held in Katmandu, in 2014, the member countries leaders declared their commitment to move on to the next stage for developing the South Asian Economic Union with the harmonization of technical trade barriers, there is a need to grasp steps of implementation.²³⁴

²³⁴ Ibid., 78.

Conclusion

Along with the changes in the international situation, new forms of international cooperation are taking place. In the post-War era, countries are more concentrating on regional cooperation for their development. It is undeniable that the growing aptitude of regionalism assists in addressing political and economic issues. The existence of regional organization can be the best way to ensure peace and stability as well as increase cooperation of that region. Besides, regionalism has a long history with many phases. It has also recorded a new history and contribution to development throughout the world. Currently, the ASEAN and SAARC are two of the many regional organizations that were established to increase regional integration in the respective region.

Through emphasizing the importance of regionalism, this study has compared the regional organizations' contribution to the regions. The process of unification, political and economic development in south-east Asia has gone much further, so that it can become more cohesive and participate in the process of enhancing welfare in the regions. The South Asian Regional Cooperation Association (SAARC) has a shorter history than the Southeast Asian Nations Association (ASEAN). ASEAN has made very significant progress since its inception, which is contrasting with SAARC. The primary objective of the regional organizations was to create an environment to ensure regional stability and competition.

Moreover, in further exploring the political and economic development in the regions, this study has utilized several measurements that reflect the ASEAN and SAARC initiatives. This study has shown, in the political development of Southeast Asia, it seems to remain indefinable in some cases. While nationalism as an essential element of nation-building in each member country is high, the regional integration was a new hope. The past colonial legacy on border issues, different cultures, and political background are not relevant for the current South Asia region. ASEAN initiative on free-visa exemption has given a chance to its people to freely transgressed within member countries and understanding each other much better.

Besides, as their commitment to protecting their region along together, the ASEAN member countries were politically integrated under ZOFAN, TAC, and later

the APSC. Until current days, although many political and security issues appeared in the region, with its stable integration path, at least, the association has succeeded in maintaining peace in the region. On the other hand, the South Asia region, with its cross-border similarities in traditions and customs, could not handle the Indo-centric issue. The regional integration process seems at a plodding pace due to conflict between the members. Indeed, they were held several informal discussions during SAARC meetings, and they have reached a consensus on several issues; however, the peace region is still a long expedition for South Asia's regional integration.

In another political development, which is democracy. The study shows that Southeast Asia, with its ASEAN, has been implementing democratic values at the institutional level. However, the democratic condition in the member countries has entirely diverged since many countries are not utilizing democracy as their political background. At this point, the scope of ASEAN's initiatives in improving democracy is limited to advise and assist, hold several forums and seminars that relate to democracy promotion and hold a credible general election without any force due to sovereignty and non-interference between member countries are their fundamental integration idea.

Slightly different from Southeast Asia, almost South Asian countries are enjoying democracy in their political systems. However, many issues have been found on the different levels of democratic practices, including in the election process. At the regional institutional level, SAARC has prepared the SAARC Charter of Democracy to promote the universal values and democratic principles in local, national, and regional. Despite that initiative has been agreed, the SAARC member countries consider that the domestic democracy in their respective constitution is more important; thus, democracy is not a necessity at the regional level. The Charter achievement remains ineffective in regional development.

This study concludes that through GDP per capita and Regional Trade Agreements, economic development in the Southeast Asian and South Asian regions made by the ASEAN and SAARC initiatives has experienced almost the same trends as political developments in the region. As a domain to precious natural resources and agriculture producers, through various ASEAN economic initiatives, such as AEC blueprint, Southeast Asia has achieved significant improvement in its GDP per capita,

representing the excellent living standards of people in the region. In the beginning, it showed slow progress; however, currently, this achievement is also led to social progress and contributes to poverty reduction of the ASEAN population, though with some gaps within member countries.

Similarly, in South Asia, SAARC led initiatives have steadily increased the GDP per capita in the regions. The 5th SAARC Finance Ministers meeting in Dhaka in 2012 was among the essential step to shared regional approaches in fronting global economic crisis. However, despite the gradual pace, South Asia remains the most impoverished region in Asia due to the small scale of its GDP and its substantial population numbers, aside from geopolitical tension, which possibly affects this regard. The importance of initiating effective measures and synchronized policy undertakings are also acknowledged to avoid potential risks. The region may be growing in terms of GDP per capita, but the study shows that there is an absence of ample opportunity present in every member-state, especially in the poorest country in the region.

The status of bilateral relations between member countries is also implicated in the growth of Regional Trade Agreements, while RTA itself contributed to the increasing import and export of goods in the intra-region trade, further to the regional income. It was not attractive due to political suspicions and the inability of ASEAN member countries to reach stable agreement in reducing tariff barriers. Nowadays, enjoying peace condition and unmeaningful problems between member countries, ASEAN has implemented various trade agreements under scheme preferential and free trade agreement, and even the Economic Union under AEC. The tariff reduction on RTAs in the region seems adequate, and it has increased significantly to the intra-ASEAN trade.

This matter was also implicated in the RTAs progress in South Asia. Due to the hostilities of SAARC member countries, the region has suffered the least economically integrated region in the world. The upsurge and openness in trade agreements initiated by SAARC were not sufficient. This is reflected in the lack of implementation in diminishing their duties in tariff reduction among members. Smaller member countries remain dependent on one other, while more prominent countries are playing better with countries outside the region. Compared to ASEAN,

although there are several increases, the intra-SAARC trade is still at a low level, with limited scope, procedure, and commitment. Moreover, the plan to create the Economic Union seems faraway for the region.

To sum it all up, after obtaining the data from political and economic development through several measurements above, both in Southeast Asia and South Asia. This study finds that regionalism represented by ASEAN and SAARC are important to respective regions. Although there are many ineffectiveness and low progress in several initiatives, it still shows several improvements in different levels of integration, democracy, GDP per capita, and Regional Trade Agreements in the regions. In comparison to this study, despite far from perfect, ASEAN appears as a regional organization that contributes better than SAARC to the region. SAARC may learn from ASEAN to step into the next pace. However, it needs strong commitment, a sense of belonging, and fully integrated to gain maximum regional achievements in the future.

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