

February 26, 2013, 14:00-16:00

Venue: CIGS Meeting Room 3

Roundtable Discussion with

Dr. Surin Pitsuwan

**Former Secretary-General of ASEAN and
Professor Emeritus of Thammasat University**

"Stability in Asia and Roles of Stakeholders"

< Discussion after His Speech >

Question 1:

Thank you, Dr. Surin, for your excellent expertise. ASEAN is a great value to the rest of the world, not just sources of economic growth but setting standard for East Asia with respect to regional security arrangement as well as dispute settlement mechanism. In order for these arrangement and mechanism to work properly, one question lies in cohesiveness of ASEAN itself. It was not a long time ago that ASEAN individual countries were enemies or at least rivals. It was only several years back when there were skirmishes between Thailand and Cambodia and between Thailand and Malaysia. During the past several years, how has ASEAN progressed in terms of cohesiveness of the region particularly in terms of dispute settlement mechanism within the region? If I may ask the second question, that is very specific about Myanmar. What is the strategy of ASEAN vis-à-vis Myanmar's modernization of the economy and the demilitarization?

Dr. Surin Pitsuwan

Thank you very much for your kind words and your confidence on ASEAN.

On the issues of dispute among ASEAN, you can only imagine the opposite. What if South East Asia had been without ASEAN? It would have been much worse. I think that the spirit of ASEAN has certainly contained many of the potential disputes.

The Philippines until now has never conceded its stake in Sabah oil which belongs to Malaysia, but has never officially articulated the claim. The spirit of ASEAN has certainly contained it.

Indonesia and Malaysia have some territorial problems, so is Malaysia and Singapore as well as Thailand and Cambodia. On the issue of Thailand and Cambodia, I tried to mediate it and can claim credit for one positive development. In August 2011, the ambassadors of each country were sent back to respective capitals. I came in and talked to Mr. Hun Sen, "It's unacceptable that there are two neighbors within ASEAN without ambassadors in each other's capitals, and you two have to meet at the earliest possible opportunity." I particularly said, "One judicial system at the highest level of one country had made a verdict against a certain individual, and the next day you went through the highest process of your national institution and appointed that person as your economic advisor. This fact implies your attitude to your neighbor's judicial system, which is difficult for any neighbors to understand." The next day the economic advisor resigned, the next day Thailand sent its ambassador back and the next day Cambodia sent its ambassador back to Bangkok.

This is in the context of ASEAN and the spirit of cohesiveness and solidarity that you talk about. There are a lot of territorial disputes between and among the member states of ASEAN, but somehow we have been able to contain them. The issue between Thailand and Cambodia has gone to the International Court of Justice and the verdict is going to come up sometime at the end of the year. Let's hope that both sides will accept the verdict.

The spirit of ASEAN has jumped in and has contained a lot of territorial disputes among us. The solidarity and cohesiveness of ASEAN have been quite effective and quite good until ASEAN has to deal with major powers.

The South China Sea certainly has put a tremendous pressure on ASEAN for various reasons. As you know, for the first time, the foreign ministers could not issue a Joint Communiqué in the meeting in Cambodia last July. That certainly reflects some pressure from outside, and it disappointed us. But, I think that we have regained some composure, and then the parties involved realized that it is probably more damaging to the reputation and profile of every country involved by exerting too much pressure of influence. I think that

things are cooling down now. But it is still a question of ASEAN of how to handle ourselves in the midst of all these major power rivalries in the region which definitely will play out on the state of ASEAN. We have to be prepared. We have to know how to handle all these matters. We have to be very effective and unified in addressing these problems. This is still the challenges of ASEAN. I agree with you and understand that it will continue to be the challenge for us.

About Myanmar: all we can do is to offer our experiences. Myanmar is now going through reconciliation at two levels. One is within the body politic between the opposition and the military. They have done this quite well. The other reconciliation is with the ethnic groups. Japanese ambassador helps mediating and supporting that process, and that is also a credit to Japan. What is the ASEAN strategy in terms of development of Myanmar? Myanmar knows that the synergy of ASEAN can be extremely beneficial to Myanmar. The connectivity with ASEAN is extremely critical to Myanmar. Mrs. Aung San Suu Kyi said during her joint press conference with me, "We will catch up with the rest of ASEAN in 10 years." I said, "We like competition. We welcome competition, but whatever Myanmar does, it will have to do it through ASEAN." ASEAN is not a threat to Myanmar.

Right now, there are three major projects going on in Myanmar. One is with the China, which is a pipeline from Hunan to the north western port of the Andaman Sea. The other one is Japanese project in the south of Yangon, and the third one is the Thai project in the west of Yangon. These are major, mega projects.

What are we hoping? There is an experience in North America called Maquiladora model. It is the Mexican model where Mexicans move or establish factories along the Texas border taking advantage of the NAFTA agreement. Myanmar has the border of 2400 kilometers long with Thailand, which should be strategic to Myanmar. The Japanese industry can extend the infrastructure from Thailand, 5 to 10 kilometers into the border of Myanmar along the border of 2400 kilometers. This is something that the Japanese business community can think about.

We can wait for a long time for the three major projects to come on stream. But there is something more practical and beneficial to the Japanese business community in Thailand. There is the seaport in Thailand, 160 kilometers east

from Bangkok. You can reverse directions. You can produce finished products and transport them to the east to Thailand. This is extremely practical.

Myanmar government needs to show something in the year 2014 when it chairs ASEAN with respect to job creation, production, exports and economic growth, etc. The government needs to show something in the year 2015 when it will go to the people in the elections. They have the deadlines and the pressure. I would think that the Mexican model is good for everyone particularly for Myanmar and it is practical. This is what we call in the ASEAN language "low-hanging fruits" or "the early harvest."

These are the things that I think we have in mind in trying to communicate with Myanmar. Myanmar has a reservation about India as it is too big. Myanmar has a reservation about China as it is too big. Myanmar has lesser reservation about ASEAN. That is precisely the reason why it joined ASEAN in 1997. Since then we have been trying to encourage Myanmar to open up. The window of opportunity came in 2008 when Cyclone Nargis struck Myanmar. At that time ASEAN went in, the UN went in and the global committee went in together without raising any tension with Myanmar. Things opened up since then.

Question 2:

I would also like to ask you about Myanmar. In Mrs. Aung San Suu Kyi's recent interview with BBC she mentioned only once to Japan and none regarding ASEAN or neighboring countries. Although I understand that she may not be only important politician in Myanmar, what she says certainly carries weight. This incident implies ASEAN's weak connectivity or a missing link with Myanmar. I agree with you that Myanmar can or must grow with ASEAN. I wonder whether in your private conversation with Mrs. Aung San Suu Kyi you are able to convincingly impress this point upon her.

Dr. Surin Pitsuwan

Your observation is correct that Mrs. Aung San Suu Kyi appreciates ASEAN less than we wished because her experience in the past 18 to 20 years. From her perspective ASEAN was not helpful when she was under house arrest, during which period ASEAN had its own problem and did not put pressure on the Burmese government.

When I saw her in February 2012 about a month and a half before by-election that she joined, the agenda was that Myanmar would have to open up for reporters and media from ASEAN to observe the election. People of ASEAN deserve to know what Myanmar is doing. In December 2010 it invited Yangon-based diplomats to observe the election. This time Myanmar can do no less, and it would be good if it will invite reporters and media from ASEAN. She agreed and found that our presence and participation would be helpful.

She is still focusing on political and reconciliation issues inside Myanmar, and has not shifted her attention or interest onto the economic issues, in which ASEAN is being involved prominently. For that reason she may feel that ASEAN's contribution is smaller. ASEAN has reservation to be involved in the internal affairs of the member states.

I remember the "Economist" article about her after she won the election that "we know where she stands just in front of presidential palace," meaning that she will be inside in 2015. Once she is in that position, I think that the role of ASEAN and the synergy with ASEAN will become more important to her. At this point, you are right that she is less interested in ASEAN because in her experience that ASEAN was not so positive and helpful when she was under custody in the past 18 to 20 years.

Question 3:

Thank you very much for your thoughtful presentation. I am curious to hear your thoughts about intensifying rivalries in the Asia Pacific which may undermine the cohesiveness of ASEAN. Thinking from a US perspective, the US welcomes and wants a strong cohesive ASEAN that can be a player in its own right in the region. What advice would you give to your friends in the United States about how they support a strong cohesive ASEAN and prevent superpower rivalries from undermining that?

Dr. Surin Pitsuwan

Thank you for your question. I would think that we have to give US a credit for recognizing ASEAN as one potential major player in diplomacy and in economic integration in East Asia. It was Senator Lugar who came up with the idea of appointing ambassador to ASEAN. The first half of my term was with Mr. Scot Marciel who was appointed as the first US Ambassador to ASEAN. He did not have his credential because he was appointed before we have our charter.

So he had a double title; US Ambassador to ASEAN and Assistant Secretary of State for East Asia. Mr. David Carden, his successor, has come in with credential from President Obama, and is the first separate ambassador to ASEAN from the ambassador to Indonesia.

I have asked foreign ministers of all partners and friendly countries to treat ASEAN as a group so that we will behave as a group although ASEAN is a diverse group of countries with contending agendas and different interests, and its organization is still in the process of being a community- type. Mrs. Hillary Clinton asked me how much we intend to implement our charter. I knew where she came from. Her perspective was that ASEAN countries are not serious between and among themselves. I answered her, "We have to make the ASEAN Charter a living document and to make it like your Declaration of Independence and your constitution." When Thomas Jefferson said, "All men are created equal," he did not include women, slaves, men without properties and the Indians. I said, "Now you are sitting as a Secretary of State and Mr. Obama is sitting in the White House." Every successive generation of the American people appealed to the Declaration of Independence and went through their struggle in order to create a more perfect union. ASEAN has to go through it. What is the difference between ASEAN and other imperfect unions around the world, e.g. the EU? It takes time and needs encouragement and support, which we expect from our partners.

One can say that ASEAN members come to the meeting, they sign on something, they went home, and they forgot what they sign. In the first years ASEAN was not a perfect organization and a perfect community. It has to go through a process of community building. The US, Japan and other partners can help ASEAN to grow to a community. For that purpose, you have to treat ASEAN as a community. You have to encourage it to be a group by dealing with it as a group. That is what we expect from the US, Japan and other partners.

Mrs. Clinton said in her last visit to us, "We expect all of you to have a policy discussion with our permanent representative." She meant that the US sent ASEAN its permanent ambassador who should be able to decide on the issues about ASEAN with us. This kind of statement can help, encourage and support ASEAN. I hope that you will continue to do that.

Japan has its own ambassador to ASEAN. Korea has its own ambassador.

China has its own ambassador. So is Australia and New Zealand. This helps ASEAN behave as a group and as a community. But it will take some time and needs some encouragement. I have encouraged foreign ministers from around the world to treat us as a group. And if we will react as a group it would mutually reinforce the behavior of the respective organizations. That is what you will continue to do and what we expect from you.

Question 4:

After having adopted its charter, ASEAN is now targeting to achieve the building of three communities, which are ASEAN Political-Security Community, ASEAN Economic Community and ASEAN Socio-Cultural Community in 2015. ASEAN Charter has a principle of non-interference in national sovereignty of the member states. However, if the three communities would make progress in near future, it may be logical to imagine that some member countries may cede their national sovereign powers or at least a part of their sovereignty to those communities. It may be a little premature to discuss this kind of matter. However, with your past experiences, wisdom and farsightedness, I would like to hear from you which area of the powers of the member countries you think may be the candidate of ceding to the community organization.

Dr. Surin Pitsuwan

I think that the logic of economic integration will lead unconsciously to transfer of some parts of sovereignty to the community organization. For example, the Chiang Mai Initiative, a multi-lateral fund of 240 million US dollars. We have an office in Singapore to monitor how the 13 countries are managing their own economies. When a member country is in trouble and uses this money, the office will monitor the country's economic and financial situations and is entitled to be given some advance warning of how the situations are managed. It is not provocative, and the office does not issue any statement something like that your inflationary rate should be lower or you should do such and such. But in some way your sovereignty is somehow conceded to the office with respect to your internal economic and financial management. This structure is now accepted.

We are still in the system of sovereign states. But, I think that we all recognize that it is no longer absolute. We have to work with others in order to manage and solve all the challenges that we are facing together. In fact, I think that a lot of our problems are from the global community. Government is elected by

the people, but the government does not have the power to solve the problems of the people, because they are not internal and because a lot of problems are imported from outside. For this reason, I think that the ASEAN member states are beginning to realize that their sovereignty is not absolute and that there should be flexibility, adaptability and accommodation.

Economic integration is the first candidate for us to realize. We want help and assistance from each other and we will have to accommodate each other's expectation. It is not imposed and interfered. But, if you want help, there are the conditions that you should comply with.

Question 5:

Thank you for your illuminating and powerful presentation. I have two questions. I want to first ask about the Regional Comprehensive Economic Partnership (RCEP) and its timeframe. Do you think if it is realistic to be completed in 2015? I guess it needs to be coincided with the conclusion of the Asian economic unity and may require reconciliation of different tariff classifications, an agreement in service and investment, etc. I want to ask your opinion about the timeframe of its completion. Secondly, I want to ask about competition for influence of China and Japan in Asia. For some of the people in Europe it seems a zero-sum game of influence between China and Japan. I want your opinion of China's and Japan's respective advantages in dealing with ASEAN.

Dr. Surin Pitsuwan

Let me begin by saying that RCEP is more realistic than TPP because we do not aspire for the 21st century free trade agreement. The concession was already made, and we do not put everything on the table. Main concern for emerging countries lies in, for example, government procurement and contracts under government projects. Many of these countries still want to keep them for their state-owned companies.

In addition, RCEP already has the foundation, which is the five free trade agreements with the six dialogue partners (Australia and New Zealand have one and the same FTA). They will form the basis for RCEP. We just have to fine tune these agreements. With all of these agreements, we have finished with the goods. We are working on the services and investment. With Australia and New Zealand it has completed. With India we have services and investment

which are being negotiated. We can keep the existing agreements in their shape and will synchronize them so that, for example, the India's conditions are the same as Australia, New Zealand, Japan, China and Korea. So, I believe that in the 2-year timeframe we will be able to fine tune these five existing agreements.

China and Japan: China's advantages are the weight, size, market and the ability to make decision very quickly. Japan's advantages are the technology, experiences and management. Japan takes a lot of time to decide on anything, but once committed and decided things are going to move very systematically. If the ASEAN countries are comfortable with the efficiency of the management of the projects, initiatives coming from Japan are fine. But, if some of the ASEAN countries are looking for something big and immediate, then China has the advantage. You have to know that a lot of things are decided not by economic consideration but by political and strategic value, which are coming from China. So the ASEAN countries will choose which modality has the advantages.

Let me just say that for the last 45 years only Japan has been with ASEAN all along. We would not have been able to supply to Chinese or Indian factories or the global market, had Japan not been with us in the last 45 years. That modality is still very effective and useful for us. That is what we are waiting from the international community now. That is something that makes us growing and enables us to manage our affairs quite well in East Asia in flux. I think that ASEAN is trying to create a community but not like EU. EU is our inspiration, but not quite our model. It is impossible to emulate the EU. I think that ASEAN can certainly serve as the spearhead and centrality to create loose East Asian community integration in the future.

I think what East Asia needs is some heavyweight champions outside the official structure of East Asia. An example is Dr. Mohamad Mahathir who advanced East Asia Economic Caucus (EAEC) in the early days of ASEAN history. We need such heavyweight champions outside the official structure who keep encouraging the integration process to move forward and supporting this process with no official affiliation but with common vision to move forward. EU was successful because of such kinds of personalities, otherwise there had been a lot of rivalries. But we need those people who are senior statesmen looking into the future and creating the vision without

day-to-day immediate responsibilities.

Question 6:

Thank you very much for your great presentation. It was very insightful. I would like to ask you about how you assess Prime Minister Abe's approach to ASEAN. I understand that you want Japan to play a very delicate and nuanced role in order to ease tension in Asia. But, unfortunately, Prime Minister Abe is blunt. He explicitly insists that Japan should rebuild more favorable balance of power vis-à-vis China in order to stabilize Japan's position in East Asia. In this context, he visited ASEAN countries and tried to strengthen the ties with those countries. My question is how you assess his approach to ASEAN so far, and what kind of action you want him to take to follow up his visit.

Dr. Surin Pitsuwan

I think that in his second term he has become more diplomatic. He has exercised some caution and restraints on some of the sensitive issues, which is very much welcome. But, I would think that you cannot expect a confident Japan without exuding that confidence on issues other than economic. It stands to reason that this sense of national pride would have to be communicated out in a package of his speech. It is the matter of how to balance many elements within his speech. I can say, "so far so good." I would think that he has taken steps to reinforce his message that came out even during the election campaign.

We were very pleased that ASEAN could host Mr. Abe during his first trip abroad. Unfortunately, he had to return to Japan on his way during his ASEAN trip. But, we could share with the Japanese Ministry of Foreign Affairs the gist of his speech that there were five principles that he would follow within ASEAN. I think that those points are practical and sensitive, and well reflect what he had done for ASEAN with ASEAN in his first term.

It is to be emphasized to create a sense of community between us, in particular by enhancing the exchange program. In other word, creating the future leadership together with Japan and ASEAN is important because ASEAN has become so critically conducted with ASEAN in many different ways including not only economic issues but also the issues of communities, human security, etc. ASEAN would have to be a complete community dealing with all these issues rather than just economic community. So I would think that Mr.

Abe's signal to ASEAN has been quite positive and quite welcomed.

What would be the follow-up actions for his trip to South East Asia? I think that we have to move up one or two steps further into the cooperative relationship. ASEAN should not only be perceived as a production base. ASEAN has 600 million people, and is potentially a strong and effective partner of Japan in the future. If Japan would consciously adopt the mission to work with ASEAN not only on economic issues but more on human progress, science and technology, human resource development, soft issues and soft values that Japan excels in, it would be beneficial both to Japan and ASEAN. Six hundred million people will become more and more a middle class and the middle class will want something more than just the material gains in their life. We are economic animals, but are not only economic animals. We are also humans in the ways that we appreciate other finer things in our life. Japan has an abundance of those things. Japan can share those things with ASEAN and work with ASEAN to share. It is somewhat abstract, but I would think that Japan can do to follow up Prime Minister's visit.

If Japan regains its confidence and reconfigures its approach and relationship with 600 million people in 10 economies of ASEAN to make both Japan and ASEAN one community, it would be a good step forward for the future. It will require some efforts, some patience, some commitments and certainly willingness on both sides. You can find the ASEAN side quite willing. The "look east" approach that the former Prime Minister Mohamad Mahathir stated 30 years ago has still strong sentiment within ASEAN. If Japan and ASEAN would work together, it would greatly contribute to creating a community not of economic prosperity but of human progress.