

CHAPTER V

CONCLUSION

This chapter would draw the discussions in the previous chapters into a conclusion. The main objective of the conclusion is for proving the validity of the hypotheses, which were set up in the first chapter. In other words, this chapter attempts to summarize the themes, which were discussed in the previous chapters. Those themes are the theories used to explain the nature of regionalism in general and that of ASEAN in particular, the ASEAN mechanism that functioned in the context of the ASEAN Way, the ASEAN's strategic and economic responses to the politics of new regionalism, as well as its successes and failures.

5.1 NEW REGIONALISM: THEORY AND PRACTICE

Regionalism means the integration among governmental or non-governmental actors from at least three states in a particular given region. The essence of regionalism is based on geographical proximity and regional consciousness. The absence of either of these two can lead to an ineffective or failed approach to regional integration. Regionalism is the second of three levels of international organization namely sub-regional, regional and global. It was set up for singular or multiple purposes relating to security, political, economic and socio-cultural integration. It could be developed from 'above down' or 'below up', which means state-led and non-state-led regionalism respectively.

The region in this thesis refers to the geographical entity known as Southeast Asia. The term Southeast Asia became well known under the name 'Southeast Asia Command' (SEAC) during Second World War. In its early period, the region was known by various names such as Nan Yang, Savarnadvipa, Qumr, and India Orientalis (East India). Between the first and eighteenth centuries, there were eight important kingdoms, which existed in the region: Funan, Champa, Srivijaya, Angkor, Pegan, Sukhothai, Majapahit and Ayutthya respectively. There is opinion among historians and anthropologists that these were the earliest forms of interstate systems, but this was opposed by the political scientists because these early statehoods did not have clear territories and sovereignty over particular areas. However, the interstate

systems of the region, if accepted, had been destroyed by the arrival of the colonial powers, which had gradually influenced and fully occupied the region between 1511 and 1957 with five years—1941-1945 interval by Japanese intrusion. Except Thailand, all countries in the region were colonized. This resulted in the artificial demarcation of the territories of the states in the region by the colonial powers and this legacy shaped the pattern of modern states and remains critical to any analysis even today. At present, the region of Southeast Asia comprises eleven countries, Brunei Darussalam, Cambodia, East Timor, Indonesia, Laos, Malaysia, Myanmar, the Philippines, Singapore, Thailand and Vietnam. Except East Timor, the rest of the ten countries are members of ASEAN. The combined population of those member countries is about 567,590,900 people and its area occupies 4,465,502 square kilometers. The most populous country is Indonesia and the least, Brunei with 222,051,000 and 383,000 populations respectively.

The first wave of regionalism had started and existed between the early-1950s and late-1980s, meanwhile the new wave has commenced since the mid-1980s. The former was characterized by the state- and strategic- led regionalism. As a result, realism was the dominant theory in explaining its nature. However, due to the success in attempting to establish an economic bloc in Western Europe, liberalism had also come to the main stream in order to explain and understand regionalism. On the other hand, regionalism in other parts of the world proved unsuccessful. As a result, the old wave of regionalism had been developed in Europe and all theories had been developed in order to explain and understand its nature so that the development of regionalism in its first wave was identified with the Eurocentric regionalism.

The first chapter of this thesis examined theoretical and historical background of regionalism; the examination had gone through an attempt to avoid the Eurocentric regionalism and the limitation of a single theory in order to explain and understand the complex nature of the new wave of regionalism. Accordingly, eight theories that explained the possibilities of regionalism had been presented. They were neo-realism or structural realism; strategic or rational choice theory; hegemonic stability theory; neo-liberalism or neo-liberal institutionalism; functionalism or neo-functionalism; theory of international regimes; collective or public goods theory; and constructivism. Among them, constructivism in tandem with functionalism proved the most suitable theories in explaining the nature and development of ASEAN.

ASEAN can be explained through the viewpoint of constructivism because the association has been socially developed through the use of norms and identity, which came to be recognized as the ASEAN Way. However, the constructivist approach cannot explain the entire picture and development of ASEAN. This is due mainly to an ineffectiveness of and ignorance on the ASEAN Way in dealing with some issues, which took place in the region.

Meanwhile, functionalist viewed the ASEAN's establishment and development as a functional response to the problems that were caused by regional interdependence. Its functions started from non-controversial issues and spilled over into the realm of high politics. The Association encouraged the member states to peacefully work together. Even, ASEAN was then built up to cope with one common problem namely security, but it started from non-controversial issue namely economic agenda, and extended its function to cope with the existing and challenging security concerns in the region and so on.

From a historical perspective, new regionalism has developed since the mid-1980s with the transformation of the economic bloc in Western Europe to form the European Community (EC). The new wave of regionalism has been significantly escalated by the end of the Cold War. ASEAN responded to this global strategic and economic change by widening its member countries and commenced economic-led integration in tandem with the existing strategic-led grouping. This development reflected one of the new characters of regionalism. Basically, there were five facets that differentiated new regionalism from the old. First new regionalism developed amidst the multi-polar world. Second, it was a spontaneous process from within the region. Third, it comprised both open and interdependent integration in nature. Fourth, its process underwent more comprehensive and multidimensional perspective. And fifth, non-state actors played an important role in the new regionalism.

5.2 EVOLUTION OF ASEAN

ASEAN was established in 1997 and had been seen as an encountering bloc against communist Indochina. It was the third attempt in the region in establishing a regional grouping. The first two attempts were the Association of Southeast Asia (ASA) and the MAPHILIDO, which became defunct because of the inter-state

conflicts between Indonesia, Malaysia and the Philippines. The core concerns of ASEAN were security and politics. However, from its inception, ASEAN was characterized as a multipurpose organization, which included concerns of the political, security, economic and socio-cultural aspects. Notably, it is considered as the first regional grouping in the region that excluded from participation of all the superpowers and was not directly supported by any of them.

Although the ASEAN Declaration overwhelmingly aimed to promote cooperation in economic, social and cultural activities and obliquely referred to cooperation in political matters in its Article 2, the main impetus for the formation of ASEAN was clearly political. Since its establishment in 1967 until the early 1990s, ASEAN functioned particularly as a political mechanism. The formatting of the Association itself was a direct political act, which mainly responded to the political environment at the international and regional levels. Moreover, the major successes of ASEAN have been evidenced in the political sphere. In fact, the leaders of the founding countries of ASEAN were aware that having explicitly mentioned political and security objectives would invite countermeasures from communist states. As a result, it would generate greater insecurity for the ASEAN. They did not want ASEAN to be mistaken for a military grouping among political allies as its predecessor, Southeast Asian Treaty Organization (SEATO). Therefore, the Declaration highlighted the criticality of the economic, social and cultural purposes.

The political imperative was considered as a primary driving force for the formation of ASEAN. It was envisaged as a platform for sustaining peace in the region by providing a forum for discussion and resolution of regional conflicts. This imperative together with an emerging environment in favor of regionalism led to the establishment of ASEAN. At its inception, ASEAN consisted of five founding countries namely Indonesia, Malaysia, the Philippines, Singapore and Thailand and in 1999 ASEAN achieved its ambition of One Southeast Asia so that all countries in the region were members of the Association. Brunei was admitted in 1984, Vietnam in 1995, Laos and Myanmar in 1997, and Cambodia in 1999 respectively. Apart from its ambition of ASEAN Ten, ASEAN had been encouraged by the confidence of its success in dealing with the Cambodian conflict.

The admission of ASEAN's new member states namely Cambodia, Laos, Myanmar and Vietnam (CLMV) caused great concerns to the association.

Significantly, their economic development and pattern and political regimes differed from that of the ASEAN's original member countries. Consequently, ASEAN has been identified with a two-tier grouping that was divided between its original and new member countries. Particularly, the admission had been done without any specific criteria or requirement that needed to be attained by the new members in order to adjust themselves with the original members. As a result, the political regime and human right records of Myanmar has challenged the ASEAN's relationship with its important trading partners and the dialogue partners, the US and the EU. However, the two-tier ASEAN has been considered better than the two-tier Southeast Asia. The latter will certainly lead to the division of the region instead of regional solidarity. Thus, the admission of new members was the preferable alternative. In addition, since 1973 ASEAN has opened its consultation with the countries outside the region and today it has twelve dialogue partners.

Apart from its increasing number of member countries and dialogue partners, ASEAN has hardly proved to be qualitatively successful. Its success and failure has been based on its mechanism that is directed by the ASEAN Way. Under the norms of the ASEAN Way, ASEAN was a formal institution that preferred informal process of decision-making. However, the mechanism of ASEAN can be categorized into two levels namely Secretariat and Ministerial. At the secretariat level, the ASEAN Secretariat was set up in 1976 and is headed by the secretary-general, who is assisted by two deputy secretariat-generals and works through four departments namely bureau for economic integration, bureau for finance and integration support, bureau for external relations and coordination, and bureau for resources development. The headquarter of the Secretariat is located in Jakarta, Indonesia. In each member country, there is a department of ASEAN that coordinates with each other at national levels. So far there were twelve secretary-generals. Today the term of secretary-general's position is for five years.

At Ministerial level, the ASEAN Summit is structurally the supreme decision-making organ where the heads of governments of its member countries meet, since 2001, annually. Thirteen Summits had been held between 1967 and 2007, and four informal summits between 1996 and 2000. There are four steps to bring the issue to the summit, the issue would be filed, considered and forwarded through the working group, the committee of senior officials, the ministerial bodies, and the summit.

Within the processes the issues that cannot be brought into consensus would be shelved.

5.3 NEW REGIONALISM AND ASEAN'S STRATEGIC RESPONSE

After the end of the Cold War, two major events took place in Southeast Asia. They were the 1997 Financial Crisis and the terrorist attack on the US and Indonesia in 2001 and 2002 respectively. Within the Association itself, there was a great development when it endorsed membership of four other new members in the region. As a result, the association attained its goal of ASEAN Ten as its founding fathers envisaged. In responding to these developments, in 2003 ASEAN determined to establish the ASEAN Community comprising three pillars namely the Security Community (SC), the Economic Community (EC) and the Socio-Cultural Community (SCC). These were considered as the key responses of ASEAN to new regionalism.

The nature of strategic study in the post-Cold War era has expanded. From a focus primarily on military-led traditional approach, it is today working at non-traditional dimension also. The new approach is a further endorsement of the comprehensive security, which the region followed because its content embraces not only military-caused insecurity but also all actions that challenge the survival of state and well-being of human being as well as environment.

The key strategic issues that had been discussed in this thesis are the interstate territorial dispute, the dispute in South China Sea and terrorism. The reasons in choosing these issues reflected the concerns of the regional players. The first issue involved all states in Southeast Asia, it was intra-regional in nature. The second issue involved the countries outside the region namely China and Taiwan, and addressed the dimensions of inter-regional conflict. And the third issue considered as the global agenda, which involved major powers particularly the United States.

All ASEAN member states are involved in interstate territorial conflict. This conflict resulted from the artificial territories, which had been demarcated by the colonial powers, and left unsolved since the end of Second World War. This together with the movement of separatist groups in individual countries had led to the military buildups and arms acquisitions. ASEAN member states, even after the extinction of threat caused by communism in the post-Cold War era, struggled for arms race. The

arms race had been fading down only when the region faced the financial crisis. Singapore was an exception because its defense expenditure remained increasing.

This intra-regional conflict has been heightened by the emerging military and economic power of China. Particularly, China is one of the disputants in the South China Sea. Other disputants are Taiwan, Vietnam, Brunei, Malaysia and the Philippines. The ASEAN member disputants have been suspicious of each other as well as disunited in dealing with China. This lets China comfortably employ the “take and talk” policy. In other words, China is only claimant that claimed the entire Spratly chain and its claim is based on historical grounds. The conflictual Spratly Island consists of great potential for oil and gas reserves as well as shipping lanes and fishing. All the competing claimants except Brunei maintain military installations on one or more of the islands and there have been periodic armed clashes in the region. With the exception of Brunei, all disputants have sought to strengthen their claims by engaging in a number of activities such as granting concessions to oil companies etc. Accordingly, the Spratly issue is considered as a potential flashpoint for inter-regional confrontation.

In 1992, ASEAN endorsed the ASEAN Declaration on the South China Sea, the very first collective document in dealing with the conflict, but it faced the hardship with China when the former rejected to sign the Declaration and passed the Law of the Territorial Sea and Contiguous Zone in the same year. Against this backdrop, China signed bilateral agreements with some ASEAN member disputants. As a result, it significantly weakened the ASEAN’s role. However, ASEAN claimed some success when it was able to put the issue on the agenda of ARF. Up to date, the conflict over the South China Sea has been shelved and remains unsolved.

The strategic scenario in the region has been dramatically changed again after the end of Cold War with the terrorist attack on WTO in the US and later in Bali, Indonesia. Accordingly, ASEAN has been considered as the second front by the US in the global war against terrorism. The attacks provided a strong impetus for the region to come together to fight against terrorism and related crimes. However, the ASEAN response has been with some reservations, which reflected its different position towards terrorism as well as its counterpart, the US. Terrorist attacks resulted in great impact not only to the security of the states, but also economic dimensions. As a result, tourism sectors significantly dropped and the disappearance of foreign direct

investments, which was already suspended by the region's unsolved 1997 Financial Crisis and worsened by a wait-and-see attitude from the investors. This forced ASEAN to pursue the concrete initiatives against terrorism. The ASEAN's attempts have gone through all levels national, regional and global. Even then, ASEAN cannot agree upon a collective position and individual member states will be left to their own devices to deal with the threat as they see it.

Security of ASEAN is not subject to be studied in isolation, but has been affected and influenced by four key players i.e. the US, China, Japan and India. The US has played an important role since the end of the Second World War, its role had been dramatically influenced in the region during the Cold War period and had been fading with the end of the Cold War. The US mostly ignored the security of the region and limited its direct role, but the terrorist attack reversed its perspective and strengthened its direct involvement in security concerns of the region. Meanwhile, China with its dramatically emerging economic and military power replaced the fading role of the US. Meanwhile, India, which shares the same status with China in all means, has been in the focus in balancing Chinese powers. Simultaneously, the economic superpower in Asia, Japan gradually assumed a status of the 'normal' state, which was endorsed by the US. Consequently, ASEAN has benefited from these structural developments when it wisely undertook the role of conciliator among these major powers and others in the world through the ASEAN Regional Forum (ARF).

The ARF therefore, is considered as a response to new regionalism by ASEAN in terms of strategy. The ARF embraced all major powers in the world and ASEAN has been placed in its driver's seat. It provides ASEAN an inter-governmental forum contributing to the promotion of peace and security in the Asia Pacific region through dialogue and cooperation. Accordingly, the ARF made ASEAN the hub of the confidence-building and preventive diplomacy in the region. The successes of its activities are not effective. The main causes of its ineffectiveness are mainly due to the ASEAN-styled approach in dealing with the problems. The core of the ASEAN Way-consultation and consensus; and non-interference limited the forum to pass any concrete plan of action against the aggressive states. Consequently, the forum was seen as a talk shop and the driving seat of the forum of ASEAN has been challenged. However, the forum accredited ASEAN as being able to bring all major powers on the same negotiating table.

Against this backdrop, ASEAN is considered half-successful in fulfillment of its goal in establishing and claiming the ASEAN Security Community (ASC). Because the core concept of SC means the non-use of force in settling disputes between member states, in other words the development of collective identity and well-being. ASEAN accomplished the former sense of SC--non-use of force. On the other hand, in its latter sense ASEAN proved unsuccessful. This is evident with the conflict over interstate territories that led to arms races and mutual suspicion; its disharmony in dealing with China over the disputes over the South China Sea; and the dichotomy of views towards terrorism and particularly the role of the US in its global war against terrorism.

In fact, in its strategic response to new regionalism, ASEAN assumed the status of a nascent security community and it has a long way to go for achievement of ascendant and mature stages. The only way ASEAN will be able to fulfill its goal by 2020 is the strong political will to collectively develop and adjust the existing elements: institution, norms and identity. Otherwise, its ambitious SC will not come true and the associations image of a talk shop will prevail instead.

5.4 NEW REGIONALISM AND ASEAN'S ECONOMIC RESPONSE

The ASEAN Economic Community (AEC) also needs a strong political will to push forward its implementation and pave the way for the roadmap. The AEC is considered as the economic response of the Association to the new wave of regionalism, which has developed since 1992 with an initiative of ASEAN Free Trade Agreement (AFTA). The progress of AFTA had faced various difficulties among its signatory countries. They continued enjoying their trade benefit, as well as foreign direct investment from major trading partners: the US, the EU countries and Japan. AFTA came into focus and had been revitalized again when the region faced Financial Crisis in 1997. The US and the EU proved inadequate and neglected to assist the affected countries in due time and course. Against this backdrop Japan and China showed their strong will to help solve the crisis. This led ASEAN to strengthen within its member countries and explored a new platform to cooperate with Japan and China. As a result, the AEC and the ASEAN Plus Three formula took place and proceeded to form the foundations for East Asian integration.

The core conditions in fulfillment of these initiatives might be found within ASEAN itself. These are due largely to the economic pattern and development gap among its member countries. Since the mid-1960s the economic pattern of Singapore transformed itself from a less developed country to a newly industrialized country (NIC). This has been followed by Malaysia, Thailand and Indonesia with some distance by the Philippines. For the Indochinese countries, their economic growth rate began to register since the mid-1990s. These developments were due largely to internal economic reform and liberal stance to external trade and investment. The Asian Financial Crisis destroyed almost spectacular economic performance of the region and the crisis is considered as the most severe turning point of Asian economic and political scenario.

The key feature of the crisis was the devaluation of currencies, which led to the loss of confidence in their value and rapidly rising account deficits as well as mounting foreign debts. This caused the investors to have serious doubts in the value of currency and ability to pay debts of those countries. The main causes of the crisis among others were poorly managed liberalization of the financial sector and the inability and unwillingness of key players to accurately assess risks. As a result, this was not just the matter of finance but the worst effect of Crisis was a crisis of confidence. This had again significantly challenged the ASEAN Way in dealing with the changing world after the Cold War.

The International Monetary Fund (IMF) played a significant role in recovery from the crisis for the region. Simultaneously, Japan proposed an Asian Monetary Fund (AMF) to complement the IMF. Its proposal was enthusiastically welcomed by ASEAN but was strongly opposed by the US and the EU. The reason for opposition is that the AMF would undermine the IMF. In fact, the AMF would function beyond the US control so that the US feared losing economic influence in the region. As a result, the AMF did not come into existence. After its failure in setting up the AMF, Japan proposed the New Miyazawa Initiative through the Asian Development Bank (ADB). The Initiative supported monetary aids to those affected countries.

ASEAN was experiencing the negative stance from the US and the EU and positive stance from Japan. Simultaneously, China increased its fiscal spending and cut off interest rates to boost domestic demand instead of devaluing its currency. This helped maintain the pegged exchange rate system in the region. China not only gained

praise from international community but its unbroken and rising economy attracted foreign investors. Therefore, the Asian Financial Crisis was considered as the turning point of economic structure in the region. Apart from the impact of the Financial Crisis and emerging economic power of China, there have been two other economic imperatives, which forced ASEAN to explore alternatives. They were the slow progress of economic integration within WTO and APEC; and the impact of trading blocs in Western Europe, America and so on.

In response to these developments, ASEAN has stepped forward from AFTA to deeper and wider economic integration. The AEC provides ASEAN a deeper economic integration among its member countries meanwhile the ASEAN Plus Three provides it wider economic integration with the East Asian countries: China, Japan and Korea. Apart from this dual track strategy, the ASEAN member countries have negotiated bilateral free trade agreements with a number of countries. This reflected the competitive cooperation with the ASEAN member countries themselves in order to strengthen economic security at home before leading each country in the collective ASEAN's process. Certainly, the AEC and the ASEAN Plus Three formula also provided ASEAN the different economic strengths.

Under the AEC framework, ASEAN will become a single market and production base. Tariffs and non-tariff barriers will be gradually phased out. There will be a free movement of goods, services, investments, capital and professionals. The ASEAN single market and production base consists of more than 550 million populations. As a result, the AEC pushed forward ASEAN's strong bargaining power and acted as a catalyst for greater inflow of FDI to the region, which ASEAN had lost its championship to China since the Financial Crisis. However, ASEAN has faced hindrances within itself when there are huge economic development gaps within its member countries. In dealing with this challenge, ASEAN applied the different time frame and assistance, which was considered suitable to all.

Under the ASEAN Plus Three formula, ASEAN moved towards closer economic integration with East Asian States and engaged each other in the growth of economic dynamism in the region. Particularly, China with its single market of more than 1,300 million populations is not only marching to compete with ASEAN in all economic course but also provides a huge market place. Under this formula, ASEAN engaged Japan and Korea to play a counter balance against China's economic and

strategic powers. Significantly, China had relaxed its strategic aggressiveness over the South China Sea disputes in order to win the hearts of ASEAN leaders. As a result, China will assume the favorite status instead of its neighbors, then ASEAN and China will be interdependent economic and strategic partners. This China's move benefited ASEAN when Japan and Korea, feared lagging behind China, geared up their economic roadmap with ASEAN. However, its smaller size alarmed ASEAN to seek for a counter balance against China. Consequently, India has come under the spotlight and has been envisaged by ASEAN as a key player balancing Chinese economic and strategic powers. This led to a formula of the ASEAN Plus Four or the ASEAN Plus Three Plus One. Therefore, even though India is not located in East Asia, it attended the lasted East Asian Summit between ASEAN, China, Japan and Korea.

Significantly, ASEAN will benefit from these developments when it could achieve the key status of the AEC prior to finalization of other formulas. Accordingly, in its 2007 Summit ASEAN reduced the timeframe of AEC from 2020 to 2015. In fact, ASEAN learned how to achieve the AEC from its predecessor, the EU. Moreover, the economic structure of the world today is more favorable to ASEAN than to the EU. The only thing, which distinguishes ASEAN from the EU, is its norms—the ASEAN Way. The EU has undertaken formal institutional approach but ASEAN has not achieved this, though the Charter attempts to address this lacuna. Until more formal guidelines on interstate relations can be formed, the ASEAN Way will be used, which may not yield the required results.

5.5 FUNCTIONALISM AND CONSTRUCTIVISM

Throughout the thesis, the qualitative research methodology has been implemented in accordance with the mixed-concept of functionalism and constructivism. These two theories are used to explain the nature of ASEAN. According to its structure, functionalism looked at the issues that the Association has been facing. We spelt out the strategic and economic issues in the era of new regionalism. Three strategic issues namely the interstate conflict among the ASEAN member countries, the disputes over the South China Sea between China and Taiwan and some ASEAN member countries, and the global war against terrorism. These

strategic issues forced ASEAN to find collective measures to cope with regional problems. Without these driving forces, ASEAN might not be able to push forward the logic of the ASEAN Security Community. In terms of economic issues, the Asian Financial Crisis (AFC) with its severe impact together with the increasing global economic competition and economic resurgence of China forced ASEAN to revitalize its AFTA and to lay the founding stone for the ASEAN Economic Community as well as the ASEAN+X formula. ASEAN has moved in order to cope with these issues, which is considered as the nature of functionalism. Meanwhile, constructivism identifies ASEAN as a grouping that relies on identity building because its mechanisms had to be based on the application of a norms based approach.

Since its establishment in 1967 to 2005, ASEAN had developed according to what problems that it faced. The dominant driving force in establishing the Association was to deal with increasing aggressive communist movement in the region that focused on the Cambodian conflict. The communist and Cambodian issues dominantly lasted throughout its first twenty-four years between 1967-1991. If there were no such problems, could ASEAN be established? This question was set up not without clue because we had seen the failure in the first two attempts of groupings in the region, which was caused by confrontation in attitudes among disputant member states. Moreover, if there were no such previous failed attempts for ASEAN to learn from, ASEAN might be a failed attempt. Therefore, its survival throughout the old wave of regionalism was based on the external threat to the sovereignty of its member countries. As a result, the prevailing external threat together with the failed experience forced ASEAN disputant member countries on the Sabah claim to compromise their confrontation stance and work together. Security was a priority issue to ASEAN at the time of its establishment, but it did not mention security as the core of its objectives in the founding document. In contrast, social and economic cooperation were its dominant objectives, but there hardly was initiative and plan of action that could lead to social and economic goal. This development of ASEAN could be explained by functionalist view. That is ASEAN started from non-controversial stand-point namely social and economic and functioned to cope with the existing threat namely security. However, in its dealing with those issues, ASEAN had pursued its mission through its own norms—consultation, consensus and non-intervention. This ASEAN nature could be understood by constructivist view that explained regionalism development through

norm and identity buildup using socialization as the key binding factor. Accordingly, ASEAN in its survival throughout the old wave of regionalism could be theorized by the combination of functionalist and constructivist approaches.

5.6 VALIDATION OF HYPOTHESES

There are three hypotheses proposed to drive the arguments in this thesis. The validity of these hypotheses would be addressed in this section. These hypotheses are i) ASEAN's historical evolution and achievements are in tune with major aspects of new regionalism; ii) new regionalism would lead to much wider and deeper integration process in ASEAN; and iii) new regionalism will introduce more competitive integration with East Asian community.

The first hypothesis can be validated because the evolution of ASEAN and its achievements have been evidenced in tune with new regionalism. ASEAN was established in 1967, it hardly proved any success up until the end of Cold War, which is considered watershed in the changing nature of old regionalism into new regionalism. The major change from old to new regionalism is the emerging economic-led functions rather than strategic-led functions of regionalism in the old wave of regionalism. In other words, new regionalism opened for the increasing role of private and non-governmental sectors rather than old regionalism, which had states as the major player.

The second hypothesis can be validated because of two reasons. First, ASEAN expanded to include the four new members, which took place between 1995 and 1999. Second, in terms of deeper integration among ASEAN both old and new members, it has undertaken to apply the agreement for free trade. Particularly, in 2003, ASEAN endorsed to establish a community with three pillars: security community, economic community and socio-cultural community. These developments rewarded ASEAN strength to work wider and closer together with all countries in the region.

The third hypothesis too, can be validated because since the Financial Crisis in 1997, ASEAN has moved closer with East Asian countries. This led to establish an East Asian Community through the ASEAN Plus Three (China, Japan and Korea). Integration with these three countries not only strengthens ASEAN but also compete

with them particularly in terms of economies. Accordingly, ASEAN has closer integration with East Asian States on one hand, and on the other, it has competed with them to gain either absolute or comparative advantage as much as possible.

The scope of the thesis focuses on strategic and economic response to new regionalism, which left out socio-cultural response. To complete the ASEAN response to new regionalism, the latter needed to be studied because ASEAN aimed to establish a community with three facets—security, economy and socio-culture. Therefore, further study can be kept this in mind. The scope of the thesis also left out one country in the region--East Timor because it focuses on the Association as a whole. East Timor is not the member of ASEAN, as a result of which it remains outside the scope of this work. In terms of period of the thesis, it focuses on the period between 1991 and 2005. Therefore, there are some developments taking place after 2005, which are left out. Importantly, in the 13th ASEAN Summit in 2007, the leaders of the ASEAN member countries endorsed the ASEAN Charter (See Appendix II). The Charter confers the association with legal status and establishes the concrete commitment between the member countries rather than the founding document, which is the ASEAN Declaration. In this regard, ASEAN might start its new era after long existence for forty-years—1967-2007. These issues reflect the changing nature of regionalism and can provide the foundations for any future study.