
UNIT 21 CAMBODIA

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21.0 OBJECTIVES

The main objective of this Unit is to study the political developments in Cambodia (Kampuchea). After studying the unit you will be able to:

- Discuss the geographical and demographical features of Cambodia,
- Trace its political history,
- Understand political development in Cambodia since independence,
- Account for the poverty,
- Discuss the UN initiatives to establish peace and stability in Cambodia, and
- Have a glimpse of Indo-Cambodian Relations.

21.1 INTRODUCTION

Cambodia (Kampuchea), one of the most ancient mainland countries in Southeast Asia was forced by French Colonialists to sign the most humiliating treaties in the second half of the 19th century. In terms of the treaties, the country was reduced to a French protectorate. The country achieved independence in early 1950s. Independent Cambodia embarked upon consolidating its independence. But the US backed coup in 1970 ensued a long drawn Civil War from which the country has yet to come out.

21.2. LAND AND THE PEOPLE

Cambodia is a state on the Indochinese Peninsula in South-East Asia. It covers an

Thailand in the north, by Vietnam in the east and southeast and by the Gulf of Siam in the South. Most parts of the country's borders with Thailand and Vietnam are accessible. The cardamom and related mountains in the south shut the country off from its short southern coastline. In the north also there are mountains known as Dangrek mountains. Cambodia is however largely a plain land drained by the Tonle Sap (Great Lake) and Mekong and Bassac rivers. The Mekong flows through the country before falling in the sea via Vietnam. The climate of the country is tropical monsoon with rainy season from June to October and dry season from November to May.

Cambodia had an estimated population of 71,00,000 in 1975. The population declined to 6,682,000 in 1981 owing to continuing civil war, economic hardships and large scale migration. But the number of inhabitants in the country rose to 7,500,000 in 1986. The population of Phnom Penh, the capital city had dwindled to only 20,000 in 1978; however the number rose to more than two lakhs in 1986. This shows that Cambodia has been gradually recovering from the large scale destruction of 1970's. Cambodia is a sparsely populated country.

Though the country is overwhelmingly Khmer, it has significant and influential minor ethnic groups. 85 per cent of the total population are Khmers. There are also Khasi, Stieng, Phnong and other tribes, and nearly four lakhs Vietnamese and over 450,000 Chinese. Also a small number of Malays, Chams, and Laotians. There are also a few thousand Indians in Cambodia. The Chinese are mostly engaged in trade and commerce. Cordiality exists between the Chinese and the Khmers because China never attacked Cambodia. The cordiality which exists between the Chinese and the Khmers, does not exist between the Vietnamese and the Khmers, the cause may be that in the past Cambodia suffered several times from Vietnamese invasions. There is therefore certain ethnic tension between these two groups. Otherwise Cambodia is free from ethnic conflicts of the type from which many other Southeast Asian countries have been suffering. The official language of Cambodia is Khmer which is spoken by more than 95 per cent of the people. The Chinese and the Vietnamese are mostly bilinguals. Khmer language they use in their markets, courts and offices and within their respective communities use their own native languages. French is still spoken by the educated sections. The country is, however, free from any linguistic tensions. The predominant religion of Cambodia now is Theravada Buddhism. In ancient times, however, Hinduism had a marked influence in the country. In medieval times (12th century onwards) Buddhism emerged as the principle religion. Now 95 per cent of the total population follows Buddhism. Islam was introduced in Cambodia during the 17th century A.D. It, however, failed to attract many people. Now there are nearly one lakh Muslims in the country. Christianity was also introduced some time in the 17th century. It has remained a peripheral religion in the country.

Cambodia is rich in agricultural resources, forest wealth, hydroelectric sources and many other mining and mineral resources. There are good alluvial soils, abundant sweet water for irrigation, and normal rainfall—all essential for agriculture. The agricultural potentialities are so vast that if they are exploited fully, agricultural productions may be far more than the present standard. According to an estimate if the water resource potentials of the Mekong river alone are harnessed, some 375,000 hectares of land can be developed for further cultivation of rice and 3,600 MW of electricity could be produced. The heavy forests can provide a substantial base for big forest-based industries. The country has also vast inland water fishing resources. Besides, there is considerable scope for further development of plantation industries and mining and mineral-based factories.

Check Your Progress 1

- Note:** i) Use the space given below for your answers.
ii) Check your answers with those given at the end of the unit.

- 1) Briefly state Cambodian demographical profile.

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2) Briefly discuss Cambodia's economic resource endowment.

21.3 HISTORY

21.3.1 Ancient History

Cambodia is an ancient country of Southeast Asia. There are evidences that the people of the region were involved in agricultural activities in the second millennium B.C. Gradually the dispersed people got together and founded first, a kingdom known as Funan in the early Christian era. Funan was located to the south-west of the Mekong river delta. In the 5th century A.D., another kingdom, known as Chenla was founded in the middle reaches of the Mekong river. Both the kingdoms were Indianised states. In the 9th century the Khmers founded Angkor Empire which for five hundred years was one of the most advanced and powerful states in the whole of Southeast Asia. The Khmers made a tremendous effort to the development of the valley of the lower Mekong. On the banks of the Lake Tonle Sap they built the huge temple cities of Angkor Thom and Angkor Vat, the architectural splendours of the region. The kingdom was also known as the Khmer Kingdom of Kambuja. The cultural and political traditions of the kingdom were derived from Indian sources. The kingdom was founded by one Jayavarman II who reigned for about fifty years from 801 A.D. The dynasty founded by Jayavarman II produced several celebrated monarchs, like Indravarman (877-89), Suryavarman II (12th century), Jayavarman VII etc. The Kambuja rulers developed a more sophisticated irrigation system and encouraged advancement of agriculture.

The Kambuja started declining with the death of Jayavarman VII in 1218. From the beginning of 13th century the Kambuja kingdom came under repeated attacks of Siamese (Thais) who introduced Theravad Buddhism in Cambodia. The Siamese converted the king of Cambodia (Kambuj) to Siamese vassalage. In the second half of the 17th century, Vietnam attacked Cambodia, and Siamese suzerainty was terminated. Cambodia lost her border territories to both Siam (Thailand) and Vietnam. Both these neighbours exercised a form of dual suzerainty which was superseded by the French. In the second half of the 19th century French imperialists captured Cambodia. In 1863 Cambodia entered into an agreement with France. Cambodia as per terms of the agreement became a French protectorate and French resident general was installed in Cambodia. Second agreement was signed in 1884, which tightened the French control on Cambodian affairs. In 1887 the French united their Indo-Chinese colonies into a Union. French rule lasted for about 80 years, during which Cambodia was opened for French imperialist exploitation. Cambodia's economic development was retarded, industry was not set up, the surplus earned by the country from agriculture and plantation without being reinvested in the country was transferred to France. French monopolists earned fabulous income by exporting rubber, rice and other agricultural raw materials. Protests and uprisings against French exploitation were put down with a heavy hand. From 1916 onwards, anti-colonial movements spread in Cambodia, at times the movements emerged in the form of uprisings and also became violent.

21.3.2 Second World War and Modern History

Second World War broke out in 1939. Japan occupied Cambodia in 1941. At the beginning, however, Japan allowed French administration to function in Cambodia. It was dismissed in March 1945 and Cambodian King Norodom Sihanouk was

encouraged to declare Cambodia's independence. In the War, Axis powers (Germany, Italy & Japan) were defeated and Japan surrendered in August 1945. France reoccupied its Indo-Chinese colonies including Cambodia. The War, however, changed the situation forcing the French colonialists into political manoeuvring. The French signed an agreement in 1946, which accorded limited internal autonomy to Cambodia. In 1947 a constitution was promulgated, a parliament was formed and limited political activities were permitted. Another treaty was signed in 1949. France now recognised Cambodia as an independent state within the French Union. The recognition did not carry any meaning though. Cambodia remained for all practical purposes a French dependency. The arrangement was interpreted as an attempt to restore colonial rule in Cambodia under the banner of "internal autonomy". Meanwhile nationalist anticolonial movements developed. The armed wing of the movement was the Khmer Issarak. The Issarak movement was led by anti-colonial intellectual middle class and was supported by the peasants, workers and other poor. The movement soon turned into a guerrilla warfare. The Khmer Issarak liberated vast areas within a few years. King Norodom Sihanouk and the Khmer nobility also launched movement for full independence. A vigorous diplomatic battle was also initiated. The King's struggle came to be known as the "Royal Crusade for the Independence of Cambodia". Both the Issarak movement and the Royal movement forced the French to accord full independence to Cambodia. In October 1953 an agreement was signed between the French and the Cambodian rulers. The agreement transferred the Supreme authority in the country to the royal government. On November 9, 1953 French rule was finally terminated and Cambodia celebrated independence. November 9 was declared the National Independence Day. In July 1954, at the Geneva Conference on Indo-China, this independence was accorded international recognition.

Check Your Progress 2

Note: i) Use the space given below for your answer.
 ii) Check your answer with that given at the end of the unit.

1) Trace in brief the political history of Cambodia.

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21.4 INDEPENDENT CAMBODIA

During the colonial period Cambodia was ruled by indigenous kings under strict supervision of the French authorities. French authorities appointed a Monarch to suit their political purposes. Norodom Sihanouk was appointed as the king in 1941 at the age of 18. Sihanouk, however, without being a compliant instrument of colonial rule emerged as the national leader. In independent Cambodia, he became the ruler and an undisputed leader.

Achievement of independence and endorsement of the same by the Geneva Agreement established peace and stability in Cambodia. Guerrilla Warfare ended, foreign troops were withdrawn and the communist led Khmer Issarak gave up the armed struggle. In January 1955 Cambodia formally left the French Union and cut its remaining ties with other Indo-Chinese states to become fully independent. Sihanouk was still the king. The constitution of 1947 which provided the infrastructure of the government, restricted the political role of the monarchy. Under the terms of the Geneva Agreement, Cambodia had pledged itself to a free and open political process which was to be demonstrated through elections under the terms of the 1947 constitution. The independence though restored peace and stability, caused important changes in the alignment of the country's political forces.

21.4.1 Independence and New Political Alignments

In this context if Sihanouk being the king, remained politically passive, there was every possibility that the disgruntled and self-seeking political forces would have captured the government. Sihanouk, therefore, in order to take active part in politics abdicated the throne in favour of his father, Norodom Suramarit. He formed his own party, named "Sangkum Reastr Niyum" or "Sangkum" (Socialist People's Community of Cambodia). It was a broad national organization. Its door was open to all national forces "fighting against injustice, corruption, privations, oppression, and treachery committed against the Khmer people and their country". The party won most of the seats in the elections for the National Assembly, held in 1955, 1958 and 1962. Sihanouk introduced far-reaching political and economic reforms. He propagated the ideological and political principles of a "Khmer, Buddhist socialist", a combination of the ideas of non-proletarian socialism and the ethnical norms of the Buddhist philosophy. The main political content of the Khmer socialist doctrine was anti-colonialism and anti-feudalism. In order to overcome the economic backwardness and to achieve self-reliance new economic policies were framed. The policy while emphasizing the developing of the public sectors, did not discourage the emergence of private sectors and foreign-investment. Cambodia soon developed on a wide scale the infrastructures, spread education and built up industries. Approximately 3,500 small industrial units and workshops were built between 1955 and 1967. Twenty relatively large factories were founded. Gradually, Cambodia acquired a metal working, oil refining, building materials, and several other industries which it did not have before. Public sector emerged very strong. Sihanouk followed non-aligned neutral foreign policy. He announced the policy in 1955. He refused to join the Southeast Asia Treaty Organization. In 1957 the country enacted a law to define neutrality as non commitment to a military alliance or ideological bloc. Cambodia's neutral policy and close relations with communist countries were however unwelcome to the US and its allies in Southeast Asia.

21.4.2 Vietnamese Civil War and Cambodia

The escalation of the civil war in Vietnam from the mid 1960's deeply affected other Indo-Chinese states including Cambodia. Sihanouk was very progressive in his foreign policy postures but he was anti-communist, authoritarian and traditional. Till mid 1960's opposition to his rule was feeble. From mid 1960's he started facing harsh criticism. The growing educated middle class was against his style of government and his intolerance of opposition. He endeavoured to suppress left wing activities. During the late 1960's a powerful opposition, consisting of Right-wing groupings emerged in the Cambodian parliament and state apparatus including the army. These elements wanted to limit the sphere of the state activity in the economy and demanded the revision of neutral foreign policy. The Army officers favoured a more pro-US policy, which would restore the benefits of foreign aid. These internal right wing forces staged a coup in March 1970, deposed Sihanouk from power and captured the Government. Army General Lon Nol emerged as the dictator. The US perhaps had a hand in staging the coup, because Lon Nol's regime got every possible support and aid from the USA. During Lon Nol's period Cambodia got huge aid amounting to more than half of its GNP every year.

21.4.3 Regime of General Lon Nol

The new regime under General Lon Nol allowed the US forces to use Cambodian territories as bases to attack Vietnam. Lon Nol proclaimed Cambodia as the Khmer Republic. Though he aspired to establish parliamentary democracy, he became most repressive.

The Cambodian Communist Party or Khmer Rouge had been in disarray since independence, but it began to revive from 1962. In late 1960's it gathered much strength and wide support base among the peasants and the rural poor. On the establishment of US backed military government, Khmer Rouge started armed struggle to dislodge the undemocratic government. Norodom Sihanouk now made alliance with the Khmer Rouge and the National United Front of Cambodia was established in May 1970. Norodom Sihanouk was elected as its head. In its political programme the Front underlined that its main task was that of rallying all classes and

sections of the population, all Cambodian patriots, regardless of their political views or religious beliefs, for the defence of national independence, peace, neutrality, and territorial integrity of Cambodia within its existing frontiers, and for the establishment of a popular, free and democratic authority in the country. The Front launched continuing resistance and fought several successful battles against the Lon Nol forces. By the beginning of 1973 the front controlled nearly 60 per cent of Cambodia's territory and 25 per cent of its population. Lon Nol was largely dependent on US support. For several months in 1973 the US forces carried out heavy bombing of Front controlled areas in order to prop up the Lon Nol regime. The US Congress, however, ordered the bombing to stop in December 1973. The survival of Lon Nol regime became difficult. By early 1975 the front controlled the countryside and was closing in on Phnom Penh. Lon Nol regime was finally dismissed from Phnom Penh in April 1975.

In the beginning, the Lon Nol regime enjoyed broad support from the middle classes in the urban areas. Many people joined the expanding army. Peasants, however, did not support the regime. The regime suffered from inherent weaknesses since the beginning. Top leadership remained divided all along. Disunity, the problems of transforming the pro-government forces into a national combat force, and the rampant corruption in civil administration and army, drained the enthusiastic urban support which was so prominent during the initial period. The regime in order to develop new governmental infrastructure, announced a new constitution in 1972 and to establish its democratic credentials, held elections but failed to develop a sustainable support base among the common people of Cambodia mainly because of its excessive dependence on US and repressive character.

21.4.4 Rise of the Kampuchean United Front

The Cambodian (Kampuchean) United Front captured power in April 1975. Prince Sihanouk was restored as head of the state. A national congress was held in late 1975. The Congress promulgated a constitution establishing a republican form of government. The country was renamed as Democratic Kampuchea. In March 1976 elections for a 250 member People's Representative Assembly was held. The new assembly chose Khieu Samphan as head of the state and appointed a new council of ministers with Pol Pot as Prime Minister. Pol Pot who was earlier known as Saloth Sar, a French-educated school teacher, captured the post of Secretary of the central committee of the Cambodian Communist Party in 1962. The new constitution declared Kampuchea a neutral and non-aligned country. But very soon it became clear that there existed considerable alignment of Kampuchea with the People's Republic of China. Its relations with Vietnam too were hostile which led to recurring border clashes. The clashes in late 1977 turned into a fullscale war between Kampuchea and Vietnam.

21.4.5 Kampuchean Society and Politics

Kampuchea could have after the defeat of pro-US Lon Nol regime emerged as a new and peaceful society. The events, however, took a disastrous turn. The new leaders (Pol Pot-Heng Sary group) of the Khmer Rouge out of their zeal for transforming stagnant and semi-feudal Cambodia into a most modern communist society as quick as possible, introduced the most drastic measures. Immediately after occupying Phnom Penh, they asked the inhabitants to evacuate "this wasteful consuming city", go back to the rural areas and work there along with the peasants. It was no doubt a rational policy, but its implementation was quite irrational and brutal. The impact was disastrous. Great number of Cambodians lost their lives. The demographic effects were so drastic that the population in the capital city was reduced to a mere 20000 or so. The regime's political policy also proved to be highly adventurous. The undisputed leader of the Cambodian people Prince Norodom Sihanouk was forced to step down from the position of head of the state and was put under house arrest for months. He subsequently went into exile in Beijing. The regime set out to eliminate the remnants of the previous regimes. It resorted to mass killings of peasants as well as old leaders and intellectuals. The regime was intolerant of dissents. Even within the communist party, inner party democracy was stifled. Veteran party communists were purged and many were even killed. The regime in its efforts to copy the Chinese "cultural revolution" meted out mass reprisals against the citizens of the country. The Pol Pot

regime was particularly ruthless in its persecution of intellectuals, students, office employees and Buddhist priests, many of whom were killed. It carried out a wide spread policy of genocide against the citizens of Cambodia. Entire ethnic and religious groups faced extermination. According to an estimate more than one million Cambodians perished during its rule from 1975-79. Five of Sihanouk's children and fifteen grandchildren were killed. The entire population was drafted into transforming the society. Private property was abolished. The Buddhist Pagodas were proscribed. Use of money was banned. People were forced into communal living. Economic impact of the policy of restructuring was also disastrous. The National Bank was in ruins. The annual grain output was only 60-70 per cent of the previous level. The policy also retarded the cultural development in Cambodia. The National Library was turned into a warehouse.

Many old patriots and communists in order to save themselves fled to Vietnam. These people, duly supported by the Vietnamese government, formed a Kampuchean United Front for National Salvation in December 1978. The Front called the people of Cambodia to rally and rise in struggle to overthrow the repressive and inhuman Pol Pot regime. The Front supported by the Vietnamese regular forces launched armed struggle against Pol Pot government. Very soon it achieved success and captured the country's capital, Phnom Penh on 7 January 1979. The Front proclaimed Cambodia as a "People's Republic of Kampuchea" on 11 January.

21.4.6 Rise of the Heng Samrin Regime

Heng Samrin became the president of the Republic and a revolutionary council was formed. Phnom Penh entered into a treaty of peace, friendship and cooperation with Vietnam and permitted the presence of Vietnamese troops in Cambodia. The troops assisted the revolutionary council to raise its own armed forces to fight the resistance army of Khmer Rouge. The new government was no doubt a foreign backed one, but it was welcomed in Cambodia because it had put an end to the Pol Pot terror. Buddhism was again revived and tolerated. The ways of achieving socialism of the previous regime were sufficiently modified. Elections for 117 seats National Assembly were held in May 1981. Kampuchean National United Front for National Salvation won most of the seats in the elections. The political wing of the Front was converted into the Kampuchean People's Revolutionary Party and the Front was reconstituted as Kampuchean United Front for National Construction and Defence. Heng Samrin and Hun Sen emerged as the supreme leaders. Samrin became the President and the Hun Sen was appointed as the Prime Minister of the Phnom Penh government. The Heng Samrin government has been ruling the the country since 1979. It controls more than two thirds of Cambodia.

A new constitution, duly approved by the National Assembly was promulgated in June 1981. The constitution aims at achieving socialism. The constitution has provisions for National Assembly, Council of state, Council of Ministers, Local People's Committees and a separate judiciary. The National Assembly is the highest organ of the state power and the only legislative body in the country. Its members are elected according to the principle of universal secret ballot for a five year term. The council of state is the representative organ of the country and a standing organ of the National Assembly. Its members are elected by the National Assembly from among the latter's members. The Council of Ministers, the supreme organ of the government and an instrument of direct management of society, is responsible to the National Assembly. Country's administration has been decentralized through local people committees for provinces, districts, towns and villages. They are responsible for local administration, public security and social order. The constitution provides for judiciary, consisting of a people's court and a military tribunal.

The new government framed its economic policy to achieve self-reliance. The economy is now under the direction of the government. It has four sectors, the state sector, the collective sector, the private sector and family run cottage economy. Foreign trade is the monopoly of the state.

Check Your Progress 3

- Note: i) Use the space given below for your answers.
ii) Check your answers with that given at the end of the unit.

- 1) Trace the political development in Cambodia since its independence in 1953.

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21.5 CIVIL WAR

Khmer Rouge government of Democratic Kampuchea was driven out from Phnom Penh, but it continued to control some areas near the Thai Border. Pol Pot was replaced to Khieu Samphon and was appointed as the Army Chief. The Khmer Rouge amended its basic policies. Buddhism was revived and private agricultural activities were encouraged in Khmer Rouge controlled areas. It renamed the political wing as a party of Democratic Kampuchea. Previously the party was called the Communist Party of Kampuchea. Khmer Rouge from its bases in the Thai borders continued its resistance to the Vietnam backed Heng Samrin government. This ensued the longdrawn civil war in Cambodia. Khmer Rouge was further strengthened. Sihanouk and other anti Phnom Penh non-communist forces also joined endeavour to eliminate the Heng Samrin government. US backed international forces, China and members of the Association for South East Asian Nations brought together, the three anti-Vietnamese and anti-Heng Samrin factions—Khmer Rouge, Kampuchea People's National Liberation Front (an anti-communist organization of Lon Nol's supporters) and Sihanouk's royalist party—FUNCINPEC and promoted an agreement between them in June 1982. They formed an anti Heng Samrin coalition and a government in exile, with Prince Sihanouk as President, Khieu Samphon as deputy President, and Son Sann of Kampuchea People's National Liberation Front, as Prime Minister. The United Nations recognized it as the government in exile. The UN did not recognize the Phnom Penh Government. The Phnom Penh government found a little support and recognition from the international communities, even though it had legitimized its rule through elections, and established its sway over greater areas of Cambodia.

The country had been torn by civil war for years. Peace was destroyed. There was no safety of life and property. Many Cambodians were forced to leave their homes and to lead refugee life in Cambodia—Thailand borders. Economy of the country was shattered and Cambodia which had been once a surplus rice producing area was reduced to a land of famine and starvation.

The Coalition however was very much a marriage of inconvenience and the Khmer Rouge emerged as the most effective force. Prince Sihanouk failed to maintain his friendship with the Khmer Rouge for long. Now he is most hostile to the Khmer Rouge. In his recent efforts to form an interim government of national reconciliation he is not willing to accommodate Khmer Rouge. He said in a meeting in June 1993 that "we cannot trust them (Khmers) 100 per cent."

Check Your Progress 4

- Note: i) Use the space given below for your answer.
 ii) Check your answer with that given at the end of the unit.

- 1) Write a short note on civil war in Cambodia.

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21.6 ECONOMIC DEVELOPMENT

Cambodia is an agricultural country. Its industrial sector is very small. Rice is the staple crop which was grown in 1970 on about 2.4 million hectares land. The Country's soil (due to seasonal flooding by the Mekong river and Tonle Sap (Great Lake), is most suitable for wet-rice cultivation. The country is endowed with abundant inland water fish and fresh vegetable resources. Consequently the rural people get moderate quantity of substantial diet. The average per capita income in Cambodia was around \$130 per year in 1970. The colonial rulers did not pay much attention to industrial development. On independence Cambodia inherited a very narrow industrial base. There were a few plantation based industries, and a few factories for processing agricultural and forest products. Number of industries were established after independence basically to meet the growing demands in the home market and to save foreign exchange by reducing imports. Cambodia produced 150 KWh of electricity in early 1970's. People's Republic of China helped Cambodia to develop industries. China granted equipment aid valued at \$ 22.4m. China also helped to build textile mills. Many other erstwhile socialist countries also helped to establish plants for tractor assembly and tyre production and sugar refinery. During the period of Sihanouk's rule (1955 to 1970) Cambodia achieved great success in the development of infrastructure and social equipment. Cambodia had been dependent for its outlet to high seas on Vietnam. The Government with French assistance developed a port on the Gulf of Siam, which was opened for traffic in 1960. During 1960's new roads and railway were also constructed. Sihanouk's government got considerable amount of foreign aid from many countries. The government also raised internal resources to meet the cost of economic developments.

In mid 1960's, the government took certain vital decisions. It decided in late 1963 to stop taking aid from the USA. Export-import trade were nationalised in the same year. Banks also were nationalised. Financial gap created as a result of cessation of foreign aid caused financial crisis and adversely affected the standard of living of the urban middle class who became vocal against the official policies and provided the base for anti-Sihanouk movement. The movement helped the right wing military officers to stage coup and to deprive Sihanouk from power in 1970. The coup plunged Cambodia into a civil war which completely disrupted the economy. The war decreased both industrial and agricultural productions. Cambodian economy was totally shattered, Government revenue reduced to almost zero but military expenses rose tremendously. The country became totally dependent upon US aid.

The Khmer Rouge captured power in 1975. The adventurous policies of the new regime failed to bring the economy to the pre-1970 level. Economic recovery started with the assumption of power by Heng Samrin government. The government functioned under serious limitations. It did not get much foreign assistance, it had to fight a long drawn civil war and above all the nature at times, showed its back. Even then the performance in the economic field was much better than the previous regimes.

Output of rice rose to 2.0m metric tons in 1986 from 1.7m metric tons in 1982. Output of other crops like Maize, Sweet Potatoes, Cassava etc. rose to almost to pre-1970 level. Sugar and other plantation production which were reduced to almost nil, rose considerably. The production of fish rose to three times from 1980 to 1985. Forest products also increased. Industry was totally disrupted in 1970's. By 1983, 60 factories resumed production. The country's exports, consisting of agricultural products, some industrial outputs such as rubber etc. and wood, increased considerably. The country suffered from famine several times in 1970's, but the threat of famine in 1980's was almost lifted from the country.

The Heng Samrin government followed the model of mixed economy. The government encouraged both public and private sectors and also allowed free trade. Though the policy created an affluent urban middle class, since it helped economic development, the government has been encouraging the liberalizing process. The success achieved so far has not brought the country's economy out of wood though. The overall economic recovery has not yet reached the pre-1970 level. Cambodia has still remained the poorest country in the region and one of the poorest in the world.

Check Your Progress 5

- Note:** i) Use the space given below for your answer.
 ii) Check your answer with that given at the end of the unit.

- 1) Write a note on the economic recovery in Cambodia during the 1980's.

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21.7 PARIS PEACE AGREEMENT

A peace agreement was signed on 23 October 1991 in Paris. The agreement was signed to end the 13 years old civil war. The agreement was reached after years of painstaking external efforts to induce the four factions to find common ground for peace. The signing of the agreement became possible because of efforts made by Prince Sihanouk, China and Vietnam. China and Vietnam currently cut through their mutual hostility to normalise relations. Vietnam had been the main backer of the Phnom Penh government of Prime Minister Hun Sen. China provided military supplies and funds to the main resistance faction, the Khmer Rouge, and to a lesser extent, to its two nominal allies—the Khmer People's National Liberation Front and a faction loyal to Sihanouk. Both China and Vietnam changed track and began goading their protegies towards peace. Drastic changes also took place in Cambodia where the communist party changed its name to Cambodian People's Party on the eve of the Paris Conference, dropping communist ideology and advocating multiparty democracy and a free market. Hun Sen even declared his support for Sihanouk who led the resistance until his neutrality declaration in mid-1991 as the country's future president.

The Paris agreement was signed by 19 nations under the auspices of the Paris International Peace Conference on Cambodia, co-chaired by France and Indonesia. Before the signing could take place the five permanent members of the UN Security Council had drawn up a draft in August 1990 and then prodded the four warring factions to sign it without much additions and alterations. Leaders of the four factions also signed the Paris Peace agreement. The agreement called for the UN Security Council and the UN General Assembly to agree to a UN Transitional Authority in Cambodia which would carry out the UN's biggest, and most costly peace keeping operation. The UN Transitional Authority in Cambodia was entrusted the following tasks:

- 1) to demobilise an agreed 70% of each faction's army, and to send back the rest to the cantonments;
- 2) to take back the arms and to store them in the cantonments;
- 3) to enforce a ceasefire and to ensure that further military supplies are not channeled from China, Vietnam, ASEAN countries and other foreign sources;
- 4) to administer the country until an election in 1993;
- 5) to take over the defence, foreign affairs, public security, finance and information portfolios;
- 6) to ensure that human rights are adhered to.

In terms of the peace agreement, UN started its peace-keeping operation from late 1991. More than 22,000 people are involved in the various phases of the peace process but several important provisions of the Paris peace accord under which the process was initiated, remain unfulfilled. These include demobilization and disarmament of all warring factions. Besides, fighting between factions has continued despite the UN effort to bring peace to the war ravaged nation.

21.8 ELECTIONS

As per the provisions of the Paris Peace accord the UN Peace Keeping Mission held general elections for a 120 member Assembly in May 1993. Khmer Rouge which had signed the peace agreement boycotted the elections. It accused the Phnom Penh government of preventing a free and fair election. Three main parties contested the elections. They are the Royalist FUNCINPEC Party, the ruling Cambodian People's Party and the Buddhist Liberal Democratic Party. In the elections the Royalist FUNCINPEC Party had received more than 1.50 million or 45.5% of the total votes cast. The ruling Cambodian People's Party received about 1.25 million or 38.4% votes, and the second main opposition party the Buddhist Liberal Democratic Party received about 1,20,000 or 3.7% votes. Funcinpec won 56 seats, the ruling party got 49 and the Buddhist Party received only 9 seats. The Government Party said that there were irregularities in the elections and demanded a new vote in four of the country's 21 provinces. In these four provinces the Funcinpec won. Among the government's complaints were that seals on some ballot boxes were broken and that UN Staff pressured people on how to vote. The ruling party threatened to contest the results. The UN local authorities who supervised the elections however certified the elections as free and fair. The ruling party ultimately accepted the results.

Prince Sihanouk adopted the necessary steps to convene the new Assembly and to form an interim government. The elected 120 member Assembly is to adopt a democratic constitution within three months, then form a Government.

The first meeting of the newly elected Constituent Assembly was held on 14 June 1993 in Phnom Penh. The meeting unanimously elected the Cambodian leader, Prince Norodom Sihanouk, as the Head of the state with all the powers to lead the country. It declared illegal the US-backed 1970 military coup that had deposed Prince Sihanouk. Khmer Rouge now wants to return to mainstream as a simple political party. But Sihanouk has said that the Khmer Rouge's offer to return to the Cambodian capital Phnom Penh simply as a political party cannot be trusted.

Check Your Progress 6

Note: i) Use the space given below for your answers.
 ii) Check your answers with those given at the end of the unit.

1) Discuss the UN Peace initiative.

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2) Write a note on the 1993 elections in Cambodia.

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21.9 INDO-CAMBODIAN RELATIONS

The historical connections and close cultural affinity between India and Cambodia date back to a remote past. The earliest Cambodian states Funan, Chen La etc. were Indianised states. Indian cultural impact was further deepened during the Angkor period. Hinduism spread in Cambodia during the early centuries of the Christian era. In the middle ages Buddhism replaced Hinduism. The cultural links between the two

countries have continued. The multifold relations however began to develop from mid 1950's. The head of the state of Cambodia Prince Norodom Sihanouk paid his first visit to India in March 1955. In a speech at a banquet held in honour of Sihanouk in New Delhi on 18 March Jawaharlal Nehru, the Indian Prime Minister said : "One of the greatest gifts this country gave to your land of Kamboj was the message of Buddha, of peace and friendship. Perhaps at no other time is that message more needed in our countries as well as in other countries as today." India and Cambodia discussed at this occasion the various problems which the newly dependent states of Asia were facing. The visit of Cambodian leader ended with great success. India and Cambodia agreed to abide by the five principles of peaceful coexistence. Sihanouk summing up his discussions with Indian leaders stated that "I am very glad to have been able to realize in India the dearest wish of my people—to have relations established with India on a definite basis. We are always sister nations, and today it is very pleasant task for me to be able to bring back to my people their results. First India is ready to give us all aid we can use. Secondly, India has also promised help to preserve our independence and integrity. And, thirdly, India has agreed to recognize Cambodia and legations will be exchanged." Prince Sihanouk stated subsequently that Indian foreign policy had a marked influence upon Cambodia. India always supported independent existence of Cambodia. India sharply reacted when Sihanouk was dislodged from power in 1970. Indian External Affairs Minister said that India "recognized the role of Prince Sihanouk in the preservation of peace and independence of Cambodia." India hailed the victory of the Cambodia people in 1975. India also protested against the repressive policies of the Khmer Rouge. India welcomed the UN initiatives to establish peace in Cambodia.

Check Your Progress 7

- Note:** i) Use the space given below for your answer
ii) Check your answer with that given at the end of the unit.
- 1) Write a short essay on Indo-Cambodian relations.

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21.10 LET US SUM UP

Cambodia is an old mainland country in South East Asia. Its history dates back to pre-Christian era. For about five centuries from 801 AD it had been one of the strongest and most developed state of the region. The country like many other countries in Asia and Africa was reduced to a colony of European imperialist powers. In the wake of the nationalist upsurge in the colonial countries following the second world war, Cambodia became independent.

Cambodia after achieving independence formulated policies to develop itself into a self-reliant neutral country. But the neo-colonialist powers did not allow Cambodia to strengthen its independence. The US backed reactionary elements in 1970 staged coup which plunged the country into a civil war. The civil war has been still continuing despite UN efforts to restore peace and stability in Cambodia. India, an age old friend of Cambodia has been helping it in every way to emerge as a strong independent nation.

21.11 KEY WORDS

The splendours of Angkor: The ancient kings of Angkor period built some of the world's most magnificent architectural splendours on the northern shore of the great lake (Tonle Sap). These splendours are temples of Hindu Gods—Shiva, Vishnu etc.

These temples visibly resemble the old Indian temples. They bear testimony to the deep cultural influence of ancient India.

21.12 SOME USEFUL BOOKS

David P Chandler : 1982, *A History of Cambodia*, Boulder A Westview Press.

P.C. Pradhan, 1985, *Foreign Policy of Kampuchea*, New Delhi.

G.P. Ramachandra, 1986, *An Artificial Problem in International Relations*, Calcutta.

Nicholas Tasking (ed.), 1992, *The Cambridge History of South East Asia*, Vols. 1 and 11, Cambridge. UK.

21.13 ANSWERS TO CHECK YOUR PROGRESS EXERCISES

Check Your Progress 1

- 1) a) Sparsely populated
 b) 85 p.c. Khmer, there are other ethnic groups.
 c) Population considerably decreased in 1970's due to protracted civil war.
 d) Population has started increasing in 1980's.
- 2) a) The country has great agricultural potentialities.
 b) Hydroelectric sources.
 c) Huge forest.
 d) Mining and mineral resources are also available.
 e) The country has large inland fishing sources.

Check Your Progress 2

- 1) Political history dates back to early Christian era.
- 2) Khmer Angkor dynasty ruled for five hundred years—Golden age of Cambodia.
- 3) Siamese (Thais) and Vietnamese intervention curtailed the independence which was totally lost under the French rule.
- 4) There was fierce struggle for independence which the country achieved in 1953.

Check Your Progress 3

- 1) Sihanouk endeavours to consolidate the independence.
- 2) US backed Military coup of 1970 dislodged Sihanouk, which give birth to the civil war.
- 3) Anti neo-colonial movement won in 1975 but degenerated into a repressive genocidal regime of Pol Pot.
- 4) Pol Pot was dismissed by Vietnam backed Heng Samrin Regime.
- 5) Again Civil-war started, which is still going on.

Check Your Progress 4

- 1) Civil war first broke out during the US backed Lon Nol period and restarted in the wake of the dismissal of Pol Pot regime.

Check Your Progress 5

- 1) Cambodia during 1950's and 1960's strove to reconstruct an imperialist ravaged economy. But military coup in 1970 and Pol Pot regime (1975-79) destroyed the country. Vietnam backed Heng Samrin government took effective steps to develop the country. Though the country could not be restored to the pre-1970 level, Heng Samrin government achieved a considerable recovery.

Check Your Progress-6

- 1) Since the beginning of the civil war in the early 1980's the UN has been trying to restore peace and stability. In 1991 under UN initiative a peace agreement was signed in Paris. The peace has not yet been established but the prospects of peace have brightened.
- 2) As per the provisions of the Paris peace accord, elections were held and the major political factions have agreed to abide by the results of the elections.

Check Your Progress-7

- 1) Indo-Cambodian relations date back to the remote past. India in the past gave Cambodia the message of Buddha and in the present has been helping Cambodia to consolidate its independence.

UNIT 22 LAOS

Structure

- 22.0 Objectives
- 22.1 Introduction
- 22.2 Laotian Society
 - 22.2.1 Influence of the West
- 22.3 Geography, History and Economy of Laos
 - 22.3.1 Ancient Period
 - 22.3.2 Modern History
 - 22.3.3 Laotian Economy
- 22.4 Political Development
- 22.5 Triumph of Communism
 - 22.5.1 Failure of Troika
 - 22.5.2 Rightist Tilt
 - 22.5.3 Failure of 1973 Agreement
- 22.6 The New Government
 - 22.6.1 Leadership
 - 22.6.2 Dissidence
 - 22.6.3 Constitution
 - 22.6.4 Development Strategy
 - 22.6.5 External Relations
- 22.7 Let Us Sum Up
- 22.8 Some Useful Books
- 22.9 Answers to Check Your Progress Exercises

22.0 OBJECTIVES

This unit introduces you to society and politics of Laos. After reading this unit you should be able to:

- Describe basic features of Laotian society, geography, history and economy.
- Explain the working of Coalition politics in Laos
- Account for the victory of Communism in Laos
- Discuss the functioning of new Government

22.1 INTRODUCTION

You have already learnt about society and politics of Vietnam and Cambodia. In this unit we shall acquaint you with the third Indochinese state viz. Laos. It is important to know about evolution of Laotian society and politics as these cannot be understood merely in terms of present day functioning. The political development of Laos passed through different stages, ultimately leading to Laos becoming a communist nation.

22.2 LAOTIAN SOCIETY

With a population of just over four million, the multi-ethnic nation of Laos consists of forty different ethnic groups. Ethnically, the populations of Laos may be divided into four major groups: Lao Lum (Valley Lao), Lso Tai (tribal Tai), Lao Theung (Lao of mountain sides) and Lao Sung (Lao of mountain tops like Meo and Yao tribes). While not single ethnic group forms a majority, the valley Lao hold a clear numerical and socially dominant position. This group comprises about 40 per cent of the total population. Culturally and linguistically the valley Lao people are related to the Thais. Their number in north-east Thailand is more than that in Laos. The Royal Lao Government (RLG) was administered by the valley Lao elites, who were appointed as district and provincial chiefs even in areas inhabited by other ethnic groups. On the other hand, the left oriented Pathet Lao emphasized the goal of a multiethnic society and many leaders of communist resistance were from ethnic minorities. Residing on the northern mountainous region of the Mekong and Red river, the tribal Thais form 16 per cent of the population. The oldest inhabitant of Laos, the Laos Theungs constitute about 34 per cent of the population. Belonging to the Mon-Khmer stock, these highlanders were driven by the valley also in the seventh century to lower parts of the mountains. They are called derogatively as *Khas*, meaning slave in Lao language. The tribal Tais and Lao Theungs had long standing grievances against valley Lao people. Coming to Laos in the middle of nineteenth century, the Lao Sung settled on lands above three thousand feet and form about 9 per cent of the total population. In addition to the above mentioned, there are also other ethnic minorities like Akha and Lolo tribes living close to the Chinese and Burmese borders. In the urban areas, there are Vietnamese, Chinese and South Asians, who are few in number. They had migrated to Laos during the present century, engaging in commercial activities.

22.2.1 Influence of the West

Contact with the west had brought about changes in traditional social structure of Laos. The people of traditional self contained villages came under the impact of urbanization along the Mekong river. The authoritarian structure had placed the peasantry at the mercy of local elite, who had grown rich due to misuse of American aid. This was fully exploited by the Pathet Lao and many Laotians were attracted to its ideology. After Communist victory, there was change in life style in conformity with norms of the new regime. Majority of the people profess Buddhism, which came to Laos through Cambodia and Thailand. The folk songs and dances play an important role in the life of the people. A musical instrument 'khene' made out of seven pairs of little bamboos is very popular. There is a marked Indian influence on culture and society of Laos. From first century A.D., cultural contact between India and Laos became pronounced. The cultural penetration of India was by peaceful and non-political means. The names of Hindu Gods are familiar to the Laotians and they invoke names of Indra, Siva, Vishnu etc. in their prayers to Buddha. On occasions like birth and wedding, Hindu rites are practised along the Buddhisms. Sanskrit and Pali have strongly influenced classical Lao literature. The story of Rama and Krishna are popular in Laos. Stories from the 'Panchatantra' and 'Jatakas' have enriched Lao language. In classical Lao dances, one can find gestures and movements showing strong influence of Indian dances. In art and architecture, the concept was Indian but in the choice of patterns and other details, indigenous touch was given.

Check Your Progress 1

Note: i) Use the space given below for your answer.
ii) Check your answer with that given at the end of the unit.

1) What was the salient features of Laotian Society?

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22.3 GEOGRAPHY, HISTORY AND ECONOMY OF LAOS

Laos is a landlocked country of 2,31,000 square kilometres situated in the middle of the Indo-China peninsula. It is surrounded by five countries: China in the north, Cambodia in the South, Vietnam in the east and to the west by Thailand and Burma. Due to its very location, Laos has been a buffer state between its neighbours and a region of conflicting interest. Asia's fourth largest river, the Mekong flows through Laos, half of it forming the border with Thailand. Except for the Mekong river valley, most of Laos is characterized by rugged land and mountainous terrains. The forests cover two third of the country. The famous Ho Chi Minh trail crosses into Eastern Laos from North Vietnam through Kao Neua and Mu Gia mountain passes. It continues in the south through the panhandle of Laos emerging finally in South Vietnam. The trail was the main supply route through which Vietcong guerrillas were getting help from North Vietnam. In Xieng Khouang province of Northern Laos, there is Plain of Jara having mysterious funeral urns. The plain occupies a strategic place as one who controls it lords over land communication in Laos. Climate of Laos is the tropical monsoon type with a rainy season from May to October and a dry one from November to April. Military activity has followed this cycle, the dry season favouring land operations of lightly armed Pathet Lao and the rainy season helping better equipped, air-supplied and United States backed government troops.

22.3.1 Ancient Period

In ancient times, there were small and independent principalities in the southern part of Laos. A political system based on local chiefs providing defence for the inhabitants developed. Southern Laos formed a part of Funan's vassal state Kamboja. Later on central and upper Laos are under Chenla Khmers. Laos emerged as a unified state only in the middle of fourteenth century, when Fa Nasum established the Lan Xang empire with its capital at Luang Prabang. It lasted as long as the neighbouring states were weak. In the beginning of eighteenth century, dynastic quarrels which rival claimants tried to resolve by seeking help from Vietnam and Thailand resulted in disintegration of Lan Xang. The separate kingdoms of Luang Prabang, Vientiana and Champassak were set up. A long dual commence between Thailand and Vietnam over the suzerainty of the three kingdoms.

22.3.2 Modern History

The conflict has been reflected in modern times also. Just as no Vietnamese state could afford a hostile Plain of Jars and surrounding areas; Thailand wanted a friendly regime on the west bank of the Mekong river. In the last quarter of nineteenth century, Laos was subjected to rivalry between Great Britain, expanding eastward through Thailand and France pressurizing westward through Vietnam. In 1893 Laos became a French protectorate and came within the administrative framework of Indochinese Union. In spite of half a century of French colonial rule, Laos remained very much underdeveloped. The French colonial policy was formulated and directed from Hanoi. Laos appeared as a colony of Vietnam as the administration was manned by French bureaucrats. Only one per cent of population was getting elementary education by 1945. The trade of Laos was one per cent in the whole of Indo-China. A number of rebellions by Lao Theung and Lao Sung occurred due to repressive measures of the French. Up to the Second World War, nationalism in Laos did not take solid form as in Vietnam. the Laotians were not very exposed to outside world and did not feel the impact of anti-colonial movements going in different countries. Due to traditional rivalry between the feudal houses of Champassak in south and Luang Prabang in north, Laos lacked consciousness of nationalism. The tiny elite comprising the king and his household, landlords, the Buddhist priesthood and civil servants were favoured by the French. Whatever national identity was there, it was derived from Valley Lao cultural tradition. This was alien to Lao Theung and Lao Sung. During Second World War, struggle for independence was led by valley Lao Nationalists with the help of the Vietnamese and the Thais. The Lao Issara on Free Laos movement tried to prevent the French from regaining power after the Japanese surrender and declared unification of the kingdoms Luang Prabang and Champassak. In October

1945 the 'Lao Issara' government was formed. Its leader escaped to Thailand after the entry of the French. Laos was closely interlinked with the First Indochina war. The French began to give a series of concessions to Laos as they wanted a quiet rear area, while their fight with Viet Minh went on. Laos was granted internal autonomy in August 1946. A constitution was promulgated by King Sisavong Vang in May 1947 after an elected constituent assembly framed it. The unified state of Laos was to be a constitutional monarchy. By the Franco-Laotian Convention of 19th July 1949 independence of Laos was recognized by France and Laos remained as an 'Associate State of the French Union'. Defence and foreign relations remained in the hands of France.

22.3.3 Laotian Economy

Laos is an underdeveloped country with a per capita income of \$ 170 per year. About 90 per cent of its 4 million population are engaged in subsistence farming. Self-sufficient in rice production, Laos also produces maize, sweet potato, coffee, cardamom, tobacco and quinine. The cultivation of opium by the Meos is of economic significance. The forests contain timber resources. The natural resources are tin, coal, gold, copper and lead. Except tin and to a small extent potash and iron ore, these mines are exploited. There are about 170 small factories in Laos producing items like plywood, electric wire, drugs, candles, matches and cigarettes. Communication network is inadequate in Laos. There are 6000 kms of road throughout the country. The major foreign exchange earners are timbers and forest products, tin, electricity from the hydroelectric dam of Nam Ngum and some agricultural products. Actual earnings from export of opium and marijuana are not known. Laos imports, petroleum products, textile, machinery, cement, paper and steel. Some other indicators display the low level of development in Laos. The life expectancy at birth is the second lowest in the region. The average number of births (about 8) per woman is one of the highest. Literacy rate is lower than neighbouring countries. A small proportion of children only continue till the secondary stage of education. 35 to 40 per cent of children suffer moderate malnutrition. The economy imbalances of Laos due to wars, poor communication, want to access to sea ports and monetary instability would have manually completely destroyed the economy of the country. However, financial, technical and commodity assistance given by developed countries and international agencies has helped check the imbalances to some extent.

Check Your Progress 2

Note: i) Use the space given below for your answers.
ii) Check your answers with those given at the end of the unit.

1) Briefly discuss Modern History of Laos.

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2) Briefly discuss Laos' economic profile.

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22.4 POLITICAL DEVELOPMENT

In this section we shall discuss political developments in Laos after it got formal independence within the framework of the French Union. The coalition governments

were formed by different political parties. Involvement of outside powers checked political progress and Laos was plunged into a civil war.

22.4.1 Formation of Coalition Government and Political Parties

After the Franco-Laotian convention of July 1949, large number of Laotian elite returned to form a government. The left oriented Pathet Lao opposed the government, which was ready to compromise with the French. In August 1950, it established a resistance government. Along with the Viet Minh, it desired to rid all of Indochina of French influence. Faced with serious difficulties, the French began to negotiate with the Prime Minister of RLG, Souvana Phouma. The October 1953 Franco-Laotian Treaty of Friendship accorded Laos full independence. But the days of the French in Indochina were numbered. The Viet Minh-Pathet Lao forces were advancing in many fronts. The French defeat in Dien Bien Phu on 7 May 1954 ended the colonial rule of France in Indo-China. The day after Dien Bien Phu fell, the Indochinese session of the Geneva Conference began. France, the United States, the Soviet Union, Britain, People's Republic of China, Cambodia, Laos and both the Vietnams were participants in the Geneva Conference. The resistance government of Pathet Lao was not recognised and it did not succeed in becoming a Conference participant. It was granted the official status of 'Pathet Lao Fighting Units'. The member countries pledged to honour sovereignty, independence and territorial integrity of Laos. There was to be integration of Pathet Lao into national mainstream. It would be participating in the political process. But the political progress was very slow. The agreements on terms of a coalition government were delayed. The government could not establish its authority in the Pathet Lao dominated areas. Elections of August 1955 were conducted without Pathet Lao participation. Souvanna Phouma, who became Prime Minister in March 1956 gave first priority to national reconciliation. An amicable relation developed between the RLG and Pathet Lao. The political organ of the Pathet Lao 'Neo Lao Hak Sat' (NLHS) was legalised and permitted to participate in the country's political process. The Vientians agreements between the RLG and Pathet Lao stated that a coalition government would be formed and supplementary elections were to be held. Administration of the Pathet Lao provinces of Phong Saly and Sam Neua were to be transferred to RLG and two battalions of the Pathet Lao Army were to be integrated into the Royal Laotian Army. Laos was to remain neutral and non-aligned in terms of foreign policy. The government of national union was formed in November 1957. It started with a promising note and the stage was set for supplementary elections for 21 seats in the National Assembly on 4 May 1958. The elections proved the strength of the Pathet Lao, which along with its ally won 13 seats. It created a panicky situation among rival political groups and there was realignment of political forces.

22.4.2 Main Strands in Laotian Power Struggle

In Laotian politics, three main lines in the power struggle were constant—right, centre and left. With the exception of NLHS, the political organ of the Pathet Lao, the political parties in general did not adhere to any particular ideology. The followers of the right and centre changed sides frequently. Mere expediency prompted an aspirant to join one part or the other. Parties were also established in response to a particular situation or opposition to an event. Political assassinations were frequent. Absence of a middle class, persisting traditions and differences between royal houses had hampered the growth of party system. To the right were the Independents and National Progressives. The Independents led by Phoul Sananikone were willing to accept the return of the French after Japanese occupation and the National Progressives wrested power from the Independents in 1951. The former leaders of 'Lao Issara' like Souvanna Phouma and Katay Sasorith had organised the National Progressive Party in 1949. The National Union and Democrat parties were not able to muster enough strength to become significant. These two along with the Independence formed the Lao Union for Public Safety. There was further reshuffling. In June 1958, Souvanna Phouma along with the Katay and Phoui Sanaikone formed the Laotian Peoples Rally (RPL) from the National Progressive and Independent parties. The extreme rightist organisation, Committee for Defence of National Interests (CDNI) was formed with the United States support to combat communist influence. Its leader Phoumi Nosavan demanded ouster of Pathet Lao and formation of a pro-west government. In the centre were neutrals. Quinim Pholsena's 'Santiphab' (Peace Party)

believed in neutrality in international relations and conciliation between the RLG and Pathet Lao. Among the Political Leaders, Souvanna Phouma was the most accepted one and he was used by both the right and left depending on the situation. In May 1961 he formed the Lao Pen Kang (Neutral) party. To the extreme left was the Pathet Lao (Land of Laos). Its leader Prince Souphanouvong was the half-brother of Prince Souvanna Phouma of Luang Prabang royal family. Both had collaborated in the Lao Issara movement. Souphanouvong had set up in February 1949 a separate front for the Lao Issara guerrilla army. He joined Ho Chi Minh in October 1949 at Tueyn-Quang, the Viet Minh headquarters. Souphanouvong along with Kaysone, Phoumi Vongvichit, Souk Vongsak and other created the Pathet Lao. A resistance government was proclaimed on 13 August 1950. Its political organ was the NLHS. It recruited Lao Theung and Lao Sung minorities and unlike other parties was not based on support from Mekong Valley region. The Pathet Lao with the North Vietnamese support wanted Lao to be free from the French and American influence. As Laos was polarised sharply along different party lines, it became impossible for smooth running of coalition governments. In December 1958 there were border clashes between the troops of RLG and Pathet Laos. The CDNI was insisting a tougher policy towards the Pathet Lao. Phoumi Nosavan staged a coup and formed a new party called 'Paxa Sangkhom' (Social Democrat) in 1960 out of elected deputies of the CDNI and some RPL members. Laos was moving towards extreme right and there was no NLHS representative left in the capital. National reconciliation was not possible.

22.4.3 International Implications

The problem of Laos was getting internationalized with the intensification of cold war. The Communist Bloc backed the Pathet Lao, whereas the United States and Thailand were supporters of the right. Involvement of outside powers blocked the progress towards a political solution to Laotian problem. The country was balkanized into two parts with different political systems because of outside interference. The United States administration saw the situation in Laos as part of a communist drive for world domination. Laos was included in the containment strategy as a first line of defence against North Vietnam and China. The RLG was strengthened by massive military and economic aid so as to check Pathet Lao advance. Laos became the only country in the world, where the United States was supporting military budget of the RLG cent per cent. With the intensification of Vietnam war, the American involvement in Laos increased. North Vietnam had played an important role in the growth of the Pathet Lao movement and exerted strong influence through 'Phak Pasason Lao' (People's party of Laos) formed in March 1955. It had provided arms, ammunition and military advisors to the pathet Lao. For North Vietnam, each communist advance in Laos was a further step towards reunification of both the Vietnams. The Thai-Vietnamese struggle over Laos dated from earlier times. Thailand did not want a hostile force holding the Mekong territory. Collaborating with the United States, it maintained a close military and economic ties with the RLG. A new dimension was added to the Conflicts in Laos by the coup of Captain Kong Lae in August 1960. He was against extreme rightist tilt of the government and the rampant corruption in the RLG. Phoumi Nossavan declared this government illegal and set up a parallel government in Savannakhet. The United States and Thailand supported him. There was suspension of American aid to the RLG and Thailand imposed an economic blockade. Souvanna Phouma was alienated from the western block and established diplomatic relations with the Soviet Union. Kong Lae joined hands with the Pathet Lao. Supported by the Soviet airlift, the Pathet Lao controlled nearly half of Laos. The Soviet Union calculated that a say in the political military position of Laos could be served as a bargaining point with the United States. It also wanted to support the communist liberation movements in the Sino-Soviet rift. The civil war in 1961 brought both the super powers on the brinks of a war. However, the 14-nation conference was held in Geneva in May 1961 to bring a solution to the conflict in Laos. Both the United States and the Soviet Union agreed to a formula of independence, peace and neutrality of Laos, which was embodied in the Geneva declaration of July 1962. An International Control Commission (ICC) composed of India, Canada and Poland was set up to supervise peace. The RLG pledged to follow five principles of peaceful co-existence. The new coalition government would assure a political balance between the right, left and neutrals. Souvanna Phouma became Premier with charge of defence. Both Souphanouvong and Phoumi Nosavan were

named Deputy Premiers holding the portfolios of planning and finance respectively. The right wing and NLHS each received four seats in the cabinet. The rest eleven were considered to be sharing in varying degrees the neutralist view of Souvanna Phouma. It was agreed that all decisions of the government would be taken in accordance with unanimity rule.

Check Your Progress 5

1) What were the main strands of Laotian power struggle?

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2) Briefly mention the major international implications of Laotian domestic politics.

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22.5 TRIUMPH OF COMMUNISM

The provisions of Geneva accords were however violated by concerned parties and once again fighting resumed. Laos gradually became a side-show of Vietnam war. Ultimately the country turned communist.

22.5.1 Failure of Troika

The troika or the three-pronged administrative structure was doomed from the start. A three-way agreement on important decisions was not practical. Each faction kept control of its own military forces although all were incorporated into the national army. The Pathet Lao troops were stationed in the north and northeast. Phoumi kept his troops in south and in the area of capital Vientiane. Kong Lae's army owing allegiance to Souvanna Phouma were assigned in central Laos, where their position could be threatened either by the left or right. The military and economic aid was delivered to the central government and each leader struggled to channel maximum of it to its own group. Mutual suspicion among three sides prevented the government from functioning smoothly. There was also a split in the neutralist camp due to defection of large number of Kong Lae's troops led by Colonel Deuane Sipaseuth to the Pathet Lao camp. Neutrality of Laos was violated by the United States and North Vietnam. Fighting was resumed in the Plain of Jars area. The ICC did not prove to be effective. The tripartite meeting of Souvanna Phouma, Souphanouvong and Bound Oum in September 1964 at Paris did not produce any result. Thus ended the tripartite arrangement for a political solution to Laotian problem.

22.5.2 Rightist Tilt

Souvanna Phouma was gradually aligning himself closely with western-supported right wing. It seemed he was no longer able to take independent decisions. The United States was given permission by him to have air strikes on the Pathet Lao stronghold. There was ascendancy of the army in the politics of Laos. The RLG had divided its zone of control into five military regions and each was ruled by a right wing general with the help of traditional ruling families. The right wingers of the army forced Kong Lae's troops to merge under the command of General Quane Rattikoun. From the Pathet Lao view point, the rightist tilt of the RLG left no room for conciliation. The Second National Congress of the NLHS had adopted the resolution of fighting

against the United States till final victory. Elections were held in the RLG controlled areas only without NLHS participation. The process of polarization in the politics of Laos in 1965-66 was like that of 1959-60. Without NLHS participation, the elections did not mean anything as it was controlling two-thirds area of Laos. The situation in Vietnam began to overshadow the continuing crisis in Laos. The United States air operation in Laos aimed at checking Pathet Lao advance and restricting the use of Laotian territory to reinforce the Viet Cong by the North Vietnamese. There was heavy bombing of south-eastern Laos along the Ho Chi Minh trail area, which was the main supply line linking both the Vietnams. North Vietnam stationed its troops in Laos to keep the trail open to the help of Pathet Lao in combat operations. With the deteriorating situation in South Vietnam and events in Cambodia in 1970, commitments by North Vietnam and the United States to their respective allies increased.

22.5.3 Failure of 1973 Agreement

A settlement in Laos did not appear to be in sight till a solution to the Vietnam war could be found. In 1968 the Paris peace talks had started to bring a settlement to the Vietnam war. The rapprochement between the United States and Soviet Union on the one hand, and the United States and China on the other brought about a climate of understanding. The level of conflict was reduced in Indochina. Progress made at Paris had its impact on the talks between Pathet Lao and RLG. The signing of Paris agreements on Vietnam on 27 January 1973 speeded up negotiations in Laos. Article 20 of the agreements said that the parties would honour the 1962 Geneva accords on Laos. The United States and North Vietnam agreed to bring a solution to the problem of Laos and asked the rightists and Pathet to come to an agreement. On 21 February 1973 an agreement on Restoration of Peace and Reconciliation in Laos was signed. A Provisional Government of National Union (PGNU) was to be set up. The Agreement was an outright victory of the Pathet Lao. Tripartite structure of earlier agreement was not there. A National Political Council of Coalition (NPCC) having control over the PGNU was set up due to Pathet Lao demand. Maintaining of separate zones of administration before the elections was another point conceded by the RLG. Vientiane and Luang Prabang were to be neutralised so that the Pathet Lao could station their troops. In April 1974 the PGNU was formed. The Pathet Lao was gradually assuming more power and making its presence felt in various spheres of activities. It controlled four-fifths of the area and half of the population of Laos. The success of the Pathet Lao had been due as much to its own policies as because of performance of the RLG. The RLG leaders neglected the development of the country and their political behaviour was prompted by the desire to serve personal interests. Political parties revolved around individuals. Depending on American aid for its survival, the RLG became subservient to the United States. The elite could not enlist support of the people. There was a steady gain of territory by the Pathet Lao as the RLG army failed miserably. In 1973, the RLG was controlling areas around Vientiane, Luang Prabang and Mekong valley. The Pathet Lao was a cohesive organisation. It capitalised on long-standing grievance of the people and pointed out the shortcomings of RLG to them. Working in the adverse conditions of mountainous areas, the Pathet Lao had dedication and sacrifice for its cause. After the fall of South Vietnam and Cambodia in April 1975, the Pathet Lao easily assumed effective control of Laos. In the joint session of the PGNU and NPCC at NLHS headquarters in November, the coalition government of Laos was dissolved. The king abdicated the throne. Most of the rightist leaders fled away to Thailand and France. On 2 December 1975, the Laos People's Democratic Republic (LPDR) was formed.

Check Your Progress 5

- Note: i) Use the space given below for your answer.
ii) Check your answer with that given at the end of the unit.
- 1) Trace the rise of Communism in Modern Laos.

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22.6 THE NEW GOVERNMENT

The new regime was beset with many problems. Laos had been ravaged by three decades of war. No people has suffered so much, for so long and for so little as the Laotians. Many of the top bureaucrats and technical personnel of earlier regime had left the country. The economy was in shambles. Though the leaders of the LPDR had administrative experience in earlier coalition government, most of their time was spent in the battle field. Against heavy odds, they began the task of administering one of the poorest and least developed countries of the world.

22.6.1 Leadership

The leadership remained in the hands of the same group that had made Pathet Lao movement a success. Kaysone Phommvihan and Souphanouvong were President and Prime Minister respectively. The Politburo of 'Phak Pasason Pativat Lao' (Lao People's Revolutionary Party, LPRD) has seven members in 1975. They were Kaysone, Phommvihan, Nouhak, Phoumsavan, Souphanouvong, Phoumi Vongvichit, Phoun Sipraseuth, Khamtay Siphandone and Sisoomphone Lavansay. The membership of the LPRD's Central Committee was increased from 21 to 49 in the Third Congress of April 1982 and ethnic minorities percentage was about 21. Kaysone was General Secretary of the LPRD and his wife Thongvihan became a member of the Central Committee. The designation of the Prime Minister was changed to the Chairman of the Council of Ministers. One factor that troubled the party leadership was serious health problems of some politburo members. The charismatic 'Red Prince' Souphanouvong, who had renounced the luxuries of royalty for revolutionary struggle retained the mass appeal but his influence in the LPRD gradually diminished. There was not much substance to the charge that he had serious difference of opinion with Kaysone.

22.6.2 Dissidence

The LPRD leadership was apprehensive of powerful enemy forces. After the formation of LPRD, most of the higher level RLG army and civil officers were imprisoned in 'Reduction' camps. There were armed resistance to the new government by tribal groups like Hmongs and other discontent elements; who ambushed vehicles, destroyed bridges and attacked government installations. The rebels were getting help from the refugee camps in Thailand. The Lao People's Revolutionary Front (LPRF) formed in 1976 clashed with government troops and attempted to assassinate Kaysone. China had encouraged dissidence in Laos in 1979 by recruiting troops for a guerilla movement from among Lao refugees in Thailand and by organizing a Lao Socialist Party. In 1980 the rightist exiles formed the United Front for National Liberation of Lao People at Bangkok. Phoumi Nosavan claimed that he had been accepted as leader of the Front and formed the Royal Lao Democratic Government. The events of Eastern Europe and the Soviet Union in 1989 has their impact in Laos and there was rekindling of opposition to the LPRD. The Front claimed that it had set up a parallel government inside Sayaboury province. There were also anti-LPRD radio broadcasts. The Hmongs demonstrated against the government in Xieng Khoouang province. About 40 persons were killed by government troops. The Laotian students in Poland demonstrated demanding free elections and removal of Vietnamese troops from Laos. Though solidarity among leaders of the LPRD had added stability to the regime, there were a few instances of discontentment. The editor of official daily 'Siang Pasosong' Sisanan Signanouvong defected to China in August 1979. The governor of Savannakheata province was arrested in 1982 for anti-state activities. In October 1990 the former minister for Science and technology Thongsouk Saysangky and forestry deputy minister Rasmy Khampony were arrested for leading a group of senior officials and intellectuals in Vientiane, who were demanding for multiparty democracy. Thongsouk also tried to form a new party called Social Democrat Group. The resistance activities against the LPRD were sporadic in nature and co-ordination between different groups were lacking. These were not strong enough to threaten stability of the country in a major way.

22.6.3 Constitution

The constitution of May 1947 remained in force till the communist victory. The earlier regime was a constitutional monarchy governed by a Council of Ministers responsible to the elected National Assembly. The Upper house known as Royal Council consisted of 12 members, half of whom were nominated by the king and half chosen by the National Assembly. New rulers did not make any serious attempt to adopt a constitution. The task was entrusted to the Supreme People's Council in 1985. At the Fourth Congress of the LPRP held in 1986 the issue was taken up. In 1990 only constitutional drafting process was speeded up. The 1977 Soviet constitution was a broad model, but a unitary one as opposed to a federal system was upheld. Unlike the Vietnamese constitution of 1980, mentioning socialism and working-class leadership, the LPDR draft having a preamble and ten chapters referred to a democratic state under the leadership of LPRD. The objectives of the country were peace, democracy and prosperity. "Peace, independence, friendship and non-alignment" were foreign policy objectives. Though land ownership was a privilege of the state, private ownership of production was guaranteed. There were constitutional guarantees of protection for domestic as well as foreign ownership and capital investments. In Chapter 3 of the draft freedom of speech, press and assembly and freedom from arbitrary arrest were guaranteed. However, demands for multiparty system and anti-LPRD associations were not to be tolerated. Buddhism and other religious practices were protected along with the right to adhere or not to religion.

22.6.4 Development Strategy

According to official media, the socialist revolution of Laos had three tasks : revolution of production relations, scientific-technical revolution and ideological-cultural revolution. With revolutionary ardour, the new rulers began to indoctrinate people with Marxism-Leninism and change the life-style of people in conformity with the norms of new regime. A centralized command economy came into being. Agricultural co-operatives were created and commercial activities were nationalized. 59 state commercial enterprises and 138 co-operatives were created. But the economic situation remained grim. The prices of essential goods soared high and the value of the local currency, 'Kip' went down. Widespread smuggling and black market affected economy badly. In 1979, the LPDR tried to rectify its mistakes by a series of economic reforms. Private business was allowed with some form of governmental supervision. Purchasing prices of commodities were kept at par with that of Thailand. The agricultural co-operatives were made flexible. Self-sufficiency in food and higher export earnings were emphasized in the First Five Year Plan (1981-86). The economy of Laos revived a bit but after sometime, rate of inflation grew.

Since 1986 the rulers of LPRP have been out on a major economic reform programme known as 'New Economic Mechanism'. Ideological orthodoxy was given up. Faced with the realities of an underdeveloped economy, they decentralized economic decision making, removed trade barriers, implemented new investment codes, relaxed state economic control, allowed a private market sector and invited foreign businessmen. The objective of the Third Five Year Plan (1991-95) was to accelerate the New Economic Mechanism. Agriculture was given special importance and it is estimated that in the coming ten years, it would incur one-fifth of country's development expenditure. Industry including agro-forestry had been allocated thirty per cent of expenditure and twenty five per cent had been earmarked for transport and communications. In 1989-90 rice harvests increased but the yield was below the required amount. Laos needed 40,000 tons of rice aid to make up the deficit. Anyhow rural productivity showed an upward trend by switching over from collective-based forms of agricultural production to family-based ones. The peasantry once again cultivated lands that were their own. Provinces were allowed to conclude trading agreements with private companies as well as neighbouring states. The Thai, Chinese and Vietnamese traders once again took part in commercial activities. A set of economic laws were passed by the LPDR to facilitate domestic and foreign investors.

Assistance from foreign countries and international agencies was necessity for economic development of Laos. Beginning in mid-fifties, more than 90 per cent of the budget of RLG was covered by the United States aid. After communist victory, termination of United States aid and foreign exchange operation fund would have

destroyed the economy of the country. The new regime sought aid from both communist and non-communist countries. Foreign aid and loans had accounted for more than half of revenue for the state budget. Vietnam has assisted the land-locked Laos to expand trade and both signed an agreement in 1977 for transit of export and import of goods through the Vietnamese port of Danang. The transport network of Laos was connected with Vietnam to remove its dependency on Thailand for flow of commercial goods. The Soviet assistance included construction of oil pipe-line, expansion of hydro-electric power capacity, tin mining and opening of Intersputnik satellite Liaison Centre. Sweden gave assistance in forestry and communications. The Dutch assisted in an irrigation project. Laos sought alternative source of foreign aid for the lost COMECON support. Upto 1989-90, the Soviet Union and East Europe were main benefactors of Laos. Thailand opened border check points for flow of goods and its banks gave loans for different projects. Australia helped in telecommunications. The Japanese aid included rural development, training of technical personnel from Laos in Japan and hydro-power schemes. The \$8.7 million development project of the United States was announced in January 1990 for combating narcotics trafficking and developing north-eastern mountainous region. Laos signed an agreement with China in 1990 for trade and technical cooperation. China would built an airfield in Lung Prabang province, sell passenger aircrafts to Laos, construct electricity plants and build roads in northern provinces. The International Development Agency (IDA) had undertaken projects like rice mills and coffee processing plants. It also gave credit of \$40 million for reforming economy of Laos. The credit would boost the efforts of government like reforms in public enterprises, privatization, increase of revenue, management of public resources and promotion of foreign investment.

22.6.5 External Relations

Peace, friendship, independence and non-alignment were professed goals of LPDR's foreign policy. But the small state of Laos had not been able to follow these objectives completely as it was caught in the conflicting interest of regional and global powers. Th 1990s saw major changes in the external relations of Laos. With the collapse of communism in the Soviet Union and East Europe, the rulers of LPDR sought rapprochement with China, the United States and Thailand.

After the formation of LPDR, relations with China were very cordial. China gave \$25 million worth of economic aid for reconstruction and made its presence through road building activities in northern Laos. Laos gave up its earlier neutrality with tension mounting between Vietnam and China in mid 1978. After February 1979 Chinese invasion of Vietnam, Sino-Laotian relations deteriorated. Souphanouvong branded China as an expansionist power and it was charged with massing troops on the border areas and helping the dissidents of Laos. China was not invited to the Third Congress of the LPRP. It withdrew its technical personnel from various projects and resettled about thousand refugees in Yunnan for training them in insurgency activities. From late 1980s Sino-Laotian relations improved. Both signed trade agreements in 1990 and China became the largest foreign investor in Laos.

The LPDR's external relations with the Soviet Union and East Europe were very close. The Soviets helped Laos in economic reconstruction and there was exchange of visits by high-powered delegates from both countries. The Soviet Chief of General Staff visited Laos in February 1992 and had talks with the LPDR leaders about military assistance. Laos supported the Soviet line on various international issues. In May 1968, there was consultative conference of deputy foreign ministers in Cambodian capital from Laos, Vietnam, Cambodia and the Soviet Union. The delegates supported peace talks in Cambodia and suggested that border disputes between countries should be solved by peaceful means. Laos also received economic assistance from East European countries. In September 1982, Laos and East Germany signed a 25 year Treaty of Friendship and Co-operation.

The 'lips and teeth' like relations of Laos and Vietnam were maintained in the post-Vietnam period. The close relationship was further strengthened by a 25 year Treaty of Friendship in July 1977 affirming 'life and death relationship' and pledging co-operation in both 'socialist construction and defence.' Vietnamese settlements were encouraged along Laos-Vietnamese border. There were presence of Vietnamese attack

on Cambodia in December 1978 and China's attack on Vietnam in February 1979 sealed the chance of any independent course of action that Laos might have followed and its interest more or less became subservient to that of Vietnam. Laos signed with Cambodia a 'Co-operation Agreement' in March 1979. Vietnam, Laos and Cambodia were linked by formal agreements with China as the enemy. In the February 1988 Vientiane summit meeting of Indochinese states, the three countries pledged solidarity on the basis of Marxism-Leninism. Laos took the Vietnamese (negotiations) position of Cambodia. It would retain special relationship with Vietnam in spite of rapprochement with Thailand, the United States and China.

The relations between Laos and Thailand followed a pattern of closing the border, resumption of hostilities and mutual acrimony. The Lao Irredentist movement in north-eastern Thailand had also spoiled relations. The mutual distrust increased after the flight of Thai students following military coup of December 1976 in Thailand. They were being trained in camps of Laos. The Thai insurgents were getting weapons from Vietnam through Laos. Thailand on its part allowed dissidents from Laos to carry anti-LPDR activities. It closed borders with Laos in October 1981 and April 1982 because of sporadic exchange of gunfire. The border dispute of February 1988 began with Thai air and artillery attacks in Sayaboury province but a ceasefire was proclaimed after negotiations. Relations improved after exchange of visit of leaders in 1988-89. In 1990 the Thai princess Sirindhorn made an unprecedented visit to Laos. Border check points were opened. Thai businessmen invested in Laos. Petroleum authority of Thailand signed a contract with Laos. Military attache postings in each other's capital were resumed. For the time being border problem was put in cold storage.

Laos blamed the United State for not fulfilling Article 21 of the Paris agreement for healing the wounds of war. The United States maintained a sharply limited presence in its embassy at Vientiane. It had remained generally absent from voting in various aid projects to Laos by international agencies. Laos supported Iran's taking of American hostages and the Soviet invasion of Afghanistan. But relations between Laos and the United States showed trends of improvement and there was avoidance of hostile postures. In September 1982 the families of American Missing in Action (MIA) in the war visited Laos to trace 569 United States servicemen. In March 1985, the United States embassy donated 5,000 tons of rice to the LPDR. In October 1990 there was the highest level of contact between the two countries with the meeting of Secretary of State James Baker and Foreign Minister, Phoune Sipasouth. The \$8.7 million six-year development project was the first United States bilateral assistance to an Indochinese country since 1975. The Hunt Oil firm won petroleum exploring rights in Pakes. The United States also had not interrupted diplomatic relations with Laos as it had with Vietnam and Cambodia.

Check Your Progress 5

Note : i) Use the space given below for your answer.
ii) Check your answer with that given at the end of unit.

- 1) Read following questions carefully and fill up the blanks
 - a) The main supply line linking both the Vietnams was
 - b) The LPDR was formed on
 - c) The Politburo of LPDR had members in 1975.
 - d) The senior officials and intellectuals of Vientiane were demanding in 1990.
 - e) The \$8.7 million American project was for and

22.7 LET US SUM UP

In this unit you have studied society and politics of Laos. Society in Laos is multiethnic. Upto 1945, there were not a strong nationalist movement. The French granted complete independence in October 1953. Involvement of outside powers and

virtual balkanization of the country hampered political progress. Laos also became a side window of the Vietnam war. In 1975 Communists seized power in Laos. The new government faced many problems. Dissidence to the new regime was there. Economy was in a pretty bad shape. The New Economic Mechanism relaxed state economic control and allowed private enterprise. The draft constitution of 1990 did not follow a rigid Marxist line. In its foreign policy Laos sought to improve relations with China, the United States and Thailand.

22.8 SOME USEFUL BOOKS

Evam. G., *Agrarian Change in Communist Laos*, (Singapore, 1988).

Kahin, G.M. (Ed.), *Government and Politics in Southeast Asia*, New York, 1964.

Mishra, P.P., *Laos : Land and Its People*, New Delhi, n.d.

Pandey B.N., *South and Southeast Asia 1947-1979 : Problems and Policies*, (London, 1980).

Sardesai, D.R., *Southeast Asia : Past and Present*, (New Delhi, 1981).

22.9 ANSWERS TO CHECK YOUR PROGRESS EXERCISES

Check Your Progress 1

- 1) See Section 22.2 for your answer.

Check Your Progress 2

- 1) See Sub-section 22.3.2 for your answer.
- 2) See Sub-section 22.3.3 for your answer.

Check Your Progress 3

- 1) See Sub-section 22.4.2 for your answer.
- 2) See Sub-section 22.4.3 for your answer.

Check Your Progress 4

- 1) See Section 22.5 for your answer.

Check Your Progress 5

- 1) Ho Chi Minh Trail
- 2) 2 December, 1975
- 3) 7
- 4) Multiparty Democracy
- 5) Combating narcotics trafficking and development of North-East mountains region.

UNIT 23 PATTERNS OF ECONOMIC DEVELOPMENT IN SOUTHEAST ASIA

Structure

- 23.0 Objectives
- 23.1 Introduction
 - 23.1.1 Region Defined
- 23.2 Structure and Characteristics Of Economies
 - 23.2.1 Diversity in Economic Resources
 - 23.2.2 Economic Ideologies
 - 23.2.3 Structural Dualism
- 23.3 Post-War II Economic Development : An Analysis
 - 23.3.1 Two Dimensions of Transition Growth
 - 23.3.2 Foreign Trade
 - 23.3.3 Foreign Investment
- 23.4 Issues in Macroeconomic Policies after mid-70s
 - 23.4.1 Trade and Industrial Policies
 - 23.4.2 Financial and Capital Market Reforms
 - 23.4.3 Public Sector Reforms
 - 23.4.4 Savings and Investment
 - 23.4.5 Inflation
 - 23.4.6 Trade and Foreign Investment in the Context of Asia-Pacific Growth
 - 23.4.7 Factors behind the Growth of Trade and Investment
- 23.5 Let Us Sum Up
- 23.6 Key Words
- 23.7 Some Useful Books
- 23.8 Answers to Check Your Progress Exercises

23.0 OBJECTIVES

Asia-Pacific is economically the most dynamic region in the world. Southeast Asia forms an important part of it. Broad objective in this unit is to familiarise you with the

- structure of Southeast Asian economies,
- issues in economic development,
- pattern it has followed since the region became independent from colonial rule,
- past and present trends in economic policies.

Since there is vast diversity in economic resources, you will study as to how these resources are utilised in the economic development of the countries with differing ideologies. So that in the end, you should be able to know the imperatives behind the region's dynamism today.

23.1 INTRODUCTION

23.1.1 Region Defined

Southeast Asia consists of nine countries which are Indonesia, Malaysia, the Philippines, Singapore, Thailand, Vietnam, Laos, Cambodia and Burma. With the exception of Thailand, all these countries were colonies of western powers, and all achieved their independence during the 50s. Except in the case of Singapore, the economies of these countries depended heavily on primary industries, particularly a

few agricultural and mineral products mostly for export to developed countries. All these countries other than Indonesia have small populations.

23.2 STRUCTURE AND CHARACTERISTICS OF ECONOMIES

23.2.1 Diversity in Economic Resources

The economies of Southeast Asia are very diverse in their resource endowment patterns. On the one hand, there are labour-surplus countries (Indonesia, the Philippines), in which large population cause continuing pressure on the limited land supply. On the other hand, there are natural resource-abundant countries, which are blessed either with a favourable population-land ratio (Thailand) or a diversified natural resource base (Malaysia). It is a major raw material producer for the advanced countries. Malaysia and Indonesia for rubber; the Philippines for coconut, abaca, and bananas; Thailand and Burma for rice; Malaysia and Thailand for tin. Since many of these products are produced in surplus, and are consequently exported, the contribution of Southeast Asia to world exports of these commodities is quite high. For example, in the case of coconut products one country alone, the Philippines, accounted for 55-60 per cent of world coconut products exports.

In Laos, agriculture dominates, with 80 per cent of the population living off land. Gross Domestic Product (GDP) has had a fluctuating annual growth rate but is presently around 5 to 6 per cent. Agriculture and forestry's share of GDP is more than 55 per cent and industry's 16 per cent. Aid is starting to pour into Laos now. Since 1981, at least 70 per cent of government investment has been in mining, forestry exploitation, electrical generation and wood processing. This is increasing as the government seeks to develop a basis for export-led growth. Mining is the fourth largest contributor to the economy in terms of foreign exchange earnings. At US \$ 1.5 million, this would be inconsequential anywhere but Laos.

Laos has traditionally produced only four commodities: gypsum for cement production, gemstones such as sapphires, tin and anthracite coal.

There are known occurrences of bauxite (aluminium), antimony, cadmium, chromium, cobalt, copper, gold, iron, lead, manganese, nickel, rare earths, silver, tungsten, zinc, barium, phosphate, potash, natural gas and oil.

23.2.2 Economic Ideologies

In most of the Southeast Asian countries, a choice has been made in favour of predominantly market-oriented organization (Malaysia, Indonesia, Philippines, Singapore, and Thailand) though their systems tolerate varying degrees of government interference and control. By contrast, there are a few countries (Burma, Cambodia, Laos, Vietnam) where the organizational choice is still unresolved. There is a conflict of choice between a market system and socialism or communism.

23.2.3 Structural Dualism

However, it is the diversity of economic characteristics among Southeast Asian countries which must be recognized. From this viewpoint, Singapore is obviously unique. All other Southeast Asian countries inherited from colonialism structural dualism, reflected in the coexistence of a large traditional agricultural sector and a smaller enclave which is dedicated to foreign trade, commercial activities, and manufacturing. The economy of Singapore is small in size but it has a central trade location in Southeast Asia. However, the most significant distinction is the absence of dualism. Having inherited from colonialism a one-sector commercial economy, Singapore has not confronted the massive task of modernization of a large, backward traditional agricultural sector—an issue which still dominates the development process in other Southeast Asian countries.

23.3 POST- WAR II ECONOMIC DEVELOPMENT: AN ANALYSIS

The post-war generation (1945-70) was marked by a unique type of economic experience in less-developed countries. Southeast Asia has shared with other developing areas an initial period of transition from colonialism towards modern growth. This period of dramatic economic (and political) change was launched by widespread decolonization after 1945, accompanied by an almost universal resurgence of nationalism which sought to terminate the colonial economic heritage while pressing for rapid modernization of underdeveloped economies.

23.3.1 Two Dimensions of Transition Growth

The economic content of transition growth contains two major dimensions : transformation of the economy's resource base and its mode of economic organization.

Transformation of the resource base is fundamentally a matter of shifting from colonial dependence upon primary product exports based on the use of land resources to an economy in which indigenous entrepreneurship, capital and labour skills became the major growth promotion forces. Development of these non-land factors of production requires both industrialization and modernization of the resource base involved. The entire economy and growth is not confined to an export-oriented enclave as under colonialism.

During the first generation of transition growth (1945-70), Southeast Asian countries have shown uneven progress in accomplishing the basic task of shifting from a land-based to a capital and labour-based economy. In general, a relatively modest pace of transformation has been pursued in the natural resource-abundant countries (for example Malaysia and Thailand) precisely because continuation of the colonial precedent of reliance upon land-based exports offers a feasible beginning for transition growth in the short run. Modest gains in per capita income are possible by continuing to promote traditional primary product exports because of natural resource abundance. This alternative is not available to labour-surplus countries where population pressure on land resource exists. The optimum course for these countries is a rapid shift to a labour-based economy, a course which has been aggressively pursued (with varying degrees of success) in Indonesia and the Philippines.

In the Philippines, an important substitution strategy was adopted to initiate the transformation of the inherited colonial economy. The objective of this strategy was to shift from a land-based primary product export economy through rapid development of domestic manufacturing industries. The basic mechanism was to divert foreign exchange earnings produced by traditional primary product exports (for example sugar, coconut, abaca) from import of manufactured consumer goods (for example textiles) to import of producer goods (for example machinery to produce textiles). These producer goods imports are employed to create domestic productive capacity for producing manufactured consumer goods to replace imports of these goods.

These differences are accompanied by variations in the second dimension, the mode of economic organization. Variations in organization are most sharply reflected in the foreign trade. The colonial heritage left a high degree of involvement with foreign markets. Thus, a major aspect of transition organization is the extent of government interference in foreign trade and capital movements. The labour-surplus countries (Indonesia, the Philippines) have exhibited relatively aggressive government intervention in the economy to foster rapid structural change. Intervention has focussed upon foreign trade controls such as restrictive tariffs, exchange control, and prohibition of capital outflow.

In contrast, the natural-resource-abundant countries (Thailand and Malaysia) have maintained a relatively free market system (free foreign exchange market, low tariffs, and tolerance of capital outflow). The free market system is conducive to an externally oriented economy which continues to emphasize primary product exports.

23.3.2 Foreign Trade

Turning to foreign trade, it might be useful as a reference point to compare the pre-war and post-war positions. In 1938, Southeast Asia accounted for 3 per cent of world trade, selling 3.7 per cent of world exports and taking 2.3 per cent of world imports. Soon after the end of the second world war, Southeast Asia's share of world trade was 4.5 per cent, ASEAN's was 3.9 per cent. Southeast Asia's and ASEAN's shares in the world trade declined steadily till 1969. In 1970 the share rose somewhat to 2.5 per cent and 2.4 per cent for Southeast Asia and ASEAN respectively. ASEAN trade has declined in relative importance compared with the early post-war years. But comparing 1969-70 with 1938, it appears that the ASEAN countries have managed to remain as significant to world trade as at a previous time.

Like many developing countries in Asia and elsewhere with similar economic characteristics, most of these Southeast Asian countries have found that during a major part of the period since World War II their economies have either stagnated or grown too slowly. This resulted partly from the fact that their exports of primary products were increasingly hampered by tariff and non-tariff barriers and the worsening of terms of trade. At the same time, their trade with each other and with other developing countries has been adversely affected by such policies as import substitution and self-sufficiency.

A noteworthy feature of Southeast Asian trade and economic co-operation has been that in the production of output, there is more competitiveness than complementarity. A wind of economic nationalism swept across Southeast Asia at the time of independence which became an important factor in their international economic relations. Here two types of economic relations are emphasized—one, the relations amongst Southeast Asian countries, and two, the relations between southeast Asian countries and the rest of the world, in particular, Japan. Though economic nationalism was meant to counter the latter types of relations by the former, it nevertheless, could not do so. And the two types of relations grew simultaneously and independently. In other words, intra-region trade and economic relations flourished alongside extra region trade.

Japan occupies an important role in the context of Southeast Asian development. Japan had militarily occupied the region during World War II. Today there is dominance of Japanese products in the Southeast Asian markets, although there is widespread presence of American MNCs in the region.

23.3.3 Foreign Investment

In the past, DFI (Direct Foreign Investment) has caused some controversy in several countries. This was clearly shown in Indonesia and Thailand during the anti-Japanese riots coinciding with the 1974 visit of Japanese Prime Minister Tanaka. These riots had many causes but one of them was undoubtedly a reaction against perceived Japanese dominance partially resulting from the rapid increase of Japanese DFI in the region. At that time, the international mood was one of distrust toward multinationals and their motives for investing in developing economies. Policy-makers stressed the need to maintain national control and to regulate foreign investors closely so as to avoid undesirable side effects such as increased market concentration, excessive repatriation of profits, transfer pricing, inappropriate technology transfer as well as undesirable dependence on imports of foreign technology, capital goods and intermediate inputs.

Starting in the late 1970s and continuing through the mid-1980s, policies toward DFI have undergone a marked change. A major cause of this shift in attitudes was the debt crisis of the early 1980s. Owing to availability of loanable funds and negative real interest rates, foreign borrowing was very inviting for developing economies from the late 1970s through the second oil crisis. However, the unprecedented rise in debt which ensued, caused the banks to reassess lending policies, in many cases reducing the availability of capital to developing economies. Although this was a limited problem in Asia (only the Philippines has been subject to really strong pressure from the international banking community), the rising debt caused policy-makers in Indonesia, Malaysia, and the Philippines to adopt austerity measures aimed at slowing

the growth of debt. Consequently, development plans were curtailed, imports were restricted, and borrowing fell during the mid-1980s.

Check Your Progress 1

- 1) Which countries of the region have generally accepted a market-oriented system?
- 2) What is 'transformation of resource base'?
- 3) Name the labour-surplus countries of this region?
- 4) Name the natural resource abundant countries of Southeast Asia.
- 5) Which country has made massive direct foreign investment (DFI) in the region?

23.4 ISSUES IN MACROECONOMIC POLICIES AFTER MID-70s

23.4.1 Trade and Industrial Policies

The hallmark of economic policy in the mid-70s has been its openness and market-orientation. That is why perhaps these economies, while facing the same external environment, have been doing better than any other group of economies. Growth in these countries was fostered by a relatively neutral trade environment for the manufacturing industry which made it more profitable to export than to produce import-competing goods for the domestic market. The absence of severe distortions in factor prices encouraged the development of an industrial structure consistent with the comparative advantage of these countries. Thus, it encouraged a pattern of industrial growth intensive in the use of labour and domestic raw materials. The policy environment encouraged rapid structural changes which progressively resulted in more broadbased economic growth and in fast expansion of employment and incomes.

This, however, has not been the case with the centrally-planned economies of the region, for example, Vietnam and Laos. In these countries, inward-looking policies dominated. With large investments in state-owned enterprises, industrial growth tended to be slower. It was further hampered by limited availability of foreign exchange, poor infrastructure, and excessive regulations and licensing that limited production flexibility.

In other Southeast Asian countries industrial policies have been shifting in harmony with trade policies towards a more competitive and less restrictive stance. With the fall of commodity prices in the mid-1980s and political crisis in the Philippines, balance of payments constraints and rising debts made it more difficult to sustain inward-oriented trade regimes. Furthermore, the success of the NIEs with outward orientation suggested a more attractive alternative. As a result, trade policies became more outward-oriented in Indonesia, the Philippines and Thailand.

Thailand has gradually reduced trade barriers and increasingly emphasized export-promotion policies since the mid-1970s. Similarly, Indonesia has also worked hard to stimulate growth in export industries other than oil and gas, mainly other primary product industries and light manufacturing. In the Philippines, political problems have overwhelmed efforts at increasing exports. Although there was a substantial reduction of most tariffs in the early 1980s, unfortunately, this tariff liberalization appears to have been largely offset by increased use of nontariff barriers and has been reversed in recent years.

Malaysia is the only country in ASEAN in which efforts to promote import substitution have increased. Largely in response to rising wages, Malaysia is attempting to build up its heavy industrial base with a strategy similar to Korea's in the 1970s. Increased protection has thus resulted in certain infant industries (e.g., automobiles and related sectors). Nonetheless, Malaysia maintains one of the more open trading regimes among the ASEAN countries. Thus by the mid-1980s, most economies in this region were actively involved in promoting exports.

In recent years, Indonesia introduced reforms to promote a more efficient industrial structure by relaxing local content regulations in general and removing import monopolies. At the same time it encouraged greater private sector participation in sectors, such as shipping, that have been dominated by state enterprises. Malaysia has sought to raise industrial productivity and efficiency and by privatising several state-owned enterprises and has reversed an earlier trend towards increased state dominance. It has also relaxed its emphasis on redistributing ownership through the New Economic Policy (NEP) and instead, is seeking to encourage greater domestic and foreign investment. In Thailand, barriers to imports of capital goods and equipment have been reduced in order to facilitate investment. The measures taken to promote the inflow of direct foreign investment have been effective. Strong growth in domestic and foreign investment has fostered rapid structural changes and diversification in the industrial sector. Industrial policy in the Philippines is simultaneously aimed at promoting the development of labour-intensive manufacturing based on local materials and skills and at pursuing a second stage of import-substitution in heavy and technologically sophisticated industries.

Despite a number of policy reforms, import controls, a high and complex tariff structure and price controls on domestic basic commodities, continue to distort relative prices and impede economic growth. Thailand has been slow to adjust some of its industrial policies in spite of the very rapid structural changes occurring in the manufacturing sector. Rationalising trade and industrial policy is a pressing issue as uneven protection may distort the investment pattern. Thailand's industrial structure is undergoing a process of deepening, as intermediate and heavy industries are expanding to support the export oriented sectors and consumer goods industries. In Thailand, the Philippines, and to some extent Indonesia, infrastructure bottlenecks remain a serious problem constraining the industrial sector and leading to significantly higher costs. In the Philippines, for instance, shortages of electric power and a transportation crisis indicate that infrastructure is inadequate to meet demand.

In 1988, Vietnam introduced a program of economic reforms aimed at deregulating and liberalising its planned economy. The implementation of a farm household contractual system has provided greater flexibility and autonomy to farmers. The incentives led to a sharp rise in agricultural production and contributed to a marked slowdown in Vietnam's inflation rate particularly in 1989. To improve productivity, non-agricultural sectors are also being deregulated as the private sector is encouraged to assume a greater role in economic activity. A "cost/profit accounting" system has been implemented in state economic enterprises to make them financially liable and to enhance their efficiency. Generally, market prices are being restored in many sectors and subsidies progressively eliminated. Production for export has been given high priority. The adoption of a more realistic exchange rate has significantly contributed to export growth and further stimulus should ensue from the creation of export processing zones. In Vietnam, though much progress has been made in reforms over the medium term, the main concerns of policy are attainment of higher agricultural productivity, the management of geographical decentralization and the reform of the mode of operation of state enterprises.

In Laos (or Lao People's Democratic Republic) foreign trade has been liberalised and greater autonomy has been given to state enterprises. In both Vietnam and Lao PDR, the acceleration of privatisation or the provision of greater autonomy to state enterprises is a key to the success of the reforms as well as to the alleviation of considerable bottlenecks in infrastructure and the supply of raw materials.

Laos is neighbour to one of the fastest growing economies in Asia. Thailand and potentially one of the fastest, Vietnam. This should mean large markets for raw materials from Laos. It can use both Vietnam and Thailand as outlets for international markets. Vietnam is the shortest route to the sea for Lao exports. Both Thailand and Vietnam view Laos as the buffer between them. It is important for both to keep Laos as a good neighbour.

Vietnam and Laos have had close relations since 1975. Thailand and Laos are improving theirs despite past border skirmishes.

Thailand and Vietnam have a rapidly increasing metals demand, and Laos has a high potential for the development of its lead, zinc, copper, bauxite, potash, gypsum and coal resources. Growing exports to Vietnam should increase significantly and Thailand

may become a large importer in the future. Although Thailand has exported gypsum for years recent concerns about domestic supply have led to a ban on exports. Thailand also requires potash, fertilizer and coal.

Electricity exported to Thailand accounts for half of Lao foreign exchange earning. Thailand buys electricity very cheaply at half the world price. Prime Minister Kaysone Phomyihane's visit to China in 1990 re-established ties, and a five-year economic agreement was signed to develop timber and agriculture and exploit mineral resources. China may become another market for Lao minerals.

23.4.2 Financial and Capital Market Reforms

Financial policy reforms in Southeast Asia focussed on liberalization and deregulation in 1989. In Indonesia, which has made considerable progress towards financial liberalization since the first phase of banking deregulation in 1983, the need to strengthen the regulatory environment has emerged strongly in 1990. During the last few years, over 40 new private and joint venture banks and 1,000 bank branches have opened. While such rapid growth has helped raise competition in the banking sector significantly, a severe shortage of experienced banking professionals coupled with an inadequate regulatory environment has increased the potential for major financial mishaps. As a result, reforms in 1990 focussed on strengthening financial regulations.

In Thailand, the number of licensed banks competing in the domestic financial sector has been strictly controlled. However, the rapid expansion of economy and the desire to foster competition has led to more open policy with respect to the entry of new banks. Furthermore, to encourage savings, interest rate ceilings on long term deposits have been lifted and withholding tax on such deposits withdrawn. These measures are expected to stimulate competition in financial sector, encourage innovations in and diversification of instruments and generally improve the system of financial management. Malaysia has passed a new omnibus law on banking and financial institutions to strengthen and at the same time, streamline existing regulations. It has also implemented reforms to broaden and deepen the capital market for government securities and of a corporate bond market. In the Philippines small and weak banking institutions have been amalgamated into larger units, some with foreign partners. In both Lao PDR and Vietnam important progress was made in 1989 with respect to banking and financial reforms. In Lao PDR for instance, market determined interest rates have been allowed to operate.

23.4.3 Public Sector Reforms

Most countries in Southeast Asia are trying to implement a full or partial privatisation programme for selected public enterprises. While Malaysia has made some progress in the privatisation of state-owned enterprises, Thailand has encouraged private finance of investment by public enterprises in order to reduce the burden of these firms on the government budget and to allow for the financing of large infrastructure projects. In addition, private sector management of ports, expressways, etc. is also being considered in spite of significant resistance by labour movements. In the Philippines, the large privatisation programme has not gathered much momentum so far. In the centrally planned countries of Southeast Asia reforms in the public sector have mainly concentrated on increasing the financial responsibility of state-owned enterprises. Some privatisation which will allow production units to respond more flexibly to the changing market conditions will determine the success of their reforms and will help in the alleviation of considerable bottlenecks in the availability of raw materials and infrastructure.

23.4.4 Savings and Investment

It is widely believed that the relatively good economic growth performance in developing Asia rests on high saving and investment rates. While the ratios of saving and investment to GDP have declined in most regions since 1980, they have remained remarkably buoyant in Southeast Asia. The rise in investment rate during the last two decades has been particularly high in this region. The increase in investment rate was helped by the continued inflow of foreign direct investment. In Singapore and

Indonesia, the higher investment rate mainly reflected rapidly increasing domestic private investment in Malaysia, the Philippines and Thailand, public sector investment in infrastructure also rose sharply.

A high rate of investment is a necessary, but not sufficient condition for rapid growth which demands the efficient uses of invested capital. The incremental capital output ratio (ICOR) is a useful though by no means perfect measure of investment efficiency. For years 1978-87, ICOR's of the developing countries in Southeast Asia ranged between 3 and 5. The ICORs of Singapore, Malaysia and the Philippines were particularly high at over 5 showing the progress of industrialization. The high ICORs of Singapore and Malaysia were a result of increased public investment in infrastructure and the structural changes which occurred in their industrial sector during the 1980s, while that of the Philippines was a result of generally poor utilization of capital in 1980s.

Most developing countries have achieved high savings rates. The reliance on foreign savings has increased rapidly since 1988, with the substantial rise in their current account deficits. In terms of GDP, the deficits rose particularly fast in the case of Malaysia, the Philippines and Thailand. Domestic savings, however, continued to exceed investment in Indonesia and Malaysia in spite of current account deficits. In both cases, there were substantial and increasing factor payments abroad either for the servicing of foreign debt or in the remittance of profits on foreign equity investment. Domestic savings in both countries are thus significantly larger than national savings. In Lao PDR, the resource gap, narrowed somewhat after 1988, remained very substantial at about 20 per cent of GDP in 1990. Concessional lending and foreign assistance, however, have so far been more than sufficient to finance it.

23.4.5 Inflation

The experience of the Southeast Asian countries with inflation displays great diversity. In Lao PDR inflation accelerated to 33 per cent in 1988 and 60 per cent in 1989. In 1988 the main reason for inflation was the devaluation of the currency and the decontrol of prices when subsidies for many commodities were phased out, wholesale prices deregulated and state economic enterprises permitted to set prices for their output.

The hyper-inflationary situation in Vietnam which developed during the early 1980s had its roots in price decontrols, successive currency devaluations and deficit financing. In 1988, the inflation rate was 492 per cent but in 1989, there was a significant deceleration and it was 40 per cent. The success in controlling inflation was achieved through austere monetary and fiscal policies and the maintenance of relative exchange rate stability. Good rice harvests also helped.

In the other four countries of Southeast Asia where inflation has been more moderate (Indonesia, Malaysia, the Philippines and Thailand) the weighted average rate rose from 5.2 per cent per annum in 1987 to 6.1 and 6.6 per cent respectively in 1988 and 1989. Strong domestic demand caused by rapid economic growth in recent years is the main source of inflationary pressure. In addition, several country-specific factors have also contributed to the increase in prices. In Thailand, inflation which stood at 5.8 per cent has become a major concern since 1989. After four years of moderate inflation the rate is rising rapidly, mainly because of strong domestic demand, higher wages and other costs due to infrastructure bottlenecks and labour supply pressure.

23.4.6 Trade and Foreign Investment in the Context of Asia-Pacific Growth

Export-led growth has characterized the development of Southeast Asian economies. The latter half of the 1980s saw the emergence of a new, though related trend towards strong growth in imports as domestic demand became a more prominent source of economic growth in some of the economies.

In Southeast Asia, import growth increased to 33 per cent from 26.5 per cent in 1988 and exports expanded by 19.4 per cent only marginally below the 21 per cent increase in 1988. The declining export competitiveness of NIEs and large inflows of export-oriented foreign investment to Southeast Asia provided the basis for continued strong

expansion of manufactured exports. This was especially the case for Malaysia and Thailand with exports increasing in excess of 20 p.c. and imports by over 35 p.c. in 1989.

The external debt increased only marginally. In Southeast Asia, the most heavily indebted countries—Indonesia and the Philippines—were able to increase exports sufficiently to sustain downward trend in their debt-service ratios.

In the last few years important changes in trade patterns have been taking place in the Asian Pacific region. These changes emanated from currency realignments following the Plaza Accord in 1985 and from shifting comparative advantage which resulted in a restructuring of the economies in the region and gave rise to the rapid expansion of intra-Asian trade and investment in the later half of the 1980s.

Total trade (exports plus imports) among the 15 major Asian economies grew by 31 per cent in 1988 to \$234 billion, more than half of which was accounted for by trade with Japan. Growth in 1987, had been about 30 per cent. Significantly, this meant that in 1988, Asia's exports to North America which in that year totalled \$193 billion. This suggests that economic growth in Asia became more self-reliant as the impact on the Asian economies of a slowdown in the US economy was reduced.

Japan's leading role is indicated by the share in the total exports to Japan from many countries. Economies that registered the sharpest increases included Thailand (53 per cent), Singapore and Malaysia (more than 30 p.c.). Thailand also saw a marked increase in its imports from Japan. Trade between the NIEs and Southeast Asia also expanded substantially. Exports from the NIEs to Indonesia, Malaysia, the Philippines and Thailand rose by about 50 p.c. while exports of Southeast Asian countries to the NIEs grew by 29 p.c. Exports from Korea and Taiwan to Thailand shows a particularly strong increase of 97 p.c. and 78 p.c. respectively.

Intra-ASEAN trade (excluding Brunei) rose by 36 per cent in 1988 to \$19 billion though, as in previous years Singapore's share of such trade accounted for a large portion of the total. Excluding Singapore, trade among the other four ASEAN countries increased by only 12 per cent to \$2.3 billion. Singapore's bilateral trade with Malaysia continued to dominate intra-ASEAN trade, accounting for about half the total. Two-way trade between Singapore and Malaysia grew by 28 p.c. in 1988 to \$ 9.4 billion. Singapore's exports to Indonesia and Thailand also grew by a rapid 263 p.c. and 76 p.c. respectively in 1988.

Rapid growth in intra-ASEAN trade during the last few years has been accompanied by a phenomenal increase in intra-Asian direct foreign investment. The strong investment flows from Japan and the Asian NIEs to Southeast Asia are likely to reshape the regional structure of production over the next decade and sustain developing Asia's economic growth in the 1990s. Such investment is also likely to promote greater interdependence among the Asian economies and make the region a more cohesive entity in the world economy.

Traditionally, overseas investment by Asian companies was directed largely at the industrialized countries and focussed mainly on the acquisition of real estate, financial assets and distribution networks to gain larger market share. While these flows remain substantial, investments are now being made within the region based on the comparative advantages offered by the developing Asian economies. These investments differ from the region's traditional investment flows in several respects. First in terms of sectors, there is a growing emphasis on manufacturing. Second, in terms of destinations the developing and hitherto commodity-based economies of Southeast Asia have emerged as the prime recipients. Finally in terms of size of investors, a growing of small sized and medium sized enterprises are also involved.

These changes in the nature of investment flows in the region are to some extent a reflection of the changing cost structure in the Asian economies in recent years as exchange rates have been realigned and as wages and other costs have risen sharply in some of the countries. They are also indicative of the steady graduation of some industries in Japan and the NIEs to higher value-added and more technology intensive activities.

Overseas direct investment by Japan in 1988 grew by 41 per cent. The largest recipient of Japanese investment—40 p.c. of cumulative overseas Japanese investment at the end of 1988—Asia now ranks second along with Latin America at 17 p.c.

marginally ahead of Europe at 16 p.c. If Australia and New Zealand are included, the share of the Asia-Pacific region in total Japanese investment would rise to 22 p.c.

Japanese investment in Asia (excluding China because of a large single investment for oil exploration in 1987) grew by 73 p.c. and 45 p.c. in 1987 and 1988, respectively. The Philippines, Malaysia and Thailand had the largest increases in 1988, followed by Hong Kong and Singapore. Despite the low rate of growth in 1988, Indonesia has traditionally attracted Japanese investment and on a cumulative basis is the largest Asian recipient of such funds.

Although Japan has been the major driving force of intra-Asian investment, the NIEs in total foreign investment in four Southeast Asian countries in 1988 was only marginally below that for Japan. At the same time, while Japanese investment in these four Southeast Asian economies grew by 125 p.c. in 1988, commitments from the NIEs jumped 34 p.c. In 1988, Asian investors accounted for 64 per of the total foreign investment approved by the four developing Southeast Asian economies. This represents a combined commitment of over \$7.6 billion, triple the \$2.5 billion invested in 1987.

Among the NIEs, Hong Kong has been a pioneer in terms of outgoing investment. The 1970s was a significant relocation of the textile and garments industries, partly in search of cheaper operating sites and partly to circumvent quota restrictions in overseas markets.

Hong Kong is also the second largest source of investment in Indonesia and is among the top five sources for the Philippines and Thailand. In 1988 manufacturers from Hong Kong committed \$755 million in the four Southeast Asian economies up by 177 p.c. from 1987. However it must be noted that some of this investment originates from third countries (including overseas Chinese) who use Hong Kong as a channel for regional investments.

With its large current account surplus and hard-pressed by currency appreciation, sharp wage gains and higher costs, Taiwan has emerged as one of the fastest growing sources of foreign investment in the region. Its industrial investment in the four Southeast Asian countries amounted to over \$2 billion in 1988, up 469 p.c. from that in 1987.

Singapore and Korea are the late comers among Asian investment sources, largely because of government policy constraints. However, given the mounting pressure to upgrade domestic industry and an urgent need to expand their economies overseas investment by both Singapore and Korea—though still relatively small, is growing rapidly. In 1988, Singapore's manufacturing investment in its four Southeast Asian neighbours jumped by 355 p.c. while that of Korea increased over 10 times to \$329 million.

The rapid expansion of intra-Asian investment is likely to have a major impact on the pace of industrialization of the recipient countries. This is particularly so, because, aside from providing investment capital to the host countries many of the investments are in light industry which should have an impact on growth in a relatively short period and most are export-oriented operations, with the parent companies having access of overseas markets. Such investment will strengthen the export sectors of recipient that will and may be particularly important for large debtor nations like Indonesia and the Philippines. Furthermore, the labour-intensive and relative low-technology nature of these investments will offer more employment opportunities and be easier to assimilate by host countries. Moreover the investment will provide an economic link between Japan, the NIEs and Southeast Asian economies, fostering both vertical and horizontal industrial integration and enhancing the transition to higher value-added economic structures in both regions.

Laos is trying to change from publicly funded development by bringing in foreign investment. Through the 1988 law on foreign investment, foreign investment has been encouraged. According to government sources over 100 foreign investment contracts worth more than US \$200 million, many with Thai companies, have been approved.

The dramatic rise in intra-Asian trade and investment in recent years has stemmed from a variety of factors which are likely to continue having an influence in the early 1990s. Some of the more important factors are discussed in this section.

Exchange rate realignment which occurred in the latter half of the 1980s is perhaps the single most important reason behind the dramatic growth in intra-Asian trade. Broadly, while the currencies of Japan and subsequently the NIEs, excluding Hong Kong, have appreciated against the dollar following the Plaza Accords in 1985, those of the Southeast Asian countries have mostly moved in the opposite direction. For Japan, Korea and Taiwan the real effective exchange rate (REER) index was substantially higher in 1989 than in 1985 indicating that their currencies have appreciated in real terms. For most of Southeast Asian currencies, on the other hand, the REER index in 1989 stood well below the level in 1985. With appropriate lags and in conjunction with some of the other factors discussed below, these exchange rate realignments led to a rapid increase in exports from Southeast Asian economies to Japan and the NIEs.

Another major trend during the period has been the gradual shift of labour-intensive manufacturing activities from the more developed economies in Asia to the relatively less-developed. While this relocation of manufacturing started in the early part of 1980s, it has accelerated since 1986, when exchange realignments gave a significant push to the process. The sharp appreciation of the Japanese Yen in 1986-87 and the appreciation of the Korean won and the New Taiwan dollar (1987-88), combined with rising costs of land and labour greatly reduced the competitiveness of many traditional exports from Japan, Korea and Taiwan. This forced manufacturers of such export producers to look for ways to reduce costs and move part of their operations offshore to less expensive locations. Southeast Asia was the obvious choice because of proximity, well-developed infrastructure and substantially lower labour and other costs.

Since most of these economies lacked a strong domestic capital goods industry, the burst of investment, initially from Japan but thereafter from the NIEs, into the Southeast Asian economies was reflected in a sharp rise in imports of capital goods by the latter. As new plants have come up the need for imports of parts and components as well as intermediate goods has also risen. As domestic industry in the Southeast Asian economies develops, more capital and intermediate goods are likely to be sourced locally, but in the immediate future imports from the source country of the initial foreign investment are likely to show a strong increase.

At the same time, there has been an acceleration in the growth of exports from the Southeast Asian economies to Japan and NIEs. In the early years of manufacturing relocation companies from Japan, Korea and Taipei, China were inclined to shift offshore only a small part of their overall operations. More recently, with rising costs and exchange rate realignments which made entire industries unprofitable, the trend is toward phasing out certain lower-end consumer industries, such as footwear, plastic products, toys and some basic consumer electronic products. This will generate significant reverse trade flows from Southeast Asia to Japan and the NIEs. The 1980s have also seen substantial efforts towards economic deregulation and liberalization in the Asian countries. Although not necessarily for the same reasons, or to the same extent, China, India, Korea, Taiwan and the Southeast Asian economies have moved progressively toward deregulating their economies over this period. The liberalization of foreign trade, particularly imports deepens this overall economic deregulation. This in turn has provided a strong impetus to expansion of both trade and investment in these countries with growth generally being the highest in countries where the process of liberalization was the most advanced.

The rapid expansion of intra-Asian trade was also due to a partly perceived threat of growing protectionism in a unified EC market from 1992 onwards and the increasingly hardline attitude adopted by the US administration on "unfair trade practices". It has promoted efforts by many Asian economies to diversify trade in recent years. In addition, there is a realization that because of slower economic growth and the persistence of trade imbalances in the United States trade is to expand rapidly in future.

Check Your Progress 2

Fill in the blanks

- 1) Since the 1970s Thailand has gradually reduced its
- 2) is the only ASEAN country in which efforts to promote import substitution has gone up.
- 3) is the shortest route by sea for Lao exports.
- 4) A severe shortage of professional marks the financial systems of these countries.
- 5) Hyper inflationary tendencies have been more visible in and Vietnam.
- 6) and the Philippines have been the most heavily indebted countries.
- 7) of 1985 lead to currency realignments.

23.5 LET US SUM UP

Now let us conclude our study of Southeast Asian development experience. We have studied the diverse economic resources in the region. Countries applied different strategies which were consistent with their resource endowment pattern. In the early stages of economic development, self-reliant economic policies like import substitution were adopted. This was immediately after gaining independence from colonial rule. Later, the policy stance was changed. Export-led industrialisation took the place of import-substitution. Even the socialist countries like Vietnam and Laos have realised their past mistakes. There is a growing awareness about the virtues of Foreign Direct Investment. In the emerging Asia-Pacific growth scenario Southeast Asian development has considerable role to play. Already it is threatening to become the "Asian tigers" of growth.

23.6 KEY WORDS

Inflation	: A Phenomenon in which too much money chases too few goods —more commonly it is a situation of price rise.
Colonialism	: A stage in which a country is ruled by foreign powers.
Socialism	: A system in which means of production are in the hands of state. It favours equal opportunity for all.
Import	
Substitution	: A strategy in which a country exports only to pay for its imports.
Tariff	: A levy to protect domestic industry.
Primary	
Products	: These are natural resources like, natural rubber, tin, cocoa etc.
Balance of	
Payments	: It includes a country's imports and exports of goods along with capital movements.

23.7 SOME USEFUL BOOKS

Das, Parimal Kumar, 1987 : *The Troubled Region : Issues of Peace and Development in Southeast Asia*, Sage Publications, (New Delhi)

Asian Development Bank, 1971 : *Southeast Asia's Economy in the 1970s* (London : Longman).

D.G.E.Hall, *History of Southeast Asia*.

Lawrence Olson, 1970 : *Japan in Postwar Asia* (London : Pall Mall).

Lee Soo Ann (ed). 1973 : *New Direction in the International Relations of Southeast Asia*
(Economic Relations), (Singapore)

George L. Hicks and Geoffrey McNicholl, 1971 : *Trade and Growth in the Philippines :
An Open Dual Economy* (Ithaca: Cornell University Press)

23.8 ANSWERS TO CHECK YOUR PROGRESS EXERCISES

Check Your Progress 1

- 1) Malaysia, Indonesia, Philippines, Singapore and Thailand.
- 2) Shifting from colonial dependence upon primary product exports to an economy which has entrepreneurship, capital and labour skills and major growth promotion forces.
- 3) Indonesia & Philippines.
- 4) Thailand & Malaysia.
- 5) Japan.

Check Your Progress 2

- 1) Trade barriers
- 2) Malaysia
- 3) Vietnam
- 4) Banking
- 5) Laos
- 6) Indonesia
- 7) Plaza Accord

UNIT 24 PATTERNS OF POLITICAL DEVELOPMENT IN EAST AND SOUTHEAST ASIA

Structure

- 24.0 Objectives
- 24.1 Introduction
- 24.2 Democracy and Liberalism
- 24.3 Socialism and Revolutionary Politics
- 24.4 Authoritarian and Military Rule
- 24.5 Let Us Sum Up
- 24.6 Some Useful Books
- 24.7 Answers to Check Your Progress Exercises

24.0 OBJECTIVES

The unit discusses the political developments in East and South East Asia. After going through the unit you would be able to:

- understand the workings of the different political systems as prevailing now in the regions; and
- know which country is under which political system.

24.1 INTRODUCTION

World War II ended with the breaking up of empire and the world found itself with many "new states" and also new systems. Concept of democracy, socialism, authoritarianism emerged in new manifestations. Political development has proved to be a difficult yet exciting process in most of these newly emerging systems. The vast region comprising of East and South-east Asia too has undergone profound changes in the post-world War II period. Technological revolution has made deep impact on the countries. However, we must bear in mind the diversity of the history, social systems and cultures of the countries comprising this region. The political developments in this part of the world reflects this diversity. Nevertheless, we can still study the same under some general and broadbased headings, and classify these countries into a few general categories. If we look purely at economic developments we can classify them into the economically advanced nations and the economically less advanced nations. In the first category we have Japan, South Korea, Singapore for example and in the second China, Vietnam, North Korea, Burma, Cambodia, Laos etc. Here too there are some border line cases like Malaysia, Indonesia and Thailand.

As far as political development of this region is concerned, all these countries have attempted nation-building and state-building in a variety of ways. The degree of success which they have achieved has also varied with each country. In the following sections of this unit we will study political developments in East and South-east Asia under three broad headings viz. Democracy and Liberalism, Socialism and Revolutionary Politics and Authoritarianism and Military rule. This does not mean that political developments cannot be studied through any other method but for our purposes this seems to be the most apt as the region we are studying is vast and diverse.

24.2 DEMOCRACY AND LIBERALISM

In 1989 when major areas of Eastern Europe were going through a wave of political liberalization movements several nations in East and South-east Asia were immersed in their own transformations ostensibly towards democracy. The most dramatic of these occurred in 1986-88 in the Philippines and Korea, but throughout the region in the late 1980s the stirring of democratic forces was being felt. Rising middle class wealth was an important stimulus for these movements, even if in some cases, it merely strengthened democratic impulses that had begun much earlier.

This rise of nationalism and movements for independence in these countries both before and after World War II stirred debates about what form of government they should have. Often such concerns were overwhelmed by the struggle for political control. Once movements for independence had managed to prevail, factional rivalries and instability complicated early efforts to establish independent judicial structures and representative forms of government. The search for workable, stable forms of democracy resulted in compromises, modifications, and setbacks that in Western interpretations seemed as the "failure" of democratic reform. China and Japan were of course, viewed differently. While Japan, despite the chaos of World War II, remained a constitutional monarchy-cum-parliamentary democracy, China's government was a communist one. Both these countries showed a reasonable degree of political stability. Marxist scholars saw China and Japan as two extremes, socialist and capitalist, respectively, whereas non-Marxian observers called them authoritarian and democratic respectively.

In fact democracy was not the highest priority for most developing countries of the region. The fundamental concern was with economic and political stability backed by a sufficient base of power and authority. As a result, the outward forms of democracy, such as legislative bodies, did not necessarily reflect truly representative governments. Leaders often upheld their mandates to rule by promising social stability and rapid rates of economic growth even if their governments might not be called "democratic" or sensitive to human rights. By the late 1980s, however, a resurgence of democratic impulses revealed that so-called authoritarian control could no longer be rationalized merely on the basis of economic growth and stability. Those in influential professional class, whose access to news, ideas, and information from outside their national boundaries had made them less tolerant of authoritarian control. Leadership transitions of some sort or the other have begun in almost all these countries. The influence of on-going political, economic, demographic and cultural changes in the region will be clearly visible in the next century.

As has been said earlier political developments in Japan have confirmed that the western liberal model has suited that country. Japan's early post-war years passed under U.S. occupation but later Japan managed to maintain the western pattern of government which it had tried to develop since the Meiji Restoration of 1968. Japan has periodic elections, a representative legislative body (the Diet), a fairly independent judiciary, a free press and the state respects the fundamental rights of its citizens. Japan's one-party-dominant multi party system has sometimes come in for criticism, as to some people it implies a non-democratic, if not undemocratic, feature. However, on carefully studying the Japanese Liberal Democratic Party, one sees that actions within it make it look like an organized combination of diverse political groups. The LDP gets united during elections and to this party goes the credit of giving Japan political stability and massive economic success. However in 1993 the monopoly of the LDP has been broken and a coalition has come to power. Political stability in Japan has worked fairly well and in the foreseeable future no major change is visualized. Japan's emergence as an economic super-power in the world and the Japanese system's ability to provide a good standard of living to its people displays a harmony between the country's political and economic development.

About other economically advanced nations of East and South-east Asia we cannot say the same. Malaysia, is another country where the democratic experiment is considered successful to a great extent.

Deep ethnic divisions mark Malaysian society. Malays constitute 45 per cent of the population. Chinese are 35 per cent and Indians and other group comprise roughly 10

per cent each. The ethnic Chinese dominate the nation's commercial and professional spheres. The three major groups follow their own religious traditions. Occupation, race and religions are closely correlated in Malaysia. As a group, the Chinese are much better off than the Malays. This diversity and the pressures it places on the Malay population lie at the centre of Malaysian politics. Accommodation of diversity and the shunning of it are the two extremes in which Malaysian politics fluctuates. Malays (who are also Muslims) recognize that they lack a majority status and have to rely on strategies of compromise to achieve political dominance. Yet the identification of Islam with "Malayness" and the fact that Islam is interpreted as an entire way of life had made it difficult for them to accept the intrusion of the modern secular world or the customs of other ethnic groups in their midst. Further complicating the picture are the Malay traditions on which Islamic faith had been superimposed.

As elsewhere in the region, Japanese occupation during World War II had a deep effect on the economics and politics of Malaysia. Those who effectively held out against the Japanese invaders were primarily ethnic Chinese communists whereas Malays were less resistant to them. This fact served to heighten tension between the groups after the British returned to, what was then called Malaya, in 1945.

The attempts of the British to reorganize Malaya as a unified state abrogating the rights of sultans of separate states alarmed the Malays, who organized massive protests and then formed what was to become the dominant political party of the nation: The United Malays National Organization (UMNO). The British abandoned their original plans. In the succeeding years two other important political organizations were formed, the Malayan Chinese Association and the Malayan Indian Congress, both of which were ethnic parties. In 1952 the three parties teamed up to form the Alliance Party which after, holding talks with the British, got independence for Malaysia on August 31, 1957. This delicately balanced, multi-ethnic coalition was led by Tunku Abdul Rahman. The Alliance, as it came to be known, remained dominated by the Malay majority but it suffered a serious loss in the 1968 elections. Non-Malay groups fared well but it sent waves of fear among the Malays and this led to four days of communal riots that left two hundred people dead. This shocked the nation, a state of emergency was declared and a National Operations Council controlled by Malays, temporarily replaced Parliament. Parliamentary democracy was restored by 1971 when a broad coalition of Malays and Non-Malays reached an agreement that destabilizing issues, particularly those related to the political dominance of Malays, could no longer be questioned or raised in any way in the course of public debate. Malaysia returned to democracy with the understanding that democracy-Malaysia style, would hereafter be contained within strict guidelines of political discourse. Concern over potential instability and the strength of community is insurgency in the 1970s continued with the prospect that Vietnam might attempt to militarily dominate South-east Asia and this also impelled the diverse compromise and accommodation. When Dr. Mahathir Mohammed became Prime Minister in 1981 it seemed authoritarian politics would be the norm in Malaysia as he arrested critics and closed newspapers critical of his policies.

Since 1969 democracy has been sustained in Malaysia at the cost of significant curbs on political freedom, particularly those of the press. These limitations have been justified on the grounds that in a multi-ethnic society too much political discourse inflame passions leading to political violence. At the same time, we can see that politics in Malaysia since the 1969 crisis has been stable. Without allowing fully democratic condition, there has been a sense of broad political participation. General elections are held periodically, leadership succession continues under constitutional authority, and a significant political opposition is allowed to operate. In short, it is a resilient system which in spite of occasional convulsions and crisis has served the needs of a divided tense, multi-ethnic society.

The Philippines is an example of an authoritarian regime moving into a democratic one. The authoritarian trend began with Ferdinand Marcos coming to power in 1965. Marcos saw democracy as not only wasteful but licentious, as not only corrupt but paralyzing. He supported, what he called, "constitutional authoritarianism". In the midst of political trouble, Marcos proclaimed martial law in 1972. He moved rapidly to end all forms of dissent and opposition. After enjoying power for quite a few years by crushing his opponents the Marcos regime was finally toppled after he planned the assassination of his chief political opponent Senator Aquino, who had just landed at

Manila airport after a two-year exile in the United States. This event made Marcos immensely unpopular. Opposition began to coalesce around Aquino's widow Corazon, who became an outspoken advocate of democratic opposition to Marcos. Elections held in February 1986 saw Mrs. Aquino win by a slender margin. Since then democracy seems to be on a firm footing in the Philippines. In the 1991 elections Mrs. Aquino did not contest but supported her Defence Minister Fidel Ramos for presidency. The transitions to another leader has been rather smooth in the Philippines. Of course, the country faces enormous economic problems and it may be tough for the leadership to keep democratic institutions stable.

In East and South-east Asia the adoption of new democratic institutions must be measured against the special religious, ethnic and historical circumstances of each society. In spite of this a political transition of sorts is taking place in most countries. By 1991, Singapore has at last seen Lee Kuan Yew pass the premiership to a new generation, albeit under his wakeful eye. A healthy organized opposition had emerged in Malaysia. In Indonesia a strong opposition was not permitted during the country's preparations for parliamentary elections, but the government had begun to allow a more outspoken, younger generation of parliamentarians to emerge. The population of the Philippines, struggling under the weight of immense demographic and economic burdens, became increasingly skeptical and cynical about the competence of its government but was no less committed to democratic processes. Thailand though rocked by frequent coups, sees no viable future outside the framework of a civilian parliamentary government.

Check Your Progress 1

- 1) Fill in the blanks
 - a) Marxian Scholars have generally considered China and Japan as two extremes, and respectively.
 - b) Japan's dominant political party the lost power to a coalition in 1993.
 - c) Malaysia's multi-ethnic coalition called the was led by Tunken Abdul Rahman.

24.3 SOCIALISM AND REVOLUTIONARY POLITICS

The People's Republic of China, North Korea and Vietnam came under this category. These societies have one broad thing in common and this is they officially subscribe to Marxist-Leninist ideology and are ruled by communist parties. In 1989 while East European communism collapsed, these countries remained by and large, unaffected. Another common feature of these states is that their political history in the early post-war period has been dominant by a single person—a charismatic leader. Mao Zedong in China, Ho Chi Minh in Vietnam and Kim Il Sung in Korea have dominated their country's politics for several years. During the Cold War of the 1950's they were all allied to the erstwhile Soviet Union.

North Korea remained in relative isolation for a long period of time. Now the North Koreans recognize that extreme isolation would not protect it from global economic and political changes. After the Korean War, Kim Il Sung was able to eliminate his key political rivals and embarked on a policy of economic reorganization using the Stalinist model of farm collectivization and centralized economic management. Economic problems, however, were not overcome and North Korea had to make large purchases of plants and equipments from Western countries and Japan, to give its industries a boost. In the end, it defaulted on payments for these goods and remains today at least three billion dollars in debt to foreign countries. This has of course had no destabilizing effect on the regime. The discipline of the Communist Party of North Korea, the ideology of Marxism-Leninism and a coercive state apparatus along with Kim Il Sung's charisma have kept North Korea away from any major political turmoil.

Vietnam is another example of a socialist country which has had a stable political system since the end of the war in 1975. As is well-known Vietnam had earlier been

split into two—the North was with the communists led by Ho Chi Minh and the South was ruled by agents of the United States. The victory of the Vietnamese people over a mighty imperialist power is a major event in world history. This also led to the unification of Vietnam and from 1975 onwards the country is being ruled by a Communist Party. Early promises to maintain the capitalist economy in the South were quickly overlooked. The ethnic Chinese who dominated business in the South offered resistance to measures of control and the Party Politburo in Hanoi responded by tightening political control of the South.

Reunification posed major problems too for the country. The absorption of the capitalist south placed enormous strain on Vietnam's war-torn inadequate administrative structure. The Communist Party at its Fourth Congress in December 1976 adopted highly ambitious plans for industrialisation and socialization of the South's economy. Southern population kept feeling alienated and by 1978 tens of thousands left for other countries by boat. Soon Vietnam's relations with China strained over Cambodia and Vietnam got closer to the Soviet Union. At present though Vietnam is still suffering from economic problems but there seems no immediate threat to the government externally or internally.

China liberated itself from imperialism and feudalism in 1949 but political developments in this country have been most puzzling to observers. Roughly China's post-1949 political history can be divided into two periods, the Maoist (from 1949 to 1976-77) and the Dengist (1978-present). This division does not merely represent the rule of two different rulers, Mao Zedong and Deng Xiaoping, but also two distinct systems that is of revolutionary politics and of reforms. Although it is not correct to say that the entire so-called Maoist period was full of revolutionary upheaval because those opposed to Mao often succeeded in implementing their policies, yet every few years major political campaigns, directly or indirectly initiated by Mao Zedong himself, took place. Mao as a revolutionary and ideologue always feared that post-Liberation China would slide back to a non-revolutionary society if revolutionary politics is ignored and stress on economic development is pursued.

In 1956-57 a phase of liberal policies were promulgated which was put forth in the form of a slogan, "Let a Hundred Flowers Bloom, Let a Hundred Schools of Thought Contend". Intellectuals and non-members of the Communist Party were called upon to express their grievances, which they did. When the regime found that they had gone too far and their criticism went as far as condemning communism, a crackdown was ordered. This too took the form of a movement and was called the Anti-Rightists Campaign which ended in the persecution of a large number of critics—mostly intellectuals—of the regime. A year later the Great Leap Forward was launched by Mao. This was primarily an experiment with economics loaded with politics. You have read about it in the Block on China. The failure of GLF in terms of any economic benefits made Mao Zedong's position somewhat insecure and for a few years his opponents Liu Shaoqi and Deng Xiaoping had their way. The final crackdown of Chairman Mao on his rivals was the Cultural Revolution of 1966-76. This was a period of unprecedented political turmoil and violence at least in the initial stages. Maoists including Red Guards tore down the entire party structure at all levels—ministers, factories, universities, art and culture circles and so on. Officially this was proclaimed as remedy to rid China of the so-called bourgeois influences. This mass movement changed China completely. The most to be affected were intellectuals and party personnel not on Mao's side. Killings, torture, imprisonment had no legal sanction but was used at will. Many committed suicide or were driven to insanity as they could not bear the suffering and humiliation. Education suffered the most—for almost ten years schools and colleges did not function normally.

At Mao's death, this movement was contained. The new leadership which emerged after 1976 comprised of moderates of whom many had faced persecution under Mao. Deng Xiaoping himself was one but had not been physically liquidated. He returned to power and by 1978 was in full control. In December 1978 at the Third Plenum of the Communist Party's Eleventh Central Committee, a new set of guidelines were passed and adopted which have had far-reaching consequences. The Plenum, almost in one stroke abandoned Mao's economic ideas like moral incentives over material incentives for factory workers, commune system in the rural areas, complete socialization of all wealth etc. The new leadership supported privatization although this word was not used. In the countryside, it was called the production responsibility

system. This meant that land could be privately owned by families and the surplus produce could be sold in a free market with no governmental control. Of course taxes and revenue have to be paid to the state and the land was to remain state's property leased out to the individual peasants. Similarly, factories were under the control of managers and workers. The right to hire and fire was that of the factory's and government had no role in it. Profits were to be shared by the employees and the state was to receive taxes. In other words, material incentive to the worker was encouraged. Small individual enterprises were allowed to operate. People were officially encouraged to get rich. Foreign investments and collaboration with Western and Japanese business houses took place. Tiny "capitalist" areas called Special Economic Zones were set up. These SEZs are like little Hong Kongs. Such a drastic economic reform did begin to have effect on the politics of the country soon. Western influences brought a noticeable change in the life styles of urban Chinese. Newly acquired wealth gave this a further boost.

Alarmed and worried by the urban Chinese reception to western influences, the government launched a 'Campaign Against Spiritual Pollution' in 1982-83. Although it was not accompanied by any major purges in the Communist Party yet it was fairly widespread till the mid-1980's.

Among the major political developments in the people's Republic of China in the post-Mao period were the Democracy Wall Movement of 1979 and later the student demonstrations first in 1986-87 and then the massive student unrest of 1989 culminating in the Tiananmen Square Tragedy. The Democracy Wall Movement was essentially a reaction of intellectuals to the ten years persecution of the Cultural Revolution. Through posters and literature the protagonists of this movement were demanding justice and freedom. As long as this movement did not criticize Deng Ziaoping and the Communist Party, it was allowed to continue but when it did, the regime cracked down upon it and the movement was declared illegal.

The student demonstration of 1986-87 started off simply with resentment of students against hostel authorities in an institute in Shanghai. The grievances were directed upwards to the Municipal authorities and then to the Communist Party Central Committee itself. Eventually mass demonstrations took place in Shanghai and elsewhere which were curbed after sometime. The Chairman of the Communist Party, Hu Yaobang sympathized with the students demands and did not go along with the Party Politburo. He was removed from that position. His place was taken by Zhao Ziyang who had earlier been Premier. Though the movement of 1986-87 was crushed, it remained dormant. In 1989 after Hu Yaobang's death, it flared up again. Paying tribute to Hu, who had lost his job supporting the students became a big event, as their were demonstrations in several educational institutions demanding freedom and democracy. Finally all protesters gathered at Tiananmen Square, in the heart of Beijing, and refused to move until their demands, were met. Except for Zhao Ziyang no one in the top communist leadership came out to talk to them. Zhao eventually became a supporter of the students demands and met the similar fate as of Hu Yaobang. Hu Li Peng took over as the chief administrator and ordered the shooting down of demonstrators to clear Tiananmen. There are conflicting reports about the number of deaths which occurred in Beijing on June 4, 1989 due to army firing. However, one fact remains that it was violently suppressed. Students were forced to clear out of Tiananmen Square.

Although the government never showed any inclination to talk with students, their demands in the beginning were not lofty. They wanted elections at all levels and democratization of all organizations. Later the refusal of the government to talk to them made their demands rather unfulfilable. A multi-party system, a free press and an independent judiciary were part of their many demands which never could be formally put forward.

After the Tiananmen crackdown the authorities began a campaign against it, calling it a conspiracy of the United States to destabilize China and convert China into a polluted capitalist society. This bourgeois liberalization was unsuitable to China, the government and Communist Party declared. However, one fact cannot be denied is that the student led movement is a natural outcome of the policies of reform taken up by this government. Economic liberalization not accompanied by political liberalization is bound to create unbalances. Better economic conditions and influences from outside

make people aware of political rights and it is but natural that they will demand it. However, China did not go the East European way because the middle-class which is created by economic growth, is still too small in China to demand a wiping out of the authoritarian state. The students alone cannot bring social transformation. The Chinese government believes that it must uphold socialism at all costs.

Check Your Progress 2

Note : i) Use the space given below for your answer.

ii) Check your answer with that given at the end of the unit.

Tick Mark the right answer.

- 1) After World War II, along with China and Korea, the Country that espoused Marxism-Leninism was:
 - a) Japan
 - b) Vietnam
 - c) Singapore
- 2) Like Mao Zedong in China, the Charismatic North Korea leader is called
 - a) Kim Il Sung
 - b) Park Chung hee
 - c) Deng Xiaoping
- 3) The Third Plenum of the Chinese Communist Party's Eleventh Congress was held in
 - a) September 1976
 - b) December 1978
 - c) June 1989

24.4 AUTHORITARIAN AND MILITARY RULE

Indonesia, Thailand, Burma, Cambodia and Laos in different degrees and at different times have been under strict authoritarian systems with a military ruler at the top.

The Indonesian army differs from most other armies that have seized political power in that it had never previously regarded itself as a political organization. From the army's beginnings in 1945 as a guerrilla force to combat the return of Dutch colonial rule until the consolidation of its political power. Indonesian army officers have always concerned themselves with political issues and for most of the period played active and important role in politics. Having participated in the nationalist struggle against Dutch rule, most officers continued to feel that their voices should be heard in post-independence political affairs. After the imposition of martial law in 1957, their right to participate was given formal recognition through appointments to the cabinet, parliament and administration. During the Guided Democracy era, the army became one of the two major organized political forces, which with President Sukarno, dominated the politics of the period. Finally, army's drive against the PKI (the Indonesian Communists) in 1965 and its success in easing President Sukarno out of office left it as the dominant force in Indonesian politics. Military power has become institutionalized in Indonesia to a degree almost unparalleled elsewhere in the developing world. The vigilance of the country's security apparatus ensured that no significant revolutionary opposition to the government emerged. Undoubtedly, the country's good economic fortunes contributed greatly to social and political stability.

Thailand entered the twentieth century with an enlightened monarchy bent on forcing a modern state but the monarchy had always been averse to it, 1912 onwards military coups have been almost endemic in Thailand's political system. With the Japanese surrender at the end of World War II, a civilian coalition attempted to minimize the role of the military in politics but the result was highly unsatisfactory. Political bickerings and economic hardships led to eight cabinets and five different prime

ministers in a span of two years. This instability led to a military coup and by 1948, the constitution was abandoned and an army general became the premier. The final result was a "semidemocratic" government which has been subjected to innumerable coups ever since, most of them bloodless, as competing factions led by the military continue to rise and fall.

What would seem on the surface to have been a chaotic post war political development in Thailand was actually a process through which political forces remained in dynamic balance. An elected parliament was permitted to function even though the real centre of power was the executive branch, controlled by elite military and bureaucratic groups. A further stabilizing influence is the king who remains by far the most revered leadership figure in Thailand. By early 1990's King Bhumibol survived more than a score of prime ministers and thirty cabinets by staying above politics except in matters of extreme national crisis. In any event, a coup as late as 1991 signalled a continued dominant role for the military in Thailand, one that future civilian governments will ignore at their peril. Restoration of civilian rule in the 1992 elections is, however, an encouraging sign.

In Burma strongman Ne Win, seized political power in a military coup in 1962 and until an outbreak of popular protest in 1988, he held the country together through a loyal army and secret police. Ne Win officially retired in 1989 but remained in charge behind the scenes. The military government slaughtered many unarmed anti-government protesters in Rangoon during the 1988 demonstrations. A year of confrontation followed between civilians and the army in which thousands were killed. In retaliation the military rulers depopulated and razed entire neighbourhoods of Rangoon known to have supported the democracy movement, forcing the inhabitants to move to shanty towns rife with disease. In 1990, believing that the opposition has been rendered ineffective by the repression, the authorities permitted a showcase popular election. To their shock, a sufficient number of candidates within a broad opposition coalition were elected to lay the groundwork for a representative national assembly. This assembly was, however not permitted to come into existence. By 1991 most prominent opposition leaders had been jailed, most well-known among them is Aung San Sui Kyi (also Nobel Peace Prize Winner for 1991). Burma stands out in Asia for the toughness with which its authoritarian government acts to control opposition forces. Today the country is effectively held by an indigenous army of occupation recruited from impoverished rural areas.

Cambodia is still in an unstable political situation. However, this country too has faced the most severe of genocides of this country. The Khmer Rouge, which emerged victorious in 1975 at the end of the Vietnam war, indulged in the most gruesome of mass murder and repression of the civilian opposition. It is hoped that as a result of the peace talks and agreements Cambodia will have a more humane, if not fully democratic system.

Check Your Progress 3

Note : i) Use the space given below.

ii) Check your answer with that given at the end of the unit.

1) What was the kind of democracy Indonesia claimed to have?

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2) Name the Thai King who has stayed above politics and helped his country achieve smooth transition.

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- 3) Who is Burma's main fighter for democracy, also the 1991 Nobel Peace Prize Winner?

- 4) Name the politico-military entity of Cambodia which indulged in genocide while claiming to be communist.

24.5 LET US SUM UP

East and Southeast Asia is geographically, historically, culturally and economically a vast region and so it is impossible to generalize about them. The post-Cold War world is even more complex than the immediate post-war world. We have seen the massive variations from constitutional democracy like Japan to an oppressive authoritarian regime like that of Burma. Economic factors of course have played a crucial role in the political developments of each of these countries but it is by no means the only major factor. Experience with colonialism, internal traditions, participation of the elite in politics have all been important in determining the political developments in these countries. The next century will bring about new problems and new situations and each of these countries will have to handle them in their own ways. Japan's economic super-power status is already being challenged by the so-called gang of four viz. Taiwan, Singapore, Hong Kong and South Korea. If reforms in China do not create more political instability, that country may emerge as the Asian super power—both militarily and economically. New alignments and realignment of power blocks cannot be right away ruled out. Economic needs and environmental issues are calling for a more integrated and organized world system. On the other hand, nationalism and sub-nationalism are also on the increase. Imperialism in disguise continues to exist and there is an equal determination to fight it. The countries of East and Southeast Asia will be important determinants in this changing world scenario. Political developments in this region will, therefore be important to study, analyse and understand.

24.6 SOME USEFUL BOOKS

Richard Butwell, *South-East Asia : A Political Introduction*, New York Praeger, 1975.

Mark Borthwick, *Pacific Century*, Boulder : Westview Press, 1992.

24.7 ANSWERS TO CHECK YOUR PROGRESS EXERCISES

Check Your Progress 1

- a) Communist, Capitalist
- b) Liberal Democratic Party
- c) Alliance

Check Your Progress 2

- 1) B 2) A3) B

Check Your Progress 3

- 1) Guided Democracy
- 2) King Bhumibol
- 3) Aung San Sun Kyi
- 4) The Khmer Rouge

UNIT 25 ETHNICITY AND NATION BUILDING

Structure

- 25.0 Objectives
- 25.1 Introduction
- 25.2 Homeland Psychology
- 25.3 Politics of Intercommunal Relations
 - 25.3.1 Five Patterns of Communal Conflicts
- 25.4 Future of Ethnicity in Southeast Asia
 - 25.4.1 Class and Communal Factors
- 25.5 Prescriptions for Accommodating Ethnic Pluralism
- 25.6 Let Us Sum Up
- 25.7 Key Words
- 25.8 Some Useful Books
- 25.9 Answers to Check Your Progress Exercises

25.0 OBJECTIVES

In this Unit you will learn about ethnic politics in the various countries of Southeast Asia. After reading this you will be able to:

- understand the ethnic composition in these countries
- see how ethnic factors determine the politics of these countries
- explain what measures are being taken or are likely to be taken in the future to accommodate the various ethnic groups in the political configuration of these countries.

25.1 INTRODUCTION

The distribution of ethnic groups in Southeast Asia constitute to the region's single most important strategic factor. Other factors varying in importance according to specific location and time, do, of course interact with the ethnic factor. Thus the topographical, political, economic and transportation maps all contribute essential elements to our knowledge of the region. Nevertheless, the settlement pattern of distinct culture groups, as defined by the language and dialect map, is clearly the most critical of all tangible phenomena. The complex and asymmetrical nature of the ethnic map of Southeast Asia has a number of characteristics. Four of the Characteristics are as follows:

- 1) Each of the states contains a number of ethnic groups.
- 2) Numerical data on ethnic composition must be used only in conjunction with the ethnic map, because the traditional homelands of the ethnic minorities are often much larger and strategically more significant than the numbers would indicate.
- 3) Lending additional strategic significance to the territory of a number of ethnic minorities is the fact that, with very few exceptions, it is the minorities and not the state's dominant group that populate the border regions.
- 4) With few exceptions, the region's land borders bisect ethnic homelands.

25.2 HOMELAND PSYCHOLOGY

Comparative analysis establishes that people living within their ethnic homeland demonstrate substantially different behaviour than do those living outside. Those living

within the homeland, for example, manifest a much stronger ethnocentrism, which in turn, manifests itself in resistance to other cultures (including an unwillingness to marry outside the group or to learn a second, state-wide language) and in harbouring feelings of hostility towards other groups. But a far more consequential aspect of homeland behaviour has been the seemingly universal conviction of homeland peoples that they possess a primal and exclusive proprietary claim to that territory. As manifested in emotion-laden terms such as homeland, native land, or land of my fathers, territory becomes mixed in popular perceptions with notions of ancestry and family, that is to say, blood. Malays commonly refer to Malaysia as *tanah tumpah nua darah ku* (the land where my blood spills).

The emotional bond to home land flows from a perception of the latter as the geographical cradle of the ethnonational group. The perception need not and usually will not accord with historical fact. The homeland people consider the territory that they occupy theirs by historic right even if history records that their ancestors migrated to the territory, as in the case of Malaysian Malays and Sri Lankan Sinhalese. Homeland psychology is determined by perceptions or felt history rather than reality or recorded history. As a consequence of this sense of primal ownership, non-members of the ethnic group within the home land are viewed as aliens, even if they are compatriots. They may be tolerated, even treated equitably. Their stay may be multigenerational. But they are outsiders or settlers in the eyes of right to execute their primary and exclusive claim to the homeland whenever they desire. The "intruders" are usually migrants from an adjoining homeland, as is true of Bengalis who have been migrating for decades into nearby Assam. But Southeast Asia also contains several important clusters of people whose ancestral homeland is far distant from their country of settlement. The Tamils of Malaysia and Singapore and Han Chinese of Indonesia, Malaysia and the Philippines, and Singapore are examples. The Chinese position in Singapore is most unusual in that they are numerically and politically dominant, although the Malay minority is declared by the state's constitution to be homeland people. Act 152, Para 2, requires the government to recognize "the special position of the Malays," who are the indigenous people of Singapore. Recent official histories which insist that the island was practically uninhabited at the time of European exploration might be interpreted as an indirect, *ex post facto* effort to destroy the underlying rationale of Art. 152 and, in so doing, to deny the validity of any future claims, that might be raised at home or in the neighbouring states, in the name of a primal Malay claim to homeland.

In any case, it is evident that homeland psychology is a vibrant force within Southeast Asia. The bloody expulsion of Vietnamese from Cambodia under the Lon Nol government, the reported eradication of Cambodia's Chams under Pol Pot, the expulsion of Chinese from Vietnam during the late 1970s, the mass atrocities committed against Bengalis in Assam in 1950s and 1983, and periodic race riots with Chinese as targets are conspicuous illustrations of this phenomenon at work within the region. Numerous and often unreported incidents carried against an individual or a family who are members of an ethnic minority are less conspicuous manifestations. Policies tied to the notions of *bumiputra* or *pribumi* also draw their legitimacy from the ideal that homeland peoples, as "sons of the soil", have rights not enjoyed by strangers within their gates.

Check Your Progress 1

Note : i) Use the space below for your answer.

ii) Compare your answer with the one given at the end of this unit.

1) What is homeland psychology?

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25.3 POLITICS OF INTERCOMMUNAL RELATIONS

We shall attempt to identify some of the politically salient patterns of intercommunal relations in the contemporary postcolonial phase of Southeast Asia's history and analyze some of the problems these plural societies encounter as their elites attempt both to modernize and to create viable political systems. Relations, that is, the proportion and the quality of conflict and cooperation among two or more communal groups, depend on the following factors :

- 1) The relative resources at the disposition of each group. These resources are demographic—relative number; organizational—degree of mobilization and capacity to put resources to political uses; economic—control of finance, means of production or trade channels; technological—possession of modern skills, locational—control or influence over the instrumentalities of the state; and ideological—the normative basis for group objectives. In addition to these objective determinants of power the quality of intercommunal relations are:
- 2) The congruity or disparity in goals between those who control the state apparatus and the leaders of constituent groups. If the goals are the same, for example, assimilation, then whatever the relative resources, the outcome is likely to be consensual. If, however, the goals are incompatible, one group seeks assimilation while the other demands autonomy, the consequence will be tension and conflict and outcomes will be determined by the relative resources controlled by the parties. More likely, groups may agree on some issues (for example, criteria for citizenship) and disagree on other (national language) so that outcomes may be affected by bargaining.
- 3) This introduces a third determining factor, the conventions, rules, procedures, and structures, the institutions for conflict management. Without such institutions there can be no predictability in intergroup relations and no framework for channeling group demand or for regulating outcomes.

25.3.1 Five Patterns of Communal Conflicts

The first, and by far the most common and the most significant, is the **centre-periphery pattern**. One group, in this case a communal group or communal coalition—dominates the centre of the political system, the resources and the apparatus of state power, and exercises hegemonic control over other communal groups at the periphery of the system, the political centre need not be located at the geographic centre of the polity though this would clarify the metaphor. In Southeast Asia, however, the two tend to coincide, with the peripheral groups located at some geographic distance from the political centre. Their relative autonomy is thus affected by the ability of the centre to penetrate the areas they occupy with military forces and administrative services. The communal group that controls the centre need not represent a majority of the polity but is usually the largest constituent group.

The Burmans control the centre in Burma. Much of the history of that troubled country since achieving independence in 1948 has resulted from the inability of the Burman political and cultural elites at the centre and peripheral peoples—Shans, Karens, Kachins, Arakanese, and Mons—to agree on terms of coexistence. Though the constitution provides for federal institutions to protect the positions of the minorities, the centre generally has promoted “national unity” while the peripheral groups have claimed greater autonomy. In neighbouring Thailand, the peripheral groups are a larger proportion of the population than in Burma, but they are less effectively

mobilized. The Thai government's approach to these groups—Malay Muslims in its four southern provinces bordering Malaysia, Meo, Yao and other hill tribes in the north, the large Thai-Lao group in the depressed northeast and the Vietnamese enclave bordering Laos—has until recently been one of neglect, rather than enforced assimilation, since the existence of these outlying peoples had not been considered a threat to the security of the state. The Indochina war and certain other international developments in the region have now altered the perception of the Thai central government towards the peripheral peoples, and the government has improvised several measures for coping with the unwelcome expressions of minority discontent. None of them is designed to encourage effective participation by any of these groups in the political system.

The Indochina states have not enjoyed sufficient peace since their formal independence in 1954 to sort out their ethnic problems. The peripheral peoples located in the mountain cordillera of Indochina occupy more than two thirds of its territory. Moving freely, often in disregard of formal state boundaries, they have been an important factor in these civil wars. The Hanoi regime in Vietnam, profiting from Soviet minority doctrine and practice, has taken great pains to promote the dignity of the tribal peoples, to foster their language and culture, and thus to win their allegiance to the regime.

From their densely populated heartland, the Javanese occupy the geographic and political centre in Indonesia. An important dimension of the politics of independent Indonesia has been the struggle of the non-Javanese minorities, particularly the Sundanese in Java, the Achinese, Batak, Minangkabau and coastal Malays in Sumatra, Makassarees and Buginese in Sulawesi, and coastal Malay in Kalimantan, to resist Javanese hegemony and maintain their autonomy. The outer islands tend to be more richly endowed with natural resources, more productive economically and, allowing for every considerable linguistic and cultural diversity, more oriented to Islamic values and practices than Java. On the other hand, the Javanese dominate the overblown administrative systems and armed forces. Indonesia has oscillated between unitary and federal constitutions and has suffered major rebellions by outer islanders against alleged political domination and economic exploitation by the Javanese. The Sukarno policy of encouraging "transmigration", to help relieve the overpopulation of Java by government sponsored settlement of ethnic Javanese in the sparsely populated outer islands, was bitterly resented and resisted as Javanese colonialism.

The Javanese have not attempted to impose their language or customs on their compatriots. They have accepted a version of Malay, spoken as the natives language only by the Malay and Minangkabau minorities, as Bahasa Indonesia, the national lingua franca and official language of government and administration. Bahasa Indonesia seems to have been accepted both practically and symbolically by all Indonesian ethnic groups and along with the nationalist ideology and the Indonesian national army, has been the chief unifying force in this large heterogeneous country. The military leadership under General Suharto is aware of the importance of restraining Javanese hegemony by providing non-Javanese with some military, political and administrative posts in the Jakarta government and guaranteeing them a measure of economic and administrative autonomy.

The elites in the centre, in all the politics that we reviewed above, fondly hope that the peripheral groups will gradually acculturate and one day assimilate into the dominant society. In this way the troublesome pluralism that afflicts their politics would eventually—and sooner the better—be liquidated. Most of the peripheral peoples, however, have little enthusiasm for rapid acculturation and none whatever for disappearance through assimilation. Because the latter occupy large and often strategically important territories, the central governments have been compelled—albeit—reluctantly to accept the persistence of the peripheral people and to seek appropriate accommodations. The pattern of demands depends on the degree of mobilization of the peripheral groups. Their elementary demand is for territorial and cultural autonomy and freedom from colonization of their lands by the dominant group. At a more mobilized stage, they demand also a fair share of political representation and positions in the central government, public services and public investments on behalf of their economic and social aspirations, and even the right to control the foreign exchange proceeds of their economic activities. The terms of accommodation depend on the ability of the peripheral groups to compel the centre to

take their demands seriously and of the centre to accept the unwelcome necessity for autonomy and other special treatment of peripheral peoples as compatible with their conceptions of the national polity.

The second pattern of interethnic politics involves the role of the pariah entrepreneurial minorities. Except for the Vietnamese minority in Cambodia and dwindling Indian community in Burma, this refers to overseas Chinese minority. In every Southeast Asian country there is an important and conspicuous Chinese minority which has a leading and often the dominant position in wholesale and retail distribution, finance, small industry, transport and skilled trades. Independence in Southeast Asia has generated political and cultural nationalism.

This has led in every case to economic nationalism and the most vulnerable target has been the Chinese. Except in Malaysia and Singapore, where this pattern does not apply, the post-World War II period in Southeast Asia has been one of insecurity and harassment for the overseas Chinese. They have been charged with disloyalty, as agents of foreign (both Kuomintang and Communist) expansion and subversion; they have been denied citizenship in some countries, declined to accept it in some, and hold it on precarious and often second class terms in others. Their schools and cultural institutions have been harassed and frequently closed; they have been forced, at least legally, out of certain occupations and even certain geographic areas; some have returned to Taiwan and to mainland China. Yet despite official hostility and persecution, the overseas Chinese have demonstrated enormous resilience, resourcefulness and survival power, due, in large measure, to the inability of indigenous businessmen and governments to take over the crucial economic roles as middlemen, skilled tradesmen, and small scale producers while the Chinese perform effectively and profitably. Each Southeast Asian government has improvised its own policies toward resident Chinese and has varied its policies over time. To simplify a complex reality, they approached the problem as follows:

Assimilation, encouraging Chinese to accept local citizenship, use the local language, espouse the local religion, intermarry—merge their identity into the dominant group. For generations many Chinese in the region have chosen this path voluntarily, so that today many of them are fully integrated Cambodians, Filipinos, Thais, or Javanese. With assimilation—a policy being pursued actively by current Thai government and encouraged by Indonesia—Chinese would be expected to give up their descendents would gain personal security and their economic skills would be available to the indigenous society. The outcome would not be pluralism but the disappearance of the Chinese as a separate group. **Pariah Status**—Under this pattern, Chinese are excluded from political rights, tolerated in a limited range of occupations and subjected to petty extortions and payments for protection and services by police and other civil servants and to shakedowns by local politicians and military officers. Their schools and cultural institutions lead a shadowy and insecure existence. They are either denied citizenship, or the opportunity to acquire it is fraught with complexity, or the right, once granted, may be insecure and subject to second class treatment. Yet despite humiliation and oppression, Chinese continue to prosper economically, to enjoy significantly higher living standards than indigenous peoples, and very few opt to migrate to China. They choose to suffer pariah status as the price for higher living standards than they could expect elsewhere, hoping that conditions may improve as the early phases of nationalism recedes in their adopted countries. **Capitulation**—A symbiosis between men of power and men of money. Many of the ruling elites in Southeast Asia, including but not limited to the Generals in Thailand and Indonesia, find wealthy and commercially sophisticated Chinese to be useful partners in business ventures ranging from marketing of Sumatran rubber to building hotels in Bangkok. In this way, enterprising Chinese, profiting from such opportunities, can enrich themselves, distribute jobs and contracts to their families and friends, and intercede with their powerful local patrons to protect Chinese interests.

The hostility and envy of Southeast Asian intellectuals and politicians and the vulnerability of Chinese to xenophobic attacks have been matched by the ambivalence of Chinese themselves toward the status they desire in Southeast Asia. It appears that most of them, having been born in Southeast Asia, no longer look forward to “returning” to China they have never seen. Unlike the Kuomintang regime which claimed all ethnic overseas Chinese as subjects, the Beijing government has advised Chinese in Southeast Asia to identify with and integrate into their country of

residence. But on what terms? It appears that Nanyang (overseas) Chinese would prefer a plural outcome with full citizenship privileges and unrestricted economic opportunities, but with the right to maintain their educational and cultural institutions and thus preserve their separate group identity. This is precisely what Southeast Asian governments are not willing to concede. At best they seem willing to permit, even encourage, Chinese to assimilate completely, as in Thailand, at the sacrifice of their continuity as a separate people. At worst, they expect that the Chinese will depart or remain a closely supervised foreign enclave. Thus, the outcome will reflect not only what native elites are willing to grant, but what Chinese in Southeast Asia are willing to accept, and both will be influenced by the pace at which indigenous entrepreneurs and skilled personnel can displace the Chinese from their current economic roles and to reduce the indispensability of the latter to the operation of Southeast Asian economies.

The third pattern of communal politics in Southeast Asia is **balanced pluralism**—a set of arrangements which recognizes the salience of communal cleavages and legitimizes communally based social structure and political activity as essential to peaceful and consensual coexistence. The classical case is Malaysia. These communal cleavages define and dominate the political struggle. The major conflict group are the Malays who comprise nearly half the population and the Chinese whose numbers protect them from the pariah status of their coethnics elsewhere in Southeast Asia. The country has been governed since before its independence in 1957 by a multi-ethnic elite coalition (the Alliance party) controlled by moderate English-educated Malay aristocrats and Chinese capitalists, with representatives of the smaller Indian minority also participating. The incorporation of the Borneo states of Sabah and Sarawak in 1963 to form Malaysia has not fundamentally changed this political structure. Malays are politically dominant, controlling the national parliament the cabinet, the sector civil service, most state governments, and the expressive symbols of the polity. Non-Malays, however, enjoy the rights of citizenship, office holding and political participation, but may not bid for political control. On the other hand, Chinese dominate those sectors of the modern economy—finance, industry, trade and the professions—which are no longer controlled by Europeans. Though there are many poor Chinese, they are better off than many Malays.

While they recognize that they are better off than their brethren elsewhere in Southeast Asia, Singapore excepted, Malayan-Chinese resent their second class citizenship, the establishment of Malay as the sole official language, and educational measures which they regard as economically discriminatory pose a threat to the maintenance of Chinese culture. Such feelings obviously create stress and strain within the Alliance Party. Despite such strains as those which led to the post-election communal riots in the Kuala Lumpur area in 1969, a modified Alliance structure has survived because it seems to be essential to legitimate government, alternative being a destabilizing and potentially oppressive one-race regime. The basic reality in Malaysia is plural and this is reflected in its religious, cultural, residential, occupational and political structures. Seldom have two peoples been so divided by ethnicity, religion and life-styles been fated to coexist in the same territory, yet so intermingled that regional autonomy is not available as a device for conflict management. Despite chronic strains, occasional breakdown, continuing grievances both among Malays and Chinese, and the failure as yet to incorporate the indigenous groups in East Malaysia, the Alliance coalition has provided this plural society with a stable government. In this mutual deterrence situation where each party is capable of inflicting unacceptable damage on the other, the Alliance or its functional equivalent appears to be the *sine qua non* for the peaceful maintenance of the system.

Another pattern of balanced pluralism can be found in the Philippines. The Christian Philippines contain eight major ethno-linguistic groups, the largest of which comprises less than a quarter of the population. These regionally based groups have proved to be effective articulators of group interests. The failure of Tagalog to be accepted as the national language can be traced to the opposition by the other seven non-Tagalog groups. The failure of the Huks in the middle 1950s to extend their insurrection beyond the Papango-speaking areas in Central Luzon has been traced as much to the unwillingness of non-Papango-speakers to become involved as to the effectiveness of Magsaysay's counterinsurgency efforts. Yet among Christian Filipinos, ethnic cleavages are not as critical and ethnic solidarities do not constitute the same burden

on the polity that they do in other Southeast Asian countries. There is a strong sense of national identity, class cleavages are frequently more pronounced, and the presence of as many as eight groups prevents any one of them, including the Manila-based Tagalogs, from achieving hegemony over the other. The Filipinos have learnt how to manage the ethnic competition among their Christian populations, who comprise 92 per cent of the total. This balanced pluralism, however, has not incorporated the small but geographically concentrated Muslim minority.

A fourth and less pervasive, but nevertheless important pattern in Southeast Asia is epitomized by the irredentist struggle for the Philippine Muslims who occupy Western Mindance and the Sulu Archipelago adjacent to the Muslim-dominated Malaysian state of Sabah and Indonesian Borneo. Despite efforts to provide their elites with political patronage and to extend a modicum of public services, the Muslims, comprising only 4 per cent of the population, have never been successfully integrated into the Filipino polity. Their alienation has been aggravated by government sponsored migration of thousands of Christian settlers into Western Mindanco, encroaching on areas which the Muslims had traditionally regarded as their own, even though they had never secured firm titles to these lands. At the moment, a well-organized separatist movement exists in Muslim Mindanco which is a fostering wound for the government in Manila. There are other minor irredentist situations in the complex distribution of peoples in Southeast Asia. Among them are the Malay Muslims in the four southern provinces of Thailand bordering Malay, Cambodian minorities in Thailand and especially in Vietnam and the Thai-speaking Shans in Burma.

A fifth occurs in Singapore and it is a special case. Of its 2.75 million people, 75 per cent are ethnic Chinese, 15 per cent Malays, the balance Indians, Eurasians and Europeans. This Chinese enclave must establish its security in a region dominated by Malay peoples who are deeply suspicious of foreign penetration into their part of the world and envious of Chinese economic dynamism and prosperity. Thus the policy of the Singapore government is to underplay the Chinese theme. The national language is Malay, symbolic gesture to the region. Four languages, Mandarin, Tamil, Malay and English, enjoy official status in government and education through the secondary level. But the deeper reality in Singapore is the paramountcy of the English language. The architects of the "rugged society" conceive of Singapore as the cosmopolitan and technologically sophisticated centre of finance, trade and industry in Southeast Asia. This requires, in their view that the international language of finance and high technology have precedence in Singapore's educational, economic, professional, and governmental institutions. While at the symbolic and cultural levels, Asian languages are fostered, English is the key to personal opportunity. The Malay minority, however, is frustrated in a Chinese-dominated, English-speaking society, but their capacity to act is limited by their economic marginality and small numbers and the disinclination of the Malaysian and Indonesian governments to intervene on their behalf. An important long range issue is whether a prosperous and self-confident Chinese majority will remain indefinitely in the low-profile policy of the present government which de-emphasized the Chinese dimension of Singapore life in deference to the suspicions of its neighbours. Already there are trends in Singapore government's policy toward the language issue under which there is a strong emphasis on promotion of Mandarin as a language for the Chinese population and a very subtle propagation of the country's Chinese identity.

Check Your Progress 2

Note : Tick-mark the correct answer.

- 1) Shams, Koreans and Kachins are ethnic groups in
 - a) Cambodia
 - b) Thailand
 - c) Burma
- 2) Since the Second World overseas Chinese have faced insecurity and harassment everywhere in Southeast Asia except;
 - a) Laos and Cambodia

- b) Thailand and Indonesia
- c) Malaysia and Singapore

25.4 FUTURE OF ETHNICITY IN SOUTHEAST ASIA

The present territorial states in Southeast Asia will survive without important boundary changes. Despite the breakdown of the Soviet Union as well as division of Yugoslavia in Eastern Europe, the institutional pressures of the international state system are geared more toward the maintenance of the territorial status quo. The end of the cold war reduces the prospects of major international conflict in the area. Elsewhere, the present boundaries of territorial states are likely to hold firm, the chief pressure being Muslim dissidence in the Southern Philippines. This stability will provide opportunities for elites to continue the process of consolidating control over their "national" territories and peoples. The relative power of centre over peripheries is likely to grow further. This is the inevitable consequence of economic and administrative developments and is abetted by current international practice which distributes economic, technical, and military assistance exclusively through central governments and requires foreign investors and traders to negotiate terms of business with central government agencies. The centres in Southeast Asia will further try to penetrate their peripheries with instruments of control and public service and that the domestic economies of these countries will become increasingly integrated. Because of their antipathies, it is unlikely that the peripheral peoples will be able to sustain common fronts against expanding central power, augmenting the latter's relative strength.

There will be countervailing influences, however. With modernization some peripheral groups will mobilize more effectively and gain economic resources which should strengthen their bargaining power. Since a few of the ethnic minorities in the centre-periphery states desire assimilation into the dominant groups, the issues to be sorted out are the terms of their incorporation into the polity and economy. The terms that are worked out will depend on the relative resources available to the parties and their differential aspirations. Within the same country, therefore, the status of communal groups which are regarded as indigenous may vary greatly. In Indonesia, the more sophisticated peripheral peoples in Sumatra or in Aceh have sufficient resources to make credible claims for a degree of administrative and economic autonomy and still demand resources—jobs, representation and public services from the Javanese centre. At the other extreme, the weak and divided peoples of West Irian or for that matter the East Timorese where the Indonesians have forcibly imposed their rule, will be forced to accept the status of dependency with only geographic remoteness and inaccessibility to protect them. In Thailand, the northern hill tribes have so few resources in relation to the central government and the latter has so little interest in them, that with the end of the Indochina war and less prospect of external intervention on their behalf, mutually agreeable arrangements of benign neglect will probably result in their becoming even more insignificant, whereas the group in the northeast will certainly demand and in fact is already receiving far more in benefits from the Bangkok government than in the past, but it is not clear whether they will claim greater regional autonomy or accept gradual assimilation and integration into the Thai political and administrative system, which is certainly what the Thai government prefers. The peripheral minorities in Burma have continued to maintain their standard of revolt against the central government in Rangoon which is now under the control of a very oppressive and authoritarian military dictatorship and which has violated all international norms in denying to its people democratic rights and has so far refused to abide by the verdict of the people to let them form an elected government. Once the democracy movement in the country succeeds in overthrowing the autocratic military government and in restoring democracy, there is likelihood that the peripheral minorities will get a better deal from the centre.

Unless they are to be determined by pure imposition or by warfare, the successful management of centre-periphery conflicts requires institutional structure for bargaining for the assertion and resolution of demands. The practice of managing intercommunal relations through normal administrative channels symbolizes neglect by the centre of the claims for distinctive status and the special problems of the peripheral peoples, to

organize politically, or in extremes, to mount insurgencies in order to enhance their negotiating position. In their aspiration for national unity, those in control of the centre prefer to treat all their subjects as individuals following the methods and the criteria used in relating government to the populace within the dominant community. This, however, is seldom satisfactory to the peripheral peoples consensual arrangement which requires the establishment of formal or informal institutions for regulating communal relations, thus legitimizing pluralism. These institutions as a minimum, provide some channels for the articulation and processing of communal interests. Concretely, they may include communal parties, political parties, elite coalitions, central government ministries, federal arrangements, or regional units specially concerned with the management of communal differences. Such structures can be expected to increase as central governments in Southeast Asia, in their political development, become reconciled to the plural reality of their societies.

One may expect that the emerging generation of Chinese-born in Southeast Asia will opt in the coming years in growing numbers for assimilation through deculturation and intermarriage. Painful as it may be to their parents, many of them will follow this path, simply because a satisfactory and rewarding Chinese way of life will not be possible in Southeast Asia. There will be no salvation from China, and a more attractive personal alternative will be available. Cultural memories and practices will survive vestigially and so will valuable local and international links, but the solidarity structures which give vitality to Chinese as a community will wither away. The success of this policy in Thailand and Cambodia will induce elites in other countries—Indonesia and perhaps even the Philippines—to adopt this approach as it promises to “solve” their Chinese problem. It will be increasingly appealing to local Chinese in the absence of opportunities for personal fulfillment or group survival on equal or even dignified terms. The most difficult problem will be encountered in the strongly Islamic areas of Indonesia where popular hostility to the Chinese is most intense and the pork-eating Chinese find Islam unattractive way of life.

In the two systems which have legitimized pluralism, opposite developments can be anticipated. The Philippines will have no serious problem managing the pluralism among their eight Christian ethnic communities because none of them is a serious threat to the status or survival of the others. Earlier pressure to impose the Tagalog language has been abandoned. The system is sensitive to the needs to distribute benefits with some degree of equity among constituent groups, and a strong integrative national sentiment has emerged. It is even possible that in the Philippine system, class will supplant ethnic cleavage as the main dimension of conflict. Malaysia, by contrast, will see not a relaxation but an intensification of the bipolar tensions between Malays and Chinese. The present generation of politicians, especially among the Malays, is more strident than accommodative in its communal demands. Malays will continue to use their control of government to enforce the Malay language policy and to push for continued increased Malay participation in education and in the modern economy, while denying the non-Malays the weight in government that their numbers warrant and even the legal right to argue for a “Malaysian Malaysia”. Embittered Chinese will be divided between those who favour military and those who favour accommodative tactics within the present system, and those who would resort to revolutionary action. Chinese will be forced to defective tactics to protect their educational and economic advantages, with little hope of realizing their aspirations for political parity. A recurrent theme in the literature on structural pluralism is the inevitability of stratification, of one communal group emerging in a dominant position. Malaysia is a concrete test of this prediction or, alternatively, of whether balanced pluralism can be sustained in a polity which was originally organized on that premise.

25.4.1 Class and Communal Factors

The Southeast Asian region is not without its class conflicts; Vietnamese, Chinese, Thai, Malays, Christian Filipinos, in rural as well as in urban areas, class tensions are growing and are eroding the patron-client lines of responsibility and deference which once integrated these societies. Every indicator points to the intensification of class conflicts in these societies. With few exceptions such as Singapore, there will probably be insufficient resources to mitigate conflicts in the European and North American

consumption, welfare-state pattern. Yet there is no evidence in any of these politics that class solidarities within structures have effectively cross-cut communal cleavages where the latter retain their salience or have in any measure reduced their intensity. At all strata individuals transact for mutual advantage across communal lines. Though often quite civil, these are nevertheless, calculated dealings. They seldom develop an effective element and they have not evolved into solidarity structures which effectively challenge the pull of communal loyalties. It would be easier to demonstrate that class conflicts can be diverted into communal hostility and violence than that ethnic conflict can be transmuted into class struggle, except where class and communal cleavages coincide. Even in the latter situation (for example, Malays in Singapore) the struggle is likely to be articulated in communal, not in class language, because the former draws on deeper layers of identity and consciousness than the latter. Contrary to earlier expectations, urbanization, which has been regarded as a modernizing phenomenon in which traditional, particularistic, communal loyalties become irrelevant, is having the opposite effect. Rapid urbanization tends to aggravate communal antagonisms quartered competition for scarce resources—jobs, housing, educational opportunities and political influence.

25.5 PRESCRIPTIONS FOR ACCOMMODATING ETHNIC PLURALISM

Southeast Asia will be a theatre both of class and of communal conflict for many years to come. Class conflict will intensify within the more modern, differentiated communal groups, but in all likelihood it will not cross-cut or supplant the other. Though some of the hundreds of small ethnic groups may merge into more viable communal formations, most of the larger ones will retain their boundaries. Pluralism in Southeast Asia's territorial states will persist and will continue to generate important, if unwelcome, issues on the agenda of political elites. In the meantime, for integrating the peripheral minorities into the national mainstream of their politics, the Southeast Asian governments may adopt the following prescriptions. The seven prescriptions are drawn from actual experiences of states and are offered as guidelines for governments which wish to peacefully accommodate ethnic heterogeneity.

- 1) Decentralize decision-making, particularly with regard to such matters as education, language, religion, which are most apt to effect ethnic sensibilities. Nominal autonomy as practised under the 1947 Burmese constitution, will not work. Even a substantive policy of cultural pluralism, if directed from the centre, may not provide sufficient immunity against secessionist sentiment, as attested to by the histories of Belgium and Canada.
- 2) In general, representatives of the central authorities should maintain as low a profile as possible.
- 3) Staff local law enforcement agencies (particularly at the "Street level") with members of the group indigenous to the locale. Otherwise, perceptions of police brutality and discrimination are apt to fuel ethno-national hostility.
- 4) Avoid creating an administrative unit that approximates an ethnic homeland or that is larger than the homeland but leaves a particular ethno-national group clearly dominant (as in the case of the former Nigerian province of Biafra). In either case, there is a strong probability that the administrative unit becomes an emotional focus for separatist sentiment.
- 5) Draw administrative borders so as to subdivide significant ethnonational people into several administrative units within each of which they are dominant. This division will give rise over time to several sets of administrative elites whose status would be threatened by any movement, secessionist or otherwise, involving the entire ethno-national group. These administrative units should be endowed with sufficient powers to give the elites a vested interest in the survival of their particular unit. Switzerland offers one successful model.

- 6) Avoid policies that encourage immigration of outsiders into traditional ethnic homelands. As noted, a homeland is more than a territory in the perceptions of the indigenous group. Indigenous people believe that they have a unique and exclusive proprietary right to their homeland and a significant intrusion by non-indigenes typically gives rise to hostility. The transmigration policy of the Indonesian government is likely to reap a harvest of bitterness.
- 7) Grant any important concessions to autonomy simultaneously to all roughly equivalent ethno-national groups. Ethno-national groups are extremely sensitive to perceptions of unequal treatment, and concessions made to one group trigger expectations by others.

The omission of two other commonly employed techniques for amelioration of ethnic discord needs some explanation : a) the co-optation of ethnic leaders by appointing them to offices in the central apparatus, and b) the "buying off" of ethnic groups through the economic development of their region. The efficiency of both strategies has been exaggerated and proved to be ineffective in many cases. In the case of co-optation, appointing leaders of important ethnic groups to positions of high visibility and prestige is a common play of governments, but, unless accompanied by real concessions to the group's ethno-national aspirations, the tactics is unlikely to succeed and may be counter-productive. Total exclusion of a national minority from office will almost certainly increase secessionist sentiments but a policy of co-optation will boomerang if the members of the group interpret appointments as the tossing of scraps. Indira Gandhi's appointment of Zail Singh to India's Presidency for instance, was followed by more militant actions in the name of an independent Khalistan. Co-optation may also lead to charges that ethnic leaders have been "sold out", and therefore give rise to a more militant leadership.

The tendency to stress economic inequality as the basis for ethnic unrest is widespread and is most commonly described as "the theory of relative economic deprivation". While flagrant economic inequality is often used by ethno-national leaders to fan separatist passions, even the awarding of special economic privileges to a minority is not likely to quell its political aspirations. Moreover, governments should realize that popular perceptions of a group's economic situation are far more significant than its actual situation. The Sikhs in India is one example. While governments should therefore try to correct marked inequalities among groups, they should not expect economic formulae in themselves to nullify autonomist and separatist sentiments. Ethnic resentments is more intrinsically a product of perceived, political deprivation than of relative economic deprivation.

The granting of autonomy would not guarantee political stability, of course. Autonomy is a term covering a broad spectrum of devolution from very limited home rule to near independence. As such there remains ample opportunity for misunderstanding and bad faith even after agreement on autonomy has been reached. Moreover, even a very generous measure of autonomy is not apt to satisfy the more determined **independistas**. What we can say is: a) that in most instances a large majority of an ethnic, politically non-dominant group desires, and is willing to settle for, some degree of autonomy and b) that the granting of meaningful autonomy will undermine popular support for militant separatists. Beyond this, the fact that autonomy agreement will not create a stable, fixed-for-all time division of authority between the government and non-dominant ethnic elements. As in Switzerland (one of the most successful states in managing ethnic competition peacefully), the balancing of authority will be a dynamic process, subject to continuous redefinition in the face of new problems and new demands. But again this imperfect prospect would appear more consonant with the self-interest of governing elites than would the most stable hegemony coercively maintained over hostile, non-cooperative peoples.

Check Your Progress 3

Note : i) Use the space below for your answer.

ii) Compare your answer with the one given at the end of the Unit.

- 1) Mention any three prescriptions which could help accommodate various ethnic groups politically.

25.6 LET US SUM UP

Each of the states of Southeast Asia comprise of a number of ethnic groups. More importantly the border areas of most of these countries are largely inhabited by their ethnic minorities and hence they become a crucial factor in the strategic interests of these nations. Since homeland psychology is a very vibrant force in Southeast Asia, it does have a bearing on the politics of inter-communal relations. The patterns of ethnopolitics which have emerged in each of these countries is determined by its history, level of economic development and policies of the rulers. Ethnic conflicts have manifested themselves from mild form like demands by a group to severe risks disturbing the normal lives of citizens. Each state has taken a unique path to solve its ethnic problems and this has varied from indifference towards a not-significant minority to active efforts to co-opt them into the mainstream politics of the concerned state. Economic well-being and rapid development by themselves do not eliminate ethnic conflicts although the root of most conflicts lies in various groups claims on scarce resources. Similarly autonomy too may not bring ethnic groups together. A combination of various measures taken dispassionately and on the basis of a wide consensus may go a long way in keeping ethnopolitics within bounds and this is absolutely essential for stability and harmony which all Southeast Asian countries need for a balanced development.

25.7 KEY WORDS

- Primal** : Chief, First in importance.
Congruity : Harmonious.
Lingua Franca : Language adopted for local communication.
Pariah : Outsider (original word is in Hindi).
Co-optation : Add as member to a group.

25.8 SOME USEFUL BOOKS

- Nathan Glazer and Daniel P. Moynihan, 1974 : *Ethnicity* (Cambridge, Mass; Harvard University Press)
 Donald L. Horowitz, 1985 : *Ethnic Groups in Conflict* (Berkeley: Univ. of California Press)
 Mark Borthwick, 1972 : *Pacific Century* (Boulder : Westview Press).

25.9 ANSWERS TO CHECK YOUR PROGRESS EXERCISES

Check Your Progress 1

- 1) Homeland psychology involves an emotional, if not rational, bond towards one's native land. It leads to an ethno centric mentality that is closeness towards members of one's own ethnic groups and hostility towards others. Homeland psychology also means the apparent Universal belief of the homeland peoples that they possess an exclusive propriety claim to that territory.

Check Your Progress 2

- 1) C
- 2) C

Check Your Progress 3

- 1) De-centralize decision-making in areas like education, language, culture and religion.
- 2) Local Law-enforcement agencies should be staffed with members of the ethnic groups indigenous to the locale.
- 3) Any important concessions should be simultaneously and equally granted to all groups.

UNIT 26 DYNAMICS OF STATE AND CIVIL SOCIETY IN EAST AND SOUTHEAST ASIA

Structure

- 26.1 Objectives
- 26.2 Introduction
- 26.3 Protector of Law and Human Rights
 - 26.3.1 Law and Order and Human Rights : The Case of China
 - 26.3.2 Chinese View of Human Rights
 - 26.3.3 Law and Order and Human Rights in Japan
 - 26.3.4 National Police Agency
 - 26.3.5 Human Rights Scenario in Other Countries of East and Southeast Asia
 - 26.3.6 Philippines and Human Rights
 - 26.3.7 Human Rights in Indonesia and Thailand
 - 26.3.8 President Suharto's rule
 - 26.3.9 Human Rights in Cambodia
 - 26.3.10 Human Rights in Burma
 - 26.3.11 Human Rights in South Korea, Taiwan, Singapore, Vietnam and Malaysia
- 26.4 Solver of Societal Conflicts
 - 26.4.1 The Situation in China and Japan
 - 26.4.2 Minority and Ethnic Question in China
 - 26.4.3 Malaysia and the Problem of Ethnicity
- 26.5 Benefactor of the People
 - 26.5.1 The broad situation in East Asia
 - 26.5.2 The Case of Japan
 - 26.5.3 The Situation in South Korea
 - 26.5.4 The Situation in North Korea
 - 26.5.5 The Situation in China
 - 26.5.6 Economic Development and other Southeast Asian Countries
- 26.6 Let Us Sum Up
- 26.7 Some Useful Books
- 26.8 Answers to Check Your Progress Exercises

26.1 OBJECTIVES

After going through this lesson, you will be in a position to :

- grasp the role of the state and civil society in East and Southeast Asia;
- know how the state is protecting the law in the region and know how the state solves or promotes ethnic and other societal conflicts and
- understand the state's role in the material well-being of the people in East and South-east Asia.

26.2 INTRODUCTION

The states of East and Southeast Asia taken together constitute what is called 'Pacific Asia' by western scholars. Geographic, cultural and political diversity is the overriding reality of the area, but the accompanying reality is one of interaction and mutual influence making a regional construct increasingly relevant and useful. One common feature of this area is that all of them have been influenced by Chinese civilization and culture in some way or the other. Their histories have, of course, been very varied and diverse. Of these countries Japan and Thailand never became colonies of any western power whereas other countries had either become full-fledged colonies or semi-colonies like China, which were economically exploited so much by colonial powers that their political sovereignty became a mere facade. After World War II, as

the process of decolonization began each of these countries took to different paths of development and built political structures which their new leadership thought best suited them. Half a century later, we find some kind of a convergence in terms of the development strategies of these countries. The two emerging issues common to all of them and which have acquired great significance in the last few years are centred on democracy and free market economy.

According to some scholars, these two are related and one will almost always lead to the other. We shall not go into the validity of this point now, but it must be borne in mind that state-civil society relationship is by and large determined by these two factors—democracy and free market economy—in the countries of East and Southeast Asia. The relationship of the state and civil society encompasses a vast area as even the most liberal of states interacts with society in a variety of ways.

For our purposes we shall take up the aspects mentioned below for studying the state civil society dynamics and of course, with reference to East and Southeast Asia. The aspects relate to the role of the state as:

- 1) Protector of laws and human rights
- 2) Solver of societal conflicts
- 3) Benefactor of the people

26.3 PROTECTOR OF LAWS AND HUMAN RIGHTS

The first and foremost duty of the state is to protect the lives of its citizens. For this laws are passed and implemented by the state. Similarly, it is also for the state to protect and uphold human rights. However, it has often been seen that the state itself becomes a violator of human rights. To restrict the state from becoming so, the United Nations had made the Universal Declaration of Human Rights on December 10, 1948 and all the member-states of the UN are signatories to it. Nonetheless, human rights violation also takes place in many of the signatory countries.

26.3.1 Law and Order and Human Rights : The Case of China

Among the East and Southeast Asian countries, both law and order and human rights have been important issues. Let us take the case of China first. Soon after the Communist take-over of a lawless, chaotic and disturbed society in 1949, a semblance of order was visible. Gradually the internal policing system was extended and strengthened. The Bureau of Public Security as it came to be known, became a very important instrument of the state to maintain law and order and for disciplining dissidents. As far as preventing acts of crime like murder, theft, rape, arson and assault are concerned, China's record is fairly good. More so when one compares China with its pre-liberation days and with several other countries, both in the developed world as well as the less developed.

The Chinese state, one can say with certainty, has succeeded in giving to its citizens a sense of peace and security in their social lives. For political activists who do not subscribe to the government or party's policies, it is altogether a different story. They are kept under constant surveillance by the Bureau of Public Security and at the smallest pretext arrested and/or imprisoned without a fair trial. It is on account of acts like these that the Chinese state has often been accused of violating human rights.

Several international human rights organizations like Amnesty International and Asia Watch have found evidences of gross human rights violation in China, as suggested by their periodic reports. This certainly affects China's image at the international arena and hurts it economically also, in view of its massive modernization programme. It is believed that one of the chief reasons for the International Olympic Committee's decision in 1993 to deny Beijing the honour to host the 2000 Olympics, was China's human rights record.

26.3.2 Chinese View of Human Rights

The Chinese state, however, looks at the issue of human rights from a totally different angle. After the Tiananmen Square tragedy (1989) when condemnation of China's human rights violation had almost reached a peak, the Chinese government came out with a White Paper titled 'Human Rights in China'. This was in 1991. This document clearly shows that China has its own interpretation of human rights.

It has rejected the notion that there is a universal standard for human rights. The document mentions that human rights "circumscribed by the historical, social, economic and cultural conditions of various nations" and "a country's human rights situation cannot be assessed in disregard of its history nor should it be judged according to a preconceived model of another nation."

The Chinese, however, admit that while safeguarding and developing human rights, China has suffered setbacks and there is still room for much improvement. We can, therefore, say with a great degree of certainty that the Chinese state in its relationship with civil society has succeeded in maintaining order but has not been able to guarantee human rights to the extent desired.

26.3.3 Law and Order and Human Rights in Japan

Next, let us take the case of Japan. The Japanese state is called a liberal democratic state and unlike such states in North America and Western Europe, has an alarmingly low crime rate. Japanese society is one of the most orderly societies of the world. Post World War II Japan has emerged as a disciplined, stable and orderly society and that has gone a long way in making Japan prosper economically. The policing system in Japan is of a high quality. This is evident from the fact that police-public relations are characterised by harmony and co-operation. The policeman, as a representative of the state in maintaining law and order, has a high esteem in the minds of the public. People go to police stations fearlessly to complain and in an overwhelming number of cases are satisfied with the action taken by the police. This is in contrast to many Asian countries particularly the one's that were colonized. The police in post-colonial societies are yet to shed their colonial hangovers of being partisan, corrupt and harassing the innocent.

26.3.4 National Police Agency

The National Police Agency sets standards for all policemen concerning appropriate behaviour, salary range, force size, and organizational structure. It also supervises the training of the police. The Japanese have a separate cadre of policemen to handle large demonstrations and other mass activities. This is the riot police which has developed elaborate tactical plans with shields, helmets, masks as well as electronic equipment. The riot police receives more specialized training and more than half of its strength is based in Tokyo, which is the centre of government and the venue for most of the demonstrations and protests. Despite its special powers, the riot police too maintains a good reputation.

Japan's human rights record in the post-war period remains satisfactory. The Japanese Ministry of Justice has a Human Rights Bureau where people can complain about police excesses without fear of retaliation.

26.3.5 Human Rights Scenario in other Countries of East and Southeast Asia

In the other nations of East and Southeast Asia where human rights have been an issue, one does feel the stirrings of democratic transformation. In fact, democracy was not the highest priority for many of these developing Asia-Pacific nations in the early postwar period. The main concern was with economic and political stability backed by a sufficient base of power and authority. Leaders were more important than legislative bodies which did not necessarily reflect truly representative government. They ruled by promoting social stability and steady economic growth, even if their government was not called democratic or sensitive to human rights. By 1980s a resurgence of

democratic impulses and widespread demands for the protection of human rights revealed that authoritarian control could no longer be rationalized merely on the basis of economic growth and stability.

26.3.6 Philippines and Human Rights

Philippines under Marcos is a good example of a state where democracy and human rights became very significant issues within a short period of time. Marcos came to power in a climate of pressure and gave the appearance of being a "saviour of the people." However, he believed in constitutional authoritarianism. He declared martial law in September 1972 on the pretext that he was protecting the Republic and democracy. He moved rapidly to curb all forms of dissent and opposition. Thousands of persons were arrested, habeas corpus was suspended, the media was drastically curtailed, the courts weakened substantially and the army strengthened. In other words, whereas law and order was not disrupted, human rights were curbed. It took several years to remove Marcos from power and a more democratic government to take over which restored human rights.

26.3.7 Human Rights in Indonesia and Thailand

Similarly in Indonesia as well as Thailand, the state has suspended human rights whenever the regime's authority has been challenged. In Indonesia the former paramount leader Sukarno practised 'Guided Democracy' where he disenfranchised most ethnic minorities as well as the intellectual community. He considered himself to be a great unifier and a democrat, though he stressed that he rejected the western style and liberal democracy. For some time political power in Indonesia rested in a competitive alliance between the Army, President Sukarno and the loyal support of the Indonesian Communists (PKI). This oddly constructed political tripod continued till 1965 when the PKI and the army clashed after six senior generals were assassinated by middle-rank officers who claimed Sukarno's support. The army set out to destroy the PKI forever.

In late October 1965 massacres began in central Java, East Java, and then Bali. Killings also took place in North Sumatra. Ethnic Chinese were massacred in West Borneo. Amid these horrors carried out mainly by youth bands supported by the army, on March 11, 1966 Sukarno transferred authority to General Suharto who remains in power to date. No effort has been made to punish the guilty in the mass-killings.

26.3.8 President Suharto's Rule

Under President Suharto freedom of expression and association have often been violated. For example, in 1991, in anticipation of parliamentary elections the following year, new groups began to organize themselves in support of democratic processes. One of the most prominent which called itself the Democracy Forum, troubled the Suharto government. It refused permission to the members of the Forum to leave the country, closed their newspaper and arrested and jailed its editor for publishing the results of a popular survey. Such actions show that the present Indonesian government is no great upholder of human rights; nonetheless time and again new and independent voices are being heard in the Indonesian parliament.

In Thailand too the dominant role of the military is an obstruction to democracy movements, and human rights are not always protected. However, in Southeast Asia the two states which have a really appalling record of human rights violation are Cambodia and Burma (Myanmar).

26.3.9 Human Rights in Cambodia

In Cambodia, the Khmer Rouge came to power in 1975 and Pol Pot became the Prime Minister. The period during which the Khmer Rouge were in power, from April 1975 to January 1979, was marked by one of the most savage experiments in social engineering the modern world has ever witnessed. From the very beginning the Khmer Rouge used terror against their perceived enemies. Personnel of the former

Lon Nol regime, members of the old bourgeoisie, and western-educated intellectuals were slaughtered by the thousands. Wives and children too were executed to prevent them from being future opponents. Intellectuals were systematically killed. All religious activity was ruthlessly suppressed and ethnic minorities such as the Chinese, the Vietnamese and the Cham, a muslim people, suffered numerous mass executions. Ordinary Cambodians too were not spared for minor offences. Conservative estimates put the number of these killed by the Khmer government to one million out of a population of six million. It was only after the invasion by Vietnam that the Khmer Rouge was toppled and a new government under Heng Samrin took power on January 7, 1979.

26.3.10 Human Rights in Burma

In Burma, an outbreak of popular protest in 1988 got General Ne Win to retire officially but he remained in charge behind the scenes. During the 1988 demonstrations many unarmed, anti-government protestors were slaughtered. A year of confrontation followed between civilians and the army in which many more were killed. In retaliation, the authorities used a technique similar to that of the Cambodian Khmer Rouge: they depopulated and razed to the ground one entire neighbourhood of Rangoon, known to have supported democracy. In 1990 the government ordered elections; as a showpiece though. To their shock, a broad coalition of opposition got elected to lay the ground work of a popular government, but the rulers did not permit even the assembly to meet. Mostly, all leaders of the opposition were jailed, the most prominent among them being Aung San suu Kyi. Today, the state of Burma stands out in Asia as the greatest violator of human rights.

26.3.11 Human Rights in South Korea, Taiwan, Singapore, Vietnam and Malaysia

South Korea, Taiwan and Singapore too do not have a very sound record of human rights, but because of their economic strength and social order they have had no major upheavals. Vietnam, on the other hand, has been encouraging openness in all respect even though it has a one-party Communist rule. Reform in the economy was accompanied by greater tolerance and pluralism in the arts, media and religion. Malaysia's record in human rights is also not too bad. Despite being a multi-ethnic society with built-in tensions, Malaysia has not witnessed any gross human rights violations by the government, although riots have occurred there, and in 1987, the government did close three local daily newspapers on grounds of maintenance of public order.

In all these states, we note that in the name of law and order and the maintenance of peace and stability, human rights have been suspended and sometimes violated by the state.

Check Your Progress 1

- Note:** i) Use the space given below for your answer.
ii) Check your answer with that given at the end of the unit.

- 1) Briefly discuss China's human rights record.

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- 2) What has been the situation with regard to human rights in Japan?

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26.4 SOLVER OF SOCIETAL CONFLICTS

Many of the countries of Southeast Asia are multi-ethnic and multi-racial and all of them have, at some time or the other been through ethnic conflicts of a very violent kind. The state has also frequently not played a neutral role and has supported one ethnic group against another. A strong and democratic state is however expected to play the role of arbiter, trouble-shooter and judge to resolve inter-ethnic conflicts so that there is a healthy state-civil society relationship.

26.4.1 The Situation in China and Japan

In East Asia, China and Japan have different dimensions of the problems. Whereas Japan has a very small ethnic minority group called the Inos, China's minorities number more than 72 million (6% of the population) and live along the borders and occupy more than sixty per cent of their territory. The Inos in Japan have attempted to politicize their ethnic problem and demanded protection of rights but so far no flare-ups between the two communities have occurred.

26.4.2 Minority and Ethnic Question in China

In China, Tibet has been the biggest problem for the government. Other ethnic groups like Turks in Sinkiang. Muslims in Ninghsia and other provinces are reported to have protested whenever they have felt repressed. The Mongolians who live in Inner Mongolia are the most content, and compared to others, well assimilated into Chinese society. The Chinese state proclaims that it opposes Great Han Chauvinism (94% of China's population are called Hans) and protects the interests of the national minorities, as they are officially called.

In practice the Chinese state follows a policy which threatens the identity of the ethnic minorities. Assimilation rather than integration has been hall-mark of Chinese government's policies towards the minorities. Politically, minority nationalities live in autonomous regions and countries and minority elites are encouraged to be in administration, but they are generally the co-opted elite and dissentors are persecuted. Certain concessions have been made for minorities no doubt and these are condoned by all.

For instance, at the primary school level children can opt to study in their native language, although at higher levels everyone must learn Mandarin Chinese. The one-child family norm, compulsory for the urban Chinese is relaxed for the minorities and so forth. These concessions have not eased the tension, as riots between them and non-Hans do flare up fairly frequently, and most repressive means are taken to quell them. The People's Liberation Army (PLA) is deployed not only to curb violence but to be a deterrent against any open protest. In the name of maintaining peace and upholding law and order, the Chinese authorities have curbed the freedom of ethnic groups and so instead of resolving the conflicts, have only aggravated them. The state

has acted as the state of the Han Chinese and not a neutral state above ethnic divisions. The minorities, therefore, see the Chinese state as a state of the Hans. Communist ideology notwithstanding, the Chinese ethnic divisions do not appear to be close to being resolved. On the contrary, the state has not succeeded in being a resolver of ethnic problems and rising above ethnic considerations.

26.4.3 Malaysia and the Problem of Ethnicity

Among Southeast Asian countries, Malaysia has had the most serious ethnic problem, so much so that the term "communal politics" has a special meaning in that country. The Malays constitute slightly less than half the population, while the second largest group, the ethnic Chinese comprise 35 per cent and dominate the nations commercial and professional spheres. The Malays are Sunni Muslims whereas the Chinese and the Indians follow their own religious traditions. Occupation, race and religion are thus all closely related in Malaysia.

As a group, the Chinese are much better-off than the Malays. This diversity and the pressures it places on the Malay population lie at the centre of Malaysian politics. Since independence in 1957, the Malaysians had a government which was a delicately balanced, multi-ethnic coalition, led by Tunku Abdul Rahman, a man who was not only a great national leader in the struggle against colonialism, but also appeared to be above chauvinism.

Until 1969 this coalition worked well but at the elections held that year, the Alliance, as it came to be known, failed to win an absolute majority. The Malay elite which had a dominant role in the coalition felt threatened. While the opposition groups held victory celebrations, the erstwhile ruling party demonstrated, violent riots broke out and went on for four days which left 200 people dead. This event shocked the nation and in a state of emergency a National Operational Council assumed power temporarily. By 1971 the situation eased and a broad coalition of Malays and non-Malays reached an agreement that destabilizing issues would not be debated in public. The new, multi-ethnic "grand coalition" of political parties that followed the 1968 riots placed the Malay leaders on a much firmer footing.

Compromise and accommodation among the various ethnic groups of Malaysia has been a stabilizing factor. Known as 'Consociational Democracy' to political scientists, it helped the Malaysian state achieve years of peace which in turn helped the nation to achieve healthy economic growth. While one has to admit that consociational democracy does not fully uphold western liberal democracy, yet taking Malaysia's case specifically, one must say it has provided the nation strength and prosperity. The Malaysian state and civil society appear to co-exist in harmony. Societal conflicts have been, by and large, kept under control.

Check Your Progress 2

Note: i) Use the space given below for our answer.

ii) Check your answer with that given at the end of the unit.

1) Discuss the issue of minorities in China.

- 2) Discuss the issue of ethnicity with reference to Malaysia.

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26.5 BENEFACITOR OF THE PEOPLE

In the modern world, the role of the state to provide material well-being of its subjects, has been accepted all over. The significance of the state in providing welfare to its citizens and also supporting economic development either by actively promoting it or allowing the private sector to take over cannot be undermined.

26.5.1 The Broad Situation in East Asia

In East Asia we have contrasts while Japan and South Korea pursued a capitalist path of development China and North Korea followed a socialist road. In all the cases, the official ideology of the state was the determinant. The state in all these countries has been a benefactor of its people but in varying degrees. In the following passages, we would first take Japan. It is the biggest success story in so far as the promotion, economic development and improvement in the quality of life of citizens is concerned.

26.5.2 The Case of Japan

The Japanese government did not neglect health, education and housing for its people, even though the private businesses placed a very important role in expanding the economy. In the sphere of literacy, Japan is one of the topmost countries. Widespread literacy has helped Japan in achieving successes elsewhere, despite the fact that the Japanese society is as much a tradition-bound society as India or China. Japan's economic super-power status in the international realm is reflected in the standard of living of its people. Since World War-II, with the passing of every decade, the lives of the average Japanese have improved for the better. That is why the Japanese have voted to power the Liberal Democratic Party (LDP) almost at every election inspite of so many scandals the party has been involved in. The average Japanese enjoys a superior quality of life compared to any other Asian. The Japanese state, therefore, must be given due credit for this, although other factors have also played a part.

26.5.3 The Situation in South Korea

South Korea has emerged as a major economic power in Asia in the past decade. Substantial improvement in the lives of its people has resulted from this. In 1963 its per capita GNP was US \$100 and in 1990 it jumped to US \$5000. International factors like massive foreign (mainly American) aid have indeed helped Korea reap important economic benefits. The South Korean government's bold decision to eliminate the landlords as a class, opened the door to full scale industrialization of the South Korean economy.

It was this industrialization which gave an impetus to other sectors of Korean life and bright and better quality of life to the common South Korean. The military government of Park Chung Hee was comparatively free of entangling personal and

economic connections with civil society and thus, under far fewer constraints than their immediate predecessors with regard to making economic changes. Such freedom allowed Park and his officials to devise a series of five-year economic development plans beginning in 1962 that were based largely on perceived economic efficiency, with initially little input and no serious interference from the civil society.

The state has acted "as the general manager of the economy". Much of South Korea's economic development has been brought about, however, in an authoritarian manner. For example, workers were ruthlessly suppressed when they demanded better work conditions and more freedom. At the same time the state has been able to make businessmen adhere to its official development programmes through the manipulation of a number of key economic controls: state's allocation of business licences, government's domination of the financial system including bans and a tax department that makes sure all business profits flow into approved areas.

26.5.4 The Situation in North Korea

North Korean leader Kim Il Sung embarked on a policy of economic reorganization using the Stalinist model of farm collectivization and centralized economic management. The North Koreans have not seen the same economic prosperity as in the South, but the state's policy has not allowed great economic disparities which exist in South Korea. This policy, however, is in line with Marxism-Leninism, the state's official ideology. This brings us to China which claims to be a Marxist-Leninist state too.

26.5.5 The Situation in China

So far the Chinese state has experimented with two kinds of economies vis-a-vis its civil society. This has been dealt with in an earlier unit in detail so we will only study how the state has benefited its people through its economic policies. During the Mao period, the Chinese state implemented a command economy wherein growth and development at a rapid pace were disallowed. Welfare activities were, however, paid a great deal of attention. The basics—food, clothing, housing, health and education—have been provided to an overwhelming majority of Chinese people. Compared to their lives before liberation, the average Chinese found the quality of his life much better in the post-liberation period.

A massive famine in 1961 was of course an exceptional period of economic hardships but by and large, the Chinese state played and fulfilled its role to a great extent as a benefactor of its common people. Merely welfare measures and investments on the citizens, however, did not satisfy the Chinese leaders who did not support Mao's policies. Rapid economic development even at the cost of egalitarianism was their aim. It was felt that in the long run, this would not only help the Chinese people to live but also to live well like the Japanese and the South Koreans. Prosperity and not simply living above subsistence is what the Chinese state must provide for its civil society. With this view the regime of Deng Xiaoping brought forth massive economic reforms since 1978.

The results of these reforms are already visible. Many of China's cities are booming, there is noticeable prosperity in the rural areas. A lot of wealth has been generated in a short span of time on account of active government policies. Deng has been immensely popular among a vast number of Chinese. Many feel that it is only in the post-Mao period that the Chinese state has been a real benefactor of its people. This is not to say that China is experiencing all-round development and that every citizen of China is moving towards prosperity. There are still many who remain economically, educationally and culturally backward. There are remote regions where the benefits of economic development have not reached. Prosperity has created gaps in the living standards of people. How the state will handle the situation if the economic frustrations of the unbenefited people begin to be expressed politically, remains to be seen. One conclusion we may draw from China's case and that is: the state has effectively, through conscious policy, made a great difference to the lives of its average citizens.

26.5.6 Economic Development and other Southeast Asian Countries

Southeast Asian countries have in different degrees witnessed economic changes due to the conscious policies of their governments. Singapore as we have already seen elsewhere in this block has experienced rapid and striking development. Its small size and authoritarian rule have supported quick economic transformation. The standard of living of Singaporeans is higher than other Southeast Asians. The Philippines, Thailand, Indonesia and to some extent, Malaysia, have not seen that kind of prosperity as yet. In the cities of Manila, Kuala Lumpur, Bangkok and Jakarta, more than one-third of the people live in slums. They have little or no access to clean water, sewage systems, health care or education.

In the past, some leaders have been more interested in hiding such problems than solving them. In their heyday, the Marcos couple ordered high walls to be built around Manila's worst slums so that important visitors would not see them, but the pollution and degradation can no longer be ignored. Like elsewhere in Asia, in these countries too, massive movements of people from the country side to the cities is changing the demographic landscape. Governments are struggling to provide the expensive infrastructure required by urban areas. In doing so, they drain much-needed services and assistance away from rural areas where most of the population lives. All these states of Southeast Asia have supported a capitalist form of government and thus one sees disparity in wealth: pockets of poverty, on the one hand, and excessive wealth for some, on the other. Vietnam tried with the socialist measures, but of late, it too like China has reformed its economy where private capital and initiative are encouraged. It is too early to say how far the average Vietnamese has benefited from this change.

With the exception of Singapore, all Southeastern states have to go a long way in uplifting the economic life of their peoples. The state has indeed played a crucial role in making a difference to the lives of people for better or worse. Regardless of the state's ideology, it has been accepted and proved that if the state so desires, it can be a benefactor of the people.

Check Your Progress 3

Note: i) Use the space given below for your answer.

ii) Check your answer with that given at the end of the unit.

1) Discuss the role played by the state in the economic success of South Korea.

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2) Briefly discuss the role played by the Chinese government in reforming its economy.

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26.6 LET US SUM UP

In East and Southeast Asia, we see states which are politically very diverse. The official ideology of no two states is identical. (Even the so-called Marxist-Leninist states like China, North Korea and Vietnam no longer share a common official ideology.) Hence, the dynamics of state-civil society relations also vary. Historical and economic factors are also equally significant. One can safely say that mostly all of these states have been more or less successful in maintaining order for most of the period since the end of World War II. In terms of human rights, with the possible exception of Japan, no one's record is totally unblemished. States have solved ethnic conflicts in a variety of ways with extremes like China where assimilation rather than integration is the policy and Malaysia where a consociational democracy functions. As far as the state's role in improving the livelihood of people is concerned, Japan, South Korea and Singapore have been more successful than others.

26.7 SOME USEFUL BOOKS

Mark Borthwick, 1992 *Pacific Century* (Boulder: Westview-Press).

Ezra F. Vogel, 1979 *Japan as Number One* (Cambridge, Mass: Harvard University Press).

Ranbir Vohra, 1991 *China's Struggle for Democracy and Socialism* (Penguin).

26.8 ANSWERS TO CHECK YOUR PROGRESS EXERCISES

Check Your Progress 1

- 1) China's human rights record has not been particularly good. Dissidents are arrested and imprisoned often without trial. This is the view of several human rights organizations. The massacre of unarmed students during their pro-democracy movement at Tiananmen Square in June 1989 earned China a lot of criticism and led to its government bringing out a white paper on Human Rights.
- 2) Japan has a highly satisfactory human rights record in the post-war period. The policing system in Japan is by and large efficient and not corrupt. People enter police stations fearlessly and record their complaint. Police-public relations are characterized by harmony and co-operation. Also the Japanese Ministry of Justice has a Human Rights Bureau where people can complain about police excesses without fear of retaliation.

Check Your Progress 2

- 1) In China the minority nationalities are more than 6 per cent of the total population. The majority (94%) are called the Hans. The minorities inhabit most of the border areas. The Chinese state claims to protect the interests of the Minorities although in practice it follows a practice which threatens their identity. Certain concessions have been made to them and attempts to co-opt the elite are also there. Dissenters are, however, punished severely.
- 2) In Malaysia, the Malays are slightly less than half of the population, while the second largest group are the Chinese who are 35 per cent. As a group the Chinese are economically better-off than the Malays. The Malaysia government has often been a delicately balanced, multi-ethnic coalition. Violent riots have occurred in Malaysia when this balance got disturbed. Overall, there has been compromise and

accommodation among various ethnic groups to work out a stable system. It is called a consociational democracy.

Check Your Progress 3

- 1) The South Korean government gave a boost to its economy by eliminating the landlord class and opened the door to full scale industrialization. Even the military government kept itself free from entangling personal and economic connections. Along with a free market economy, the state also devised and implemented five year plans. However, much of South Korea's development has been brought about in an authoritarian manner.
- 2) The present Chinese government has dismantled the earlier system which proximated a command economy where rapid growth was disallowed. The reforms in the economy were initiated in December 1978 and implemented in the urban as well as rural areas. These reforms have generated a lot of wealth in a short span of time and also created disparities.

UNIT 27 REGIONAL CO-OPERATION WITH SPECIAL REFERENCE TO ASEAN

Structure

- 27.0 Objectives
- 27.1 Introduction
- 27.2 Genesis of Regional Cooperation
- 27.3 Southeast Asia and Regional Cooperation
- 27.4 Association of Southeast Asia (ASA)
- 27.5 MAPHILINDO
- 27.6 Association of Southeast Asian Nations (ASEAN)
- 27.7 Neutralization Plan
- 27.8 Southeast Asian Nuclear Weapons Free Zone (SEANFZ)
- 27.9 Role of Big Powers in the Region
- 27.10 Let Us Sum Up
- 27.11 Key Words
- 27.12 Some Useful Books
- 27.13 Answers to Check Your Progress Exercises

27.0 OBJECTIVES

This Unit introduces you to Regional Cooperation in general and Southeast Asian region in particular. After studying this unit you should be able to:

- Explain the genesis of the concept of the regional cooperation and circumstances leading to form such associations.
- Attempts to form regional cooperation in Southeast Asia and analyse its evolution and the emergence of ASEAN.
- Discuss the various objectives of the ASEAN, the problems faced by the organization in achieving those objectives, the role of outside powers and its achievements and problems.

27.1 INTRODUCTION

You have already learnt something about the composition of the Southeast Asian region, the names of the individual countries which come under this region, government and politics in Southeast Asia, patterns of economic and political development, ethnicity and nation building and dynamics of state-civil society relationship. In this unit we try to explain the circumstances leading to the formation of a regional cooperation by these countries and examine the aim and the problems before them to achieve their objectives, the role of outside powers, etc.

27.2 GENESIS OF REGIONAL COOPERATION

The most conspicuous development in the field of international relations, beginning in the post-war period has been the proliferation of organisations for regional cooperation. The term region may be defined as a convenient geographical area controlled by sovereign governments whose interests in an particular subject are

sufficiently compatible for them to be able to enter into effective multilateral cooperation. Regional cooperation is a term covering any inter-state activity with less than universal participation for certain common goals.

Regionalism started to develop in the early 1960s, first in Latin America and later in other parts of the developing world. In the 1970s, a series of global economic crises, touched off by the first oil price adjustments, hit many developing countries very hard. The turbulent world economy of that period proved to be a great incentive to regional cooperation efforts in the Third World. The crisis clearly demonstrated that national economies were closely interdependent. At the same time developing countries being mostly small to medium-sized with weak economic structures, felt vulnerable to the deteriorating international environment. Hence they inclined to seek more autonomous means or greater self-reliant patterns of development. When national self-reliance policy was found difficult to pursue, self-reliance on a regional basis seemed to be an acceptable alternative. This idea was incorporated into the new international economic order.

Many developing countries were affected in varying degrees by the increasing number of global issues involving primary commodities, foreign investment, transfer of technology, protectionism, economic aid and so on. The idea to forge regional groupings was mooted in the belief that some of the fundamental problems of trade and economies found in most of the developing countries like foreign exchange and balance of payments problems, commitment to rapid development and industrialization etc. could be partially solved with regional cooperation especially in the light of economic predominance of the West and increasing protectionist tendencies in the developed countries. Regionalism also frequently helped in forging politically unified stands on international issues and for the security of the region. Regionalism was emerging as a counter to the activities of the superpowers. Regional organizations were becoming the best insurance for the security of developing countries against superpower interference.

There was therefore, a clear need for them to organize themselves to deal with those vital international economic issues collectively in order to secure a better leverage vis-a-vis the developed countries or other interest groups.

The bases and rationales for regional cooperation differ substantially from region to region or case to case. Hence the various schemes should therefore be judged for success or failure in accordance with the institutional conditions and economic problems specific to the individual regions. Above all, the progress of economic cooperation should not be measured in purely economic terms but should be put in the larger context of the political reality and historical circumstances from which such efforts have evolved.

Regional economic cooperation has by now become widely accepted as an important instrument and potentially an effective means of facilitating development in a group of Third World countries. Regional economic cooperation in the countries of ASEAN has stood out in recent years as a relatively successful experiment in the Third World. It has been actively pursuing its efforts to improve the regional cooperation.

27.3 SOUTHEAST ASIA AND REGIONAL COOPERATION

Southeast Asia has a much longer history of experiments with regional cooperation. Since World War-II, when Southeast Asia first came to be thought of as a regional entity. The thrust towards regional cooperation has often been marked by conflict and uncertainty than confidence and purpose. Partly this has been a consequence of the diverse motives that have given birth to regional bodies. For example, externally inspired offshoots of the Cold War and the desire of the United States of America to contain the influence of China-like the Southeast Asia Treaty Organisation (SEATO) and the Asia Pacific Council (ESCAP, formerly ECAFE) started. Finally, the indigenous regional bodies like the Association of Southeast Asia (ASA), MAPHILINDO (Organisation consisted of Malaysia, Philippines and Indonesia) and later their successor the Association of Southeast Asia Nations (ASEAN) came into

existence. As an indigenous grouping, ASEAN is the most significant and successful regional cooperative initiative to date. Most of the organizations of the Third World are ineffectual both politically and economically, with the possible exception of ASEAN.

27.4 ASSOCIATION OF SOUTHEAST ASIA (ASA)

The first experiment which was more largely and genuinely Southeast Asian and did not have politico-military objectives was ASA. ASA came into being with the Bangkok Declaration of 31 July, 1961. Its prime mover was the Prime Minister of Malaya, Tunku Abdul Rahman, who had been chasing such a dream since 1958. It consisted of Thailand, Malaysia and the Philippines. The objective of the ASA was to promote cooperation in economic, social, cultural, scientific and administrative affairs. The ASA was first of its kind, for it was organized exclusively by Asians unlike other regional organizations, which included outside powers. Its stated objectives emphasised cooperation in the economic, social, cultural, scientific and administrative fields while its unstated aim appeared to be keeping as low a political profile as possible. An approach, at once both practical and modest, it was with slight differences, to be the forerunner of ASEAN's *modus operandi*.

With the incorporation of Singapore, Sarawak and North Borneo (later renamed Sabah) was about to become the Federation of Malaysia but the Philippines objected to this, claiming that Sabah was part of its territory. But with the blessings of the United Nations, Malaysia got formed, an event which enraged not only the Philippines but also President Sukarno of Indonesia who launched an aggressive policy of "confrontation" with Malaysia. Ultimately the association became inactive because of Indonesia's "confrontation" with Malaysia and the dispute between Malaysia and the Philippines over Borneo. It could not survive also because of fierce opposition of the Indonesian President, at that time Sukarno, and to the American military connections of Thailand and the Philippines.

27.5 MAPHILINDO

But the next major experiments largely rooted in Southeast Asia was MAPHILINDO. MAPHILINDO was the short form for Malaysia, the Philippines and Indonesia. Its aim appeared to be to bring together the three Malay majority countries of Southeast Asia. To this extent its objective was political, but it was not military; nor very much was it economic. It was formed in 1963. Amidst the growing turbulence, another try was launched in 1963 to attempt to defuse the growing tensions over the formation of Malaysia. In a meeting in Manila between the foreign ministers of Malaya, Indonesia and the Philippines, the idea of a Pan-Malay Union of the three nations, the Greater Malay Confederation was born. In any case MAPHILINDO was short lived because of two limitations. First, since its emphasis was on bringing together the three Malay countries, it did not have much appeal for non-Malay Southeast Asia, such as Thailand and Singapore, not to speak of the Indo-China states. Second, it still contained the differences over the Sabah issue. Thus the formal establishment of Malaysia (16 September, 1963) saw the demise of the Pan Malay organization.

The Post-Maphilindo period was marked by a high degree of suspicion and mutual distrust among the member nations. It was against this backdrop that the ASEAN got formed.

Check Your Progress 1

Note: i) Use the space provided below each question to give your answer.

ii) Check your answer with the answer given at the end of the Unit.

- 1) Name the two early regional organizations of Southeast Asia.
- 2) Which were the member countries of these organizations?
- 3) Which of the following would you regard as true?

- A) Regional Organization emerged mainly due to
 - a) Social reasons
 - b) Political reasons
 - c) Economic reasons
- B) Regional Organizations were started in
 - a) 1960s
 - b) 1970s
 - c) 1980s
- C) Regional Organizations were first started in
 - a) Africa
 - b) Latin America
 - c) Asia

27.6 ASSOCIATION OF SOUTHEAST ASIAN NATIONS (ASEAN)

By the time ASEAN came to be thought of, Southeast Asia had been clearly divided into two sub-regions. First, the smaller but politically conspicuous sub-region of the Indo-China states, (viz., Laos, Cambodia and both Vietnams) and second the larger, politically more diverse but decidedly anti-communist Southern sub-region consisting of the countries such as Thailand, Malaysia, Indonesia, Singapore and the Philippines which were later to form ASEAN.

This divide within Southeast Asia was a reflection of a larger divide in the world as a whole between the communist and anti-communist powers. The 1960s saw US military offensive to fight the so-called communist menace and expansion in the Indo-China region was in full fury. There were also clear indications that the US was fighting a losing battle. The five countries which had opted for a pro-western and anti-communist foreign policy stance were in a jittery state. Their fear psychosis coincided with the US strategy—the need for bringing the pro-US regimes together. Hence in regard to the formulation of ASEAN by the five countries, the development were not natural and independent. It was more a reaction to the tensions and turmoil in the area generated by extra-regional factors that led to its formation.

In 1967 ASEAN was formed as a successor to the ASA. The basic difference was the membership of Indonesia and Singapore in the new organization. Brunei became the new member country of ASEAN in the year 1984 when it gained independence. The total population of ASEAN countries at present is roughly 316.651 million and its total GNP per capita is US \$984. The ASEAN has its secretariat stationed at Jakarta. The ASEAN organization was not formed as a military alliance nor as a political bloc.

The objectives of ASEAN as stated in the Bangkok Declaration of 1967 was to bring forth economic, social and cultural cooperation among the member states with the aim of speeding economic development and socio-cultural progress in the region. But the transformation of ASEAN over the years into an organization with broader aims and objectives is now beyond dispute. Member states no more confine cooperation in spheres of socio-cultural and economic activities but also extend these to political security and strategic fields.

All the ASEAN countries except Thailand, were former colonies with experience of British, Dutch, French and American rule. These different socio-economic background had affected their economics. Till the mid-sixties, the ASEAN region was in an atmosphere of political instability. By the early 1960s the US was deeply entangled in the Vietnam War and there were popular mass uprisings all over Southeast Asia. Indonesia, the largest country in the region, had adopted "guided democracy" with a strong anti-colonial and anti-imperialist posture. The confrontation between Indonesia and Malaysia, the ethnic problems in Malaysia and the dispute over Sabah, with the

Philippines and their involvement in the Vietnam War, the political alliance between Jakarta and Beijing basically directed against the West, all made Southeast Asia one of the most volatile regions of the world. The Americans had considered the Southeast Asian countries vulnerable dominoes. There was a general shift in the US policy in the mid-sixties, from purely defence parameters to socio-economic consolidation in Southeast Asia.

In 1967 strong indications started coming from Indonesia toward regional cooperation and it wanted talks to be centered around ASA with an idea of expanding ASA to involve Indonesia and some other countries of Southeast Asia. ASEAN, in view of earlier failures adopted a cautious move with a neutralist posture. Two patterns evolved gradually from the position of neutrality and ambivalence. Firstly, multilateralism on an expanded scale offered the legitimate basis for the continued Western presence and support. Secondly, given the limitations of reconciling limited resources, ASEAN saw itself not in terms of contributing to intra-regional self-sufficiency but in terms of intensifying its dependence and stronger trade links with the West. Western guidelines for modernization came to be the underlying principles for regional economic development, and private enterprise started taking a leading role in this process. Ultimately it became a forum of economic self-reliance to economic alignment with the West. While the Communist countries sharply criticised the formation of ASEAN, the US and Japan supported it.

ASEAN leaders in their official pronouncements have time and again denied that ASEAN was meant not for military purposes but for economic and cultural cooperation.

27.7 NEUTRALIZATION PLAN

ASEAN had endorsed a proposal originally formulated by Malaysia in 1971 (known as the Kuala Lumpur Declaration) that Southeast Asia be declared "a Zone of Peace, Freedom and Neutrality (ZOPFAN) free from any form or manner of interference by outside powers."

27.8 SOUTHEAST ASIAN NUCLEAR WEAPONS FREE ZONE (SEANFZ)

In the 1987 Manila Summit, the ASEAN members urged for efforts towards the early establishment of a Southeast Asian Nuclear Weapons Free Zone. Indonesia explained it as an expansion of ZOPFAN. ASEAN member nations shared the view that SEANFZ would only be effective if it covered the whole region, including non-ASEAN countries such as Vietnam, Laos and Cambodia.

ASEAN recognised that security and stability of Southeast Asia are the collective responsibility of the countries of the region. Hence the member countries should resolve their differences among themselves through peaceful means. Though member countries have no dispute regarding the concept, they differed in their views about its implementation because of their linkages with big powers.

Initially ASEAN was looked upon by the countries of Indo-China, namely Vietnam, Laos and Cambodia, as pro-West and anti-communist organization because they were formed by anti-communist countries and supported by the United States. Hence till very recently the two groups of Southeast Asian region viz, the ASEAN and the Indo-China countries were critical of each other and they held entirely divergent views towards the regional and global issues.

ASEAN countries agreed on 15 February, 1973 in its Foreign Ministers Meeting to hold an Asian Forum and to expand its membership to cover all countries of Southeast Asia viz., the three Indo-China countries and Burma.

But the overthrow of Pol Pot's Government and the subsequent Vietnamese intervention in Cambodia caused great uneasiness in the ASEAN countries. The

ASEAN countries adopted critical attitude towards the Vietnamese action in Cambodia and Soviet Union's support. The event also deepened the split in the communist world.

They called for the early establishment of an independent and neutral Cambodia with a genuinely independent government, free of all foreign military presence and maintaining friendly and peaceful relations with all countries in the region.

27.9 ROLE OF BIG POWERS IN THE REGION

Southeast Asia has been a cockpit of big power rivalries in local conflicts. Given the critical importance of the major powers, role on the question of peace and stability in Southeast Asia, their perceptions vis-a-vis the region and vice versa are important.

Till very recently while welcoming Moscow's interest in forging links with states in the region for the benefits of peace and stability in the region, ASEAN called for Moscow's efforts in a search for a peaceful settlement of Kampuchean problem and its support to Vietnam. Lingering fear and mistrust of China's motives were there in some countries. Nevertheless, there seemed to be a consensus that as a friend or foe, China was a "permanent" factor in the region's political and economic development. Economically stronger China had both positive and negative consequences for the region.

Given the memory of the Second World War, the prospect of Japan's expanded security was still a sensitive issue in Southeast Asia. Japan, however, was recognised as the economic dynamo of the region. ASEAN thus preferred that Japan should continue to focus on its contribution to regional development and co-operation.

The US military presence in the region symbolised US commitment to its own as well as the security of Southeast Asia. Hence any weakening of that capability became a matter of security concern. Equally important was ASEAN's trade with the US and trade related disputes.

Due to their increasing desire to accelerate their economic growth, the major powers were becoming more attracted to Southeast Asia. In the eyes of all major powers, Southeast Asia still retained its strategic role as possible choke points for oil tankers and naval ships travelling between the Persian Gulf and Northeast Asia. Moreover, ASEAN was viewed as a stabilising force in the region due to its economic dynamism and its collective political strength. All major powers wanted to be good with ASEAN. The negotiations started at the beginning of 1980 to solve the Cambodian problem and the eventual changes in Eastern Europe and the Soviet Union brought changes in the perceptions of ASEAN and Indo-China countries towards each other.

In its annual ministerial conference held in July 1991 ASEAN for the first time invited representatives of the Soviet Union and China to attend the Conference.

Check Your Progress 2

Note: i) Use space provided below each question to give your answer.

ii) Check your answer with the answer given at the end of the Unit.

- 1) Which were the two sub-regional groups of Southeast Asia during the emergence of ASEAN?
- 2) Who are the member countries of ASEAN?
- 3) What were the original objectives of ASEAN?
- 4) Which were the countries outside the region who supported ASEAN?
- 5) What are ZOPFAN & SEANFZ?
- 6) (Read the following carefully and mark the correct answers)

Which of the following would you regard as true?

A) ASEAN came into existence in

a) 1967

- b) 1977
- c) 1987
- B) ASEAN invited representatives of USSR and China to take part in its ministerial conference for the first time in
 - a) 1971
 - b) 1981
 - c) 1991
- C) India became the sectoral partner of ASEAN in
 - a) 1973
 - b) 1983
 - c) 1993

27.10 LET US SUM UP

The end of the cold war brought new challenges for Southeast Asia and ASEAN. The trend towards regional trading blocks in the world provided both ASEAN and Indo-China with common ground for increased regional cooperation. ASEAN was actively engaged in regular talks with its dialogue partners, the US, Japan, European Economic Community, Canada, Australia and New Zealand. ASEAN had become equally important as a friend to the countries in Asia. It made India its sectoral partner in January 1993.

Nurtured over 25 years, the organization's collective spirit has not only earned it world recognition but also lowered the potential for regional dispute significantly. This is by and large due to ASEAN'S policy of consensus.

However ASEAN is an young organization compared with the successful ones as the European Economic Community. Therefore, it is difficult to measure its progress in very concrete terms, and even more difficult to measure its performance with others.

There were some reasons for ASEAN's success; viz., consensus functioning, common international outlook, mutual respect among its members and growing personal contact between politicians, businessmen and academics of the member-states of ASEAN.

ASEAN has come a long way to exist as a viable regional grouping serving basically the member-countries' political and security purposes, though the founding fathers of the association claimed and proclaimed the objectives to be economic and cultural.

27.11 KEY WORDS

- Regionalism** : Feeling of belongingness to a region or an area.
- Protectionism** : An act favouring the protection of trade by duties.
- Neutrality** : One who takes or favours a neutral position or not involved in a dispute or siding either party.
- Multilaterism** : Interacting with several countries, parties or participants.

27.12 SOME USEFUL BOOKS

Dehl, Amfinn T., 1982, *Regional Organization and order in Southeast Asia* (Macmillan, New york).

Leifer, Michael, 1980, *Conflict and Regional Order in Southeast Asia* (International Institute of Strategic Studies, London).

Peter Polomka, 1975, *ASEAN and the Law of the Sea : A Preliminary Look at the Prospects of Regional Cooperation* (Occassional Paper No.36, Institute of Southeast Asian Studies, Singapore).

27.13 ANSWERS TO CHECK YOUR PROGRESS EXERCISES

Check Your Progress 1

- 1) ASA, MAPHILINDO
- 2) (ASA) Thailand, Malaysia and the Philippines (Maphilindo) Malaysia, Philippines and Indonesia.
- A) a) 1960s
- B) b) Latin America
- C) c) Economic

Check Your Progress 2

- 1) First the Communist Indo-China bloc consisting of Laos, Cambodia and the two Vietnams. Second the non-Communist countries of Southeast Asia consisting of Thailand, Malaysia, Indonesia, the Philippines and Singapore.
- 2) Thailand, Malaysia, Indonesia, Singapore, the Philippines and Brunei.
- 3) Economic, Social and Cultural
- 4) USA & Japan
- 5) ZOPFAN—Zone of Peace, Freedom and Neutrality; SEANFZ — Southeast Asian Nuclear Weapons Free Zone.
- 6) A) a
B) c
C) c