

**Southeast Asia**  
**in a**  
**New Era**

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# **Southeast Asia in a New Era**

**Ten Countries, One Region in ASEAN**

EDITED BY  
**RODOLFO C. SEVERINO,  
ELSPETH THOMSON AND MARK HONG**



**Institute of Southeast Asian Studies  
Singapore**

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# Foreword

Unlike most of the existing publications on ASEAN, this volume focuses not on ASEAN as a regional entity but on the ten countries that compose the whole. It is this approach that makes this an interesting and useful volume, and which complements well the recently published *Know Your ASEAN* (ISEAS, 2007) as up-to-date, informative and accessible resource materials suitable for students and the general public. With ten in-depth studies of the states that make up ASEAN, this volume offers the reader a useful ground-level view of the different and distinct parts that constitute the region and the regional grouping.

The country studies deal with historical evolution, development strategies, political systems and national characteristics (accompanied by useful statistical data and chronologies) of the member states of ASEAN. They reveal the similarities of regional environment and experience, as well as the commonness of purpose and challenges, that underpin the desirability of and, indeed, the need for tighter and deeper regional co-operation. At the same time, specific national interests and varying domestic priorities of the different states are the very factors that often come in the way of collective regional objectives.

ASEAN has indeed come a long way since its establishment in 1967. At forty years, it is on the threshold of a new era. An ASEAN Charter has entered into effect, reflecting a greater sense of common purpose and belonging among its member states, and there is high expectation for Southeast Asia to collectively become an essential part of Asia's inevitable economic and political ascendancy this century. Has ASEAN consolidated and defined Southeast Asia as one unified region? The answer lies not in the rhetorical expression for "ASEAN-ness" based on an imagined identity but in the realities embedded in the individual countries that make up ASEAN. Different levels of economic development, pace of liberalization and the state of governance of its members are challenges to the forging of a truly cohesive and effective ASEAN community. The fulfilment of effective regionalism will depend ultimately on finding congruence and complementarities among a range of sometimes incompatible economic and political structures, interests and priorities. To understand ASEAN and how it functions, one needs, therefore, to know its constituent parts. Herein lies the value of this compilation.

ISEAS must be congratulated for publishing in quick succession a number of useful and accessible volumes that will surely enhance knowledge of ASEAN and its composite parts and support that indispensable educational process that will contribute to greater understanding and awareness of what it means to be a citizen of ASEAN.

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# Preface

This book arises out of the conjunction of several events and objectives. The events include the celebration of ASEAN's fortieth anniversary as well as ISEAS' own fortieth anniversary in 2008: what better way to commemorate these two significant anniversary years than a solid book on our region, published by ISEAS?

The aims of this book include our desire to contribute to ASEAN community building, as expressed in the declared objective to construct the three ASEAN communities — security, socio-cultural and economic — by 2015. Communities need to be founded on solid understanding, cooperation and trust between the peoples who comprise these communities. For that to happen, mutual knowledge and understanding have to exist and to grow. This book aims to enhance knowledge, especially amongst the youth, of the ten countries that make up ASEAN.

A second major aim, as stated by the Singapore Ministry of Education (MOE), is to teach our students about our neighbours. ISEAS has thus aimed at achieving this national objective through this book, which has benefited from tapping the expertise of ASEAN scholars and national perspectives in writing and producing an accessible and interesting book.

Southeast Asia is a vibrant, rich and fast-developing region that dominates vital international sea-lanes. There are many fascinating stories to be told about each of the ten ASEAN members. This book delivers these narratives in a readable discourse about the struggles for independence, development, peace and prosperity undergone by each country. We hope that the public and the students will enjoy and learn from this user-friendly book.

Finally, I wish to thank the three editors, Mark Hong, Visiting Research Fellow at ISEAS, Rodolfo C. Severino, Head of the ASEAN Studies Centre, ISEAS, and Dr Elspeth Thomson, Senior Fellow at the Energy Studies Institute and Visiting Research Fellow at ISEAS, for their hard work in editing this book, ably assisted by Miss Stasia Stanislava, ISEAS intern,

and Benjamin Tang, ESI energy economist, as well as all the paper writers and the ISEAS Publications Unit.

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Cover and p. 265: Laos performers dance during the closing ceremony of the Southeast-Asian (SEA) Games in Nakhon Ratchasima, Thailand, 15 December 2007. REUTERS/Chaiwat Subprasom.

p. 1: A man looks at a screen outside a United Overseas Bank (UOB) branch in Singapore's financial district, 31 October 2008. REUTERS/Vivek Prakash.

p. 25: Sultan Omar Ali Saifuddien Mosque in Bandar Seri Begawan, Brunei, 3 May 2007. REUTERS/Bazuki Muhammad.

p. 45: Angkor Wat, parts of which are being restored in Siem Reap, Cambodia, 9 December 2007. REUTERS/Emma Goh.

p. 65: Selamat Datang Monument in Jl. MH Thamrin in Jakarta, Indonesia, 27 December 2008. TEMPO/Zulkarnain.

p. 70: May 1973 — Singapore Prime Minister Lee Kuan Yew scattering flowers on the graves of the two Indonesian marines hanged in October 1968 for exploding a bomb in 1965. United Press International.

p. 72: A statue of the Buddha in the compound of Borobudur temple in Central Java, Indonesia, 3 June 2004. REUTERS/Dwi Oblo.

p. 95: That Luang tower, Laos' national Buddhist shrine, in Vientiane, 24 July 2005. REUTERS/Chaiwat Subprasom.

p. 111: Malaysia's landmark Petronas Twin Towers and Kuala Lumpur Tower are seen in the capital Kuala Lumpur, 24 December 2003. REUTERS/Bazuki Muhammad.

p. 133: Buddhist monks walk around the compound of the Shwedagon pagoda in Yangon, Myanmar, 5 January 2002. REUTERS/Sukree Sukplang.

p. 159: The monument to national hero Jose Rizal, located in Luneta Park in the centre of Manila, Philippines. Two soldiers stand guard in front of the monument. Photo by Aidan O'Rourke <[www.aidan.co.uk](http://www.aidan.co.uk)>.

p. 179: The Esplanade and the uncompleted Marina Bay Sands casino resort in Singapore, 31 December 2008. REUTERS/Tim Chong.

- p. 195: Evening sets over Singapore's Chinatown district, 18 November 2008. REUTERS/Dennis Owen.
- p. 199: A bridge crossing Bangkok's Chao Phraya river in the western suburb of the Thai capital, 28 June 2006. REUTERS/Sukree Sukplang.
- p. 219: Pagoda in centre of Ho Hoan Kiem Lake, Vietnam. Hanoi Lonely Planet Images (Rights-managed).
- p. 239: A delegate reading documents in front of flags of ASEAN member countries in Singapore, 23 July 2008. REUTERS/Romeo Gacad.





# 1 Southeast Asia: An Overview

*Daljit Singh*

## THE LAND, SEAS AND PEOPLE

Lying between China and India to the north and northwest, respectively, and Australia to the south, Southeast Asia straddles 30 degrees of latitude and over 40 degrees of longitude at its widest in Indonesia. The distance from the northern tip of Aceh to the easternmost part of Papua is over 4,000 kilometres. It is as far from Mandalay to Jakarta as it is from Madrid to Moscow in Europe. Singapore to Jayapura in Papua is as far as Singapore to Shanghai. A significant part of this vast area is made up of seas, but the combined land area covers nearly 4.5 million square kilometres, which is larger than India.

Southeast Asia is mostly a maritime region with waterways, islands and peninsulas forming a large part of its geography. Indonesia, the Philippines and Singapore are island nations, with the first two comprising large archipelagos of thousands of islands. Malaysia has a peninsula in the west separated by a large expanse of the South China Sea from its territories on the island of Borneo. Even the three largest states of mainland or “continental” Southeast Asia — Myanmar, Thailand and Vietnam — have long coastlines. Many of their people live near the coasts or on the banks and deltas of large rivers flowing south from the eastern Himalayas and the highlands of southwestern China into the Bay of Bengal and the South China Sea. Only Laos is landlocked. Because of its maritime character, Southeast Asia as a region cannot close itself from the outside world the way large continental powers can, and, indeed, has from its early history been open to traders from many countries.



The main sea routes between the Indian and Pacific oceans, vital for trade and commerce as well as for naval movements of the major powers, pass through narrow straits in Southeast Asia, making it a region of great strategic importance. The most important of these straits are the Strait of Malacca and the Strait of Singapore, through which pass half the world's oil and the critical energy imports of Japan, China and Korea. The other important straits are the Sunda Strait, the Lombok Strait and the Makassar Strait between Indonesian islands. Southeast Asia is rich in natural resources. It is the world's largest supplier of natural rubber and palm oil and also has minerals, such as oil, tin, copper, gold, bauxite and natural gas.

The region has a population of over 560 million, nearly half the population of China or India, but almost twice that of the third most populous country in the world, the United States. Indonesia, which accounts for two-fifths of the population of Southeast Asia, is the fourth most populous country in the world. The Philippines and Vietnam each have more people than Germany, while Thailand has as many as France or Britain. Thus, the countries in the Association of Southeast Asian Nations (ASEAN) are not insignificant insofar as population size is concerned; most of them are large nations.

The total gross domestic product (GDP) of Southeast Asia was just over US\$1 trillion in 2007. While this makes it about the same size as that of India, which has double the population, it is only about 20 per cent more than the GDP of South Korea, which has less than 50 million people, and 30 per cent larger than that of Australia, which has only 21 million people. This shows that much of Southeast Asia is still part of the developing world, with much room for further development.

There are more Muslims in Southeast Asia than in the Arab world and more Christians than in France and Spain combined.

The term Southeast Asia came to be frequently used only during the Second World War, when it referred to the region as a theatre of war. Subsequently it was accepted as a distinct geographical region. However, the label "Southeast Asia" should no more presuppose homogeneity of its constituent parts than the term Europe can be taken to imply homogeneity there. There is an enormous variety of peoples, cultures, languages, religions and political systems in Southeast Asia. Most of the world's great religions are found here. There are more Muslims in Southeast Asia than in the Arab world and more Christians than in France and Spain combined. Many Southeast Asians may not be fully aware of the fact that they live in the midst of such a richly diverse and complex cultural environment. Still, until the colonial powers changed the flows of trade from the seventeenth century onwards, maritime trade linked Southeast Asians more closely to one another than to any extra-regional power, whether India, China or the more distant countries of Europe, with the Malay language serving as the main lingua franca of trade.



Two of the great centres of Asian civilization, China and India, had a significant influence upon Southeast Asia's early history. However, it would be incorrect to regard Southeast Asia as just a product of Indian or Chinese culture and traditions. Contemporary scholars have recognized for some time that Southeast Asia had its own cultures and languages and its own trading patterns even before the impact of India began in the early part of the first millennium. Southeast Asian societies borrowed and adapted external influences and practices, just as many other societies, ancient and modern, have done in other parts of the world.

The Western colonial period had a powerful impact on Southeast Asia, but this impact, too, should be seen in the proper historical perspective and not exaggerated. Southeast Asians were far from being primitive peoples before colonial rulers arrived. Large and powerful kingdoms flourished long before then. In the eleventh century when London was a town of just 35,000 people, with ill-kept streets, according to historian Milton Osborne, the city of Angkor in present-day Cambodia had more than a million people around it and could rival and surpass any city then existing in Europe in its architectural achievements, its water engineering and its capacity to regularly produce three rice harvests a year. Some of the most accomplished sailors of early Asian history were Malays from the region now occupied by Indonesia and Malaysia, who had the enterprise and navigational skills to sail to Africa across the Indian Ocean, hundreds of years before Vasco da Gama navigated the Cape of Good Hope to enter the same ocean.

Also noteworthy is that women in pre-colonial Southeast Asia often enjoyed better autonomy and status in society than their sisters in India and China. There was high female participation in trade and business all over Southeast Asia, and early Chinese and European traders were always surprised to find themselves dealing with women. The value of daughters was never questioned as it was in India and China.<sup>1</sup> Some kingdoms in Southeast Asia also had female rulers, including Patani and Aceh.

## EARLY HISTORY: INDIAN AND CHINESE INFLUENCES AND THE ARRIVAL OF ISLAM

Except for the Philippines and the northern part of what is now Vietnam, Southeast Asian kingdoms in the first millennium were influenced by India in religion, government, law, architecture and arts such as sculpture, dance and music. The Indian cultural impact took place for a period of over a thousand years, from about 300 to 1300, not through conquest or colonization, but peacefully through the spread of ideas by traders and religious teachers. Sanskrit words have enriched the vocabularies of languages in Southeast

### Kingdom of Srivijaya

The Malay kingdom of Srivijaya, based in Palembang, Sumatra, dominated the Strait of Malacca and its environs for several centuries, controlling much of the region's trade. During this period, Palembang became one of the most important Buddhist centres in Southeast Asia. Many Chinese Buddhist monks travelling by sea between China and India stopped at Palembang to learn Sanskrit and prepare themselves for the onward journey to the great university of Nalanda in India. One such Chinese monk, Yi-Tsing, described Palembang in the 8th century as a fortified city with more than a thousand Buddhist monks who studied the religion just as people did in India. "If a Chinese monk wants to travel to India to listen and read Buddhist laws, he must stay in Fo-che [Palembang] during one or two years to learn how to behave properly", before proceeding to India, observed Yi-Tsing.

Source: Paul Michel Manuz, *Early Kingdoms of the Indonesian Archipelago and the Malay Peninsula* (Singapore: Didier Millet Pte Ltd, 2006), p. 123.

Asia. Hindu classics like the Mahabharata and the Ramayana still have a significant place in the classical dances and shadow plays of the region. Great temples and religious monuments were built. Some of these, such as the Buddhist Angkor Wat in Cambodia and Borobudur in Java and the Hindu temple complex of Prambanan, also in Java, survive to this day. They have no equivalents in India, a fact that shows the creativity of the Southeast Asians in adapting and developing the Indian model.

Southeast Asian kingdoms that creatively borrowed and adapted Indian ideas included Funan and Champa, established around AD 200 around the lower Mekong Valley and central Vietnam, respectively; the Khmer kingdoms between the sixth and fifteenth centuries culminating in the great Angkorian civilization; the Siamese Ayuthia founded in the fourteenth century; Bagan in Burma from the eleventh to the thirteenth century; the Sumatra-based Srivijaya, which lasted from the seventh century until the early thirteenth century, holding sway over much of Sumatra, west Java and the Malay Peninsula in its hey day; and Java-based kingdoms, including Majapahit. In Burma, Thailand, Cambodia and Laos, Theravada Buddhism, which came originally from south India and Ceylon, remains the predominant religion to this day, distinct from the more eclectic Mahayana Buddhism in China and Vietnam. However, in much of maritime Southeast Asia, Islam later replaced Hinduism and Buddhism, except on the Indonesian island of Bali, where Hinduism still remains the predominant religion.

Chinese cultural influence was less extensive than India's, confined mainly to Vietnam.

China too featured prominently in the early history of Southeast Asia. Its cultural influence was less extensive than India's, confined mainly to Vietnam, the northern part of which was ruled by the Chinese for a thousand years. The Vietnamese imbibed important elements of Chinese culture, including Confucianism. However, Chinese communities that had settled in Southeast Asia for generations, some from pre-colonial times, interacted with indigenous cultures to produce pockets of hybrid Peranakan cultures all over Southeast Asia. Some Chinese intermarried with local elites or, as in Thailand, adopted local cultures and played important roles in the country's business or political affairs. There were often strong Chinese trade links with Southeast Asia, with China providing products like ceramics and textiles, while Southeast Asians sold aromatics, wood products and raw materials.

In the era before Western colonialism, China had a geopolitical impact on Southeast Asia in a way that India did not, except for a brief period in the eleventh century, when the Chola kings in South India attacked Srivijaya possessions, possibly to challenge its monopoly on China trade. China's geopolitical reach was felt more directly in regions bordering China — for instance, Vietnam and Burma were invaded by the Chinese in the Yuan, Ming and Qing dynasties. It was felt more loosely and intermittently in maritime Southeast Asia, where Southeast Asian rulers periodically paid tribute to the Chinese emperor and were given trade privileges in return. One period when the Chinese imperial power was felt more strongly in maritime Southeast Asia was during the early part of the fifteenth century in the Ming dynasty. China then maintained a diplomatic alliance with Malacca (which controlled the Strait of Malacca and trade with China) and acted as a counter-balance to potential threats to Malacca like the Java-based Majapahit empire. It was during this period that Admiral Zheng He's naval expeditions visited Southeast Asia. They are often viewed as goodwill voyages, but more likely their purpose was to enforce recognition of Ming pre-eminence, especially since they intervened in conflicts in the region in support of local rulers deemed friendly to China.<sup>2</sup>

Although there were earlier contacts with Muslim Arab traders and some indications of small Muslim communities in the region, the large-scale spread of Islam in maritime Southeast Asia occurred only from the late thirteenth century. The religion was brought to this region by mainstream Sufi scholars, preachers, and traders from the Hadhramaut region of southern Arabia as well as from Gujerat and the Malabar region of India. Islam was also transmitted to the region by Muslims from China.

Two features of this early period of the Islamization of Southeast Asia are noteworthy. Firstly, its syncretic character, with a strong Sufi mystical element, made it easily acceptable to the animist, Hindu and mystical

traditions of much of maritime Southeast Asia. Secondly, the spread of Islam was peaceful. Starting from ports and coastal areas, it moved into the interiors until within a couple of centuries much of what is today Indonesia, the Malay Peninsula and southern Philippines were Muslim. Perhaps, its peaceful but swift spread had to do with the simplicity of the faith, its egalitarian appeal to the ordinary people, and the easy process of conversion into the religion.

Today the approximately 250 million Muslims in Southeast Asia, about two-fifths of the region's population, outnumber their co-religionists in the Arab world. Indonesia is the world's most populous Muslim country. Most Southeast Asian Muslims live in multi-cultural societies. Democratic systems of government with free elections are rare in the Muslim world, but two Muslim-majority states in Southeast Asia, Indonesia and Malaysia, are democracies that regularly hold free elections. Islamist political parties, taken together, have received no more than 20 per cent of the total vote in national elections in Indonesia in recent years. In Malaysia, too, they remain a minority and are in no position to win power through national elections. In recent years, like in many other places in the world, terrorism has reared its ugly head in the region and caused violence, but those supporting radicalism and terrorism remain a tiny minority.

## WESTERN COLONIALISM AND ITS IMPACT

European colonial expansion into Asia was driven by the desire for commercial profit and, especially in the nineteenth century, imperial ambition. In some cases, the missionary drive to Christianize Asian societies was also a significant motive, as, for example, the Spanish in the Philippines. Because of their superior technology and weapons of war and their exploitation of rivalries and animosities among Asian rulers, small numbers of colonial soldiers, sailors and administrators were able to prevail and hold sway over much larger Asian populations.

The Western impact on Southeast Asia began with the capture of Malacca by the Portuguese in 1511, before they went on to the Moluccas in present-day eastern Indonesia to control the sources of the lucrative spice trade. In the sixteenth and seventeenth centuries the Spanish came from their empire in the Americas to begin the colonization of the Philippines. From the early seventeenth century the Dutch wrested control of the spice trade from the overextended and by now weaker Portuguese. The Dutch established their main base in Java at Batavia, now known as Jakarta, from where they expanded over the next three centuries over the whole of present-day Indonesia.

The British established themselves on the Strait of Malacca, first in Penang in 1786, then from 1819 in Singapore, which was to expand rapidly as a free port and trading hub. Like the Dutch in the Indies, the British eventually acted to secure the hinterland of their trading ports by moving into the Malay Peninsula in the later half of the nineteenth century. Earlier in the same century, they had also expanded into lower Burma and by the 1880s had taken control of the entire country. The French secured what is now Indochina in the second half of the nineteenth century.

Thus, by the end of the nineteenth century all of Southeast Asia, except Thailand, was under colonial rule. Thailand was spared in part because of an understanding between the British and the French to preserve it as a buffer state between their respective possessions, in part because of skilful Thai diplomacy.

The colonial powers also built infrastructure and developed plantation agriculture and modern mining operations to extract minerals and metals like oil, tin, copper, and gold.

Western colonialism in Southeast Asia, as in many other places, resulted in the indignities of foreign domination and discrimination against the local people as well as the economic exploitation of the colonies for the benefit of the colonial power. However, to derive economic benefits from their possessions, the colonial powers also built infrastructure like roads, railways, ports and power stations and developed plantation agriculture like rubber and modern mining operations to extract minerals and metals like oil, tin, copper, and gold. They set up schools for some local people in the English, French or Dutch medium to man the lower rungs of the civil service, and a few colleges and universities to train local professionals like doctors, lawyers and engineers. They established Western systems of government, legal systems, judiciaries and the rule of law, and generally maintained peace with law and order. Western education and access to the liberal political values of the colonial mother countries opened the eyes of the better educated among the subject races to the bitter ironies and injustices of colonialism and raised their political consciousness. Some of them were later to lead the nationalist anti-colonial movements.

The borders of present-day Southeast Asian states were drawn largely by the colonial powers to suit their interests. For instance, the boundaries between what is today Indonesia on one side and Malaysia and Singapore on the other were settled under the Anglo-Dutch Treaty of 1824 to demarcate British and Dutch spheres of influence and control in Southeast Asia. The boundary between peninsular Malaysia and Thailand was agreed to under the 1907 Anglo-Siamese treaty, while the boundaries between Vietnam, Cambodia and Laos and between the last two and Thailand were drawn by the French.

These boundary demarcations often left ethnic or religious minorities on the wrong side of the border, as it were, cut off from their compatriots on the other side. For example, the 1907 border agreement between Britain and

Southeast Asians absorbed and adapted many of the Western influences into their political and social cultures without necessarily becoming “Westernized”.

Siam, in which the British made the Siamese give up their claims to Kedah, Perlis and Kelantan, also left the Patani Muslim minority on the Siamese side of the border, in today’s southern Thailand. These were to cause problems of integration for Thailand later on. On the other hand, had it not been for colonial intervention, some peoples of Southeast Asia would not have had their own country. Cambodia would probably have been swallowed by the westward and eastward expansion of the Vietnamese and the Thais, respectively, had not the French intervened and drawn its international frontiers. Likewise, Laos would probably have been part of Thailand. Further, nation-states, such as Indonesia and Malaysia were essentially colonial creations. In pre-colonial times they were separate territories under different rulers.

The Western impact on Southeast Asian peoples and cultures was more limited than is often assumed. During colonial rule, most Southeast Asians lived in rural areas where, by and large, life continued as before, governed by local traditions, cultures and practices. Even in the cities and trading centres in more recent times, Southeast Asians absorbed and adapted many of the Western influences into their political and social cultures without necessarily becoming “Westernized”.

## THE JAPANESE OCCUPATION

The Japanese invasion and occupation of Southeast Asia in the Second World War lasted less than four years. However, it had a profound impact on these countries and set in motion forces that made Western colonial rule difficult to sustain after the war. The defeat of the European forces in war and their humiliation by the Japanese in captivity destroyed, in the eyes of Southeast Asians, the aura of invincibility that had surrounded their Western colonial masters. Most of the leaders of the post-war anti-colonial movement received their political education through their experience of the Japanese conquest and occupation. Japanese propaganda justified their invasion in terms of liberating Southeast Asians from Western colonial rule and held out the prospect of independence to the occupied territories, though it was soon seen by most of the local people as merely a tactic to enlist their support for the war effort. Still, nationalists in countries like Burma and Indonesia cooperated with the Japanese (the former only initially) and participated in Japanese-trained local military forces, which, in the case of Indonesia, were to play an important role in the post-war anti-colonial war. The demands of the war on their resources had also made the Japanese rely more on local people for middle- and lower-level administration of occupied countries, giving more indigenous people the experience and confidence of being involved in running their countries.