

*Ponder the Improbable*

since  
1996

# REFLECTIONS ON THE TENETS OF FOREIGN POLICY OF SOUTHEAST ASIAN STATES

June 2021

**Takashi Inoguchi**

**RSiS**

S. RAJARATNAM  
SCHOOL OF  
INTERNATIONAL  
STUDIES

Nanyang Technological University, Singapore



**NANYANG  
TECHNOLOGICAL  
UNIVERSITY**  
SINGAPORE

# **REFLECTIONS ON THE TENETS OF FOREIGN POLICY OF SOUTHEAST ASIAN STATES**

**Takashi Inoguchi**

**June 2021**

## Abstract

---

This article discusses the key tenets of foreign policy adopted in Myanmar, Thailand, Vietnam, Singapore, the Philippines, Indonesia, and Malaysia — seven Southeast Asian states which are also members of the Association of Southeast Asian Nations (ASEAN). The impetus of these nations to evolve their policies amid external globalisation and internal democratisation will also be examined. ASEAN has three other member states: Brunei, Cambodia, and Laos, which is the only landlocked country in the region.

## TABLE OF CONTENTS

---

Introduction	5
Foreign Policy in Continental Southeast Asia	7
Foreign Policy in Maritime Southeast Asia	13
Conclusion	19
References	20
About the Author	22
About the S. Rajaratnam School of International Studies	22

# Introduction

---

ASEAN was formed in August 1967. One of its key principles has been non-interference in internal affairs. Given the enormous diversity among ASEAN member states (Brunei, Cambodia, Indonesia, Laos, Malaysia, Myanmar, the Philippines, Singapore, Thailand and Vietnam), the need for this principle cannot be overemphasised. At the same time, the member nations have been quite emphatic about enhancing ASEAN-wide cooperation in building infrastructure, as well as promoting industry and innovations.

It would be useful to compare the key features of the interactions in Southeast Asian with other sub-regions like East Asia (China, Japan, South Korea, North Korea, Taiwan, and Hong Kong), South Asia (India, Pakistan, Bangladesh, Nepal, Sri Lanka, Bhutan, the Maldives, and Afghanistan), and Central Asia (Kazakhstan, Uzbekistan, Tajikistan, Kyrgyzstan, Turkmenistan, and Mongolia).

East Asia is known for its close economic ties, as well as political volatility, especially among China, Japan, and South Korea. The three countries started the annual East Asian Three Summit meeting in 2008 which later became intermittent due to territorial issues and disputes. South Asia has a South Asian Association for Regional Cooperation (SAARC). However, economic connectivity has been low relative to the sub-region's population size, as well as its politics, which has been characterised as "Neighbours without Borders" (Pande, 2019). Central Asia used to be subordinate to the Soviet Union. Today, it is a diversified sub-region, with China making solid inroads into its economy.

Compared to the other sub-regions, Southeast Asia seems to be treading cautiously towards steady regional development via diverse courses. In this paper, I will be focusing on how the foreign policies of seven Southeast Asian states have evolved over the last 25 years. All the seven nations are members of ASEAN. My views on the foreign policy of Japan as an Asian country is referenced in Inoguchi (2020).

It is necessary and expedient to set up a common framework to discuss the foreign policy profiles of Myanmar, Thailand, Vietnam, Singapore, the Philippines, Indonesia, and Malaysia. To execute foreign policy, countries require a good grasp of the internal and external conditions and situations. To adapt to changing environments, nations must be prepared to make internal and/or external changes.

Take the example of Finland: In the Northern War of 1700-1721, Sweden was defeated by Russia and lost its continental territories. Finland was kept within Swedish territories. When World War 1 took place, the Finns attempted to regain their territories by fighting alongside the Germans whose aim was to defeat Russia and expand into Russian territories. The Finns were given a semi-autonomous territory within the Russian empire. When World War 2 took place, the Finns sought to regain their territories once again. Both sides came to a compromise, whereby Russia would keep the eastern half of what the Finns considered to be original territory, while Finland promised to repel the forces that advanced through the western half to attack the Soviet Union. Finland had also promised not to join the Western Bloc headed by the United States, and to deny any action that could be viewed as hostile or negative by the Soviet Union. This process came to be known as “Finlandisation”. Finland would eventually establish its place between the Western and Eastern Bloc in 1975 before joining the European Union in 1995.

The example of Finland illustrates the importance of paying attention to both internal and external environments, and considering possible actions before making internal adjustments to suit to the external environment. Another alternative would be to change the external policies to suit to the internal preferences and constraints. For these reasons, I have developed a conceptual framework for analysing both foreign and domestic policies simultaneously (Inoguchi, 2003). It would be imperative to consider both changes in foreign policy positions and actions, as well as transformations in domestic policy positions and actions, in our analysis of foreign policies.

# Foreign Policy in Continental Southeast Asia

---

## *Myanmar (Burma)*

To understand the historical context of British Burma, it would be helpful to draw comparisons with British India. Before the defeat of Japan in World War 2, three Indian forces had contested with one another to forge India's independence. The Indian National Congress had the steady lead in working with colonial authorities in British India, while the Indian communists aligned with the Soviet Union, and the Indian nationalists aligned with the Axis powers when necessary. In 1945, when the British Indian court passed a "guilty" verdict on the leaders of the Indian National Army, the nationwide surge of anti-British protests prompted the British Indian government to grant India's national independence the following year, in 1946 (Cook and Stephenson, 2018).

In British Burma, the situation was somewhat different. The military had dominated the Burmese elites, the most famous of whom was Aung San, the father of Aung San Suu Kyi. No less important were the many ethnic groups in Burma (Myanmar), many of which were hostile to the government in Rangoon (Yangon). Incessant civil wars continued between the Burmese military and each semi-autonomous province, including pro-Christian Kachin, Rohingya Muslims, the Shan, the Karen, and the ethnic Chinese rebels. Another ubiquitous force in Myanmar society is Buddhism. U Nu (r. 1948-1956, 1957-1958), the first prime minister of Myanmar, was an ardent Buddhist. His foreign policy was that of active non-alignment and neutralism with a Theravada Buddhist flavour.

Burma's U Thant was the United Nations (UN) Secretary-General (r. 1961-1971) during the vehement contests between the Western Bloc and the Eastern Bloc, which had negatively affected the newly independent states. In the latter half of the 1960s when the Vietnam War intensified, U Thant tried to hold active non-alignment positions but to little avail. Burma had an extremely bad experience with the UN in its earliest days (Myoe, 2019). Collective security in the UN Charter did not work when Burma filed a complaint to the UN Security Council against the aggressive incursion and occupation of Burmese territory by the Chinese Kuomintang. Burma was extremely distressed by the ineffectiveness of UN collective security, given that the Burmese elites had placed their trust on the efficacy of the UN collective security scheme and voted for collective security action by the UN Security Council when North Korea took aggressive military action in 1950. After their disappointment in the UN and its narratives on multilateralism, Burma's active neutralist line was noticeably toned down.

General Ne Win seized power in 1962 by a military coup, taking the course of isolationism and neutralism in the name of “Buddhist socialism”. In fact, industrial development and trade diversification were neglected and poverty-stricken maldevelopment went on, as federalist solutions to ethnic hostility were not practised effectively. The military kept enhancing its own power and human rights violations were kept high, as human rights organisations, the United States and Western Bloc states would criticise. In response, democratic protesters like Aung San Suu Kyi had continued their campaign against military rule. Changing gears in the booming post-Cold War era, Burma joined ASEAN along with other continental Southeast Asian nations (Vietnam in 1995, Laos in 1997, and Cambodia in 1999). The 1997 Asian Financial Crisis hit Thailand hard, along with Indonesia and South Korea. It also created negative consequences for Myanmar. Vietnam, on the other hand, had embarked on economic reform (*doi moi*) in 1986, established diplomatic relations with the United States, and participated extensively in multilateral treaties (Inoguchi and Le, 2021).

Vietnam has since registered the highest annual economic growth rate from the 2000s onward. In contrast, Myanmar, one of the largest Southeast Asian states by demographics and rice exports, has achieved very slow progress in terms of economic development and political liberalisation. It is interesting that Myanmar boasts one of the highest productivity increases in recent years, along with China and Vietnam (The Economist, 2020). However, since its national independence, Myanmar has been unprepared for the end of the Cold War and the advent of globalisation amid its multi-ethnic complexities and mono-cultural stagnation.

## ***Thailand***

The 1997 Asian Financial Crisis presents the best starting point for understanding Thailand’s foreign policy. In the post-Cold War boom in East and Southeast Asia, Thailand, Indonesia, and South Korea had spent beyond their means. The International Monetary Fund (IMF) intervened, and the affected countries had to borrow money from the IMF with what was regarded as unreasonably high interest rates. Furthermore, South Korea had been subject to various IMF controls in order to shape up the Korean economy. Although the South Koreans were not happy about this at the time, their perceptions changed after 2008 upon seeing the results of the IMF-imposed reforms on the Korean economy. Thailand and Indonesia had also been unhappy about the IMF’s prescriptions. Looking back at 2008, they would have been happier if they had been under IMF control for a time.

After the Asian Financial Crisis, instability prevailed not only in Thailand's economy but also in its politics. The Bangkok establishment consisting of the monarchy, the military, Buddhist monks, billionaire capitalists, and the bureaucracy had remained strong due to the tight networks among themselves. However, the ambitious and tactful politician Thaksin Shinawatra landed a huge victory in the general election with strong support coming from poor peasants in the northeast and other remote regions outside Bangkok. The populist Thaksin governed the country with two key policies – reducing rural poverty and initiating universal healthcare. The Bangkok establishment was intimidated by his populist successes, and a coup d'état took place in 2006. As a result, the military junta took over politics, and Thaksin went into exile. In 2011, Thaksin's sister, Yingluck Shinawatra achieved a huge victory in the general election. In the fierce competition between anti-Thaksin and pro-Thaksin forces, the military staged another coup d'état in 2014. The military headed by General Prayut Chan-o-cha held power till in 2019, when a partially democratised general election was called in accordance with a constitutional change. The military successfully retained the majority vote and kept its power.

Thai foreign policy is characterised by four policy lines: (i) It is inward looking, always eyeing internal dissents and dissidents. (ii) Protectionism is inevitable. This is evidenced in the apparel sector's stagnation due to lower wages and higher annual economic growth among new competitors like Bangladesh and Vietnam. The service sector, especially tourism, is also heavily dependent on internal political stability and external economic factors. (iii) ASEAN community building efforts have been slow but steady, with Thailand benefiting from ASEAN's principles of non-interference in internal affairs and ASEAN centrality. (iv) A China-friendly policy has been constant, thanks to vigorous economic performance and security vulnerability. For Thailand, the biggest threat entails the Chinese dam construction projects upstream and mid-stream on the Mekong River. This may reduce the productivity and utility of places in the Mekong's lower streams and Mekong Delta, thereby negatively affecting Thailand, Cambodia, Laos and southern Vietnam.

One big concern for ASEAN member states is the South China Sea. The Philippines and Vietnam have been actively interacting with China on this. The Philippines had filed a case against China on its violation of United Nations Convention on the Law of the Sea (UNCLOS) in navigation, flight, fishing, mineral resource exploration and exploitation, and territorialisation and militarisation of inlets and islands. Meanwhile, China uses the charm offensive on states which would be interested in infrastructural enhancement projects for ports, airfields, and canals, providing not only financial assistance but also manpower and technological support.

## Vietnam

Japan's defeat in World War 2 gave Ho Chi Minh a chance to declare national independence for Vietnam on 2 September 1945, citing "independence, liberty, and happiness" — the key slogan of the American Declaration of Independence in 1776. Yet, France soon came back to Vietnam, marking the start of another long struggle to independence. After the collapse of its peace treaty with France in 1954, a communist-backed guerrilla war was waged against South Vietnam. This was initially backed by France, and from the mid-1960s, by the United States. The Vietnam War, one of the bloodiest wars after World War 2, finally ended with a peace treaty followed by the withdrawal of the United States in 1973. In 1975, the Democratic Republic of Vietnam (North Vietnam) overwhelmed the Republic of Vietnam (South Vietnam) and militarily unified Vietnam. The Socialist Republic of Vietnam was born in 1976.

After multi-ethnic Mekong Delta fell under the communists, conflicts with neighbouring Cambodia became rampant. This led Vietnam to invade and occupy the whole of Cambodia in 1978. This in turn prompted China to invade Vietnam in 1979. The peace treaty between Vietnam and China was concluded in 1984. Although Vietnam withdrew from Cambodia in 1982, conflicts between them continued intermittently until 1991 when a comprehensive political settlement between Cambodia and Vietnam would liberate them from half a century of being on a war footing. Equally important is the fact that after "the Soviet Union abandoned its alliance with Vietnam to mend ties with China in 1986, Hanoi has been consistent over decades to avoid repeating the mistake of aligning with one great power against another" (Grossman, 2020). The lesson also applies to the US-China competition, evidenced in Vietnam's "Four Noes and One Depend" defence policy. The "Four Noes" refer to: (i) no alliance, (ii) no foreign military base on Vietnamese territory, (iii) no activity with a second country against a third, and (iv) no starting of war. These conditions would have to depend on China's assertiveness ("One Depend"). After all, the United States has a "strategic partnership" with Vietnam, whereas the China and Vietnam share a "comprehensive strategic partnership" (Grossman, 2020).

In 1984, it was declared that Vietnam's economic reform policy (*doi moi*) would start, with a whole set of policies on "political capitalism" (Milanovic, 2019). These included trade expansion, foreign direct investment, accelerated development of science and technology, along with loose and fuzzy definitions of state possession and control of land and firms, especially in the former Republic of Vietnam (specifically in Ho Chi Minh City and Can Tho City). In 1995, Vietnam joined ASEAN, with the other continental Southeast Asian nations of Myanmar, Laos, Cambodia following suit in subsequent years. Vietnam's participation in

multilateral treaties increased by leaps and bounds thereafter. Furthermore, at the dawn of the new millennium, the General Agreement on Tariffs and Trade (GATT) was replaced by the World Trade Organization (WTO). As such, the problems and conflicts that had related to trade and tariffs would be settled by WTO committees, meaning that the economic equilibrium between the developed North versus the developing South would become increasingly favourable to the latter. This has been referred to as the rebalancing between the developed North and the developing South (Milanovic, 2019). The privileges from the rewarded the developing South enormously, especially the states that had started early and were well-prepared, such as China and no less significantly, Vietnam, in this context.

A few years after the border war between China and Vietnam in 1979, the two countries sought to settle their conflict, and Vietnam was able to benefit enormously due to changes in its internal policy (especially *doi moi* and the inclusion of pragmatic capitalism with a socialist slogan) and external policy environment (especially the accord with China, the disappearance of Soviet communism, and WTO's inclusion of the developing South). While Vietnam had benefited from the replacement of GATT by WTO under the Obama administration, Donald Trump's agenda for a trade war with China as well as his intent to unravel all Obama's policy packages, including the one for WTO, brought greater gains to Vietnam. This was because many foreign firms were looking to shift their manufacturing operations from China to other countries, including Vietnam. This had significant implications for Southeast Asia because the United States had become Vietnam's "comprehensive partner" (Thayer, 2019) while Thailand, Vietnam's historic competitor over continental Southeast Asia, had become China's de facto strategic partner.

Meanwhile in China, Xi Jinping has continued to wield enormous power since 2012. There has been double-digit annual economic growth for three consecutive decades. Class inequalities have widened enormously, although the middle class has expanded while the poverty-stricken residing in China's non-urban periphery continue to struggle for a better living. Suppression of critical voices and nationalism against some foreign neighbours are among the policies adopted. Foreign policy statements are dominated by two key slogans: globalisation and international cooperation. Notwithstanding these developments, territorial issues such as the South China Sea disputes, have remained among the hardest for Vietnam and other neighbouring ASEAN member states.

In 2014, at the Permanent Court for Arbitration (PCA) in the Hague, the Philippines won the case against China's claims in the South China Sea. Since then, the issue has become a common discussion topic for ASEAN. In response, China had refuted PCA's arbitration. Meanwhile, the Philippines under President Rodrigo Duterte, as well as Vietnam and other ASEAN states without a clear position on territorial issues, have been advocating the formation of a stronger and more unified ASEAN position vis-à-vis China on the South China Sea disputes.

Vietnam has a number of specific concerns about China's increasingly hard position: (i) Despite establishing peace with China in 1984, Vietnam's millennium-long struggle with China underscores its expectation for bilateral disputes to be fought at PCA under international law, whether it is about territory, fishing, mineral resources, or free navigation. (ii) Vietnam's economic transactions with China should be kept, as market forces require Vietnamese active participation. (iii) Chinese large-scale infrastructure construction across Southeast Asia must be discussed and consulted at ASEAN meetings, and at wider forums involving the UN, the World Bank, the Asian Development Bank, and the Asian Infrastructure Investment Bank. These large-scale construction projects include mega dams located upstream and mid-stream of the Mekong and Irrawaddy Rivers, and the Kra canal in southern Thailand (which would make petroleum imports from the Middle East faster and cheaper). Vietnam entry into ASEAN since 1995 has enabled it to work collectively with the anchor of ASEAN. ASEAN itself has kept the key tenets of non-interference in internal affairs and embarked on the establishment of an ASEAN Community comprising a common economic community, a common security community, and a common socio-cultural community.

# Foreign Policy in Maritime Southeast Asia

---

## *Singapore*

Singapore is a tiny state which cannot afford to repeat mishaps and mistakes. It was a British colony after Stamford Raffles established a port on the island. Singapore experienced the brief but cruel Japanese Occupation during World War II, the withdraw of Britain with the promised delivery of national independence, and internal unrests related to the communist rebellion and the ethnic rivalry among the Malays, Chinese, and Indians. In 1965, Singapore left the Federation of Malaysia and gained independence against the globally tense Cold War in the 1960s and the regionally heated Vietnam War of 1965–1975.

In 1967, ASEAN was formed with the Philippines, Thailand, Malaysia, Indonesia, and Singapore. The Vietnam War was regarded as countering the communist-led domino in Southeast Asia. ASEAN's key principles of (i) non-interference in internal affairs, (ii) Southeast Asia's maintenance as a non-nuclear area, and (iii) peaceful coexistence are well known. Its key priorities were (i) to keep Southeast Asia free from entanglement with big-power rivalries and conflicts, and (ii) to avoid interfering in disputes among ASEAN member states. In other words, ASEAN would not commit itself to many promises and would not say too much among member states.

Safeguarding its vulnerability while harmonising with the collective body and spirit of ASEAN, Singapore pursues its key goals tenaciously and often successfully. The bilateral free trade agreement with Japan at the dawn of the new millennium was one such example. Apprehensive about the new WTO, some states had sought to create bilateral free trade agreements. Knowing its weakness in agriculture and manufacturing, Singapore formed a bilateral free trade agreement with Japan, a manufacturing giant with a protectionist policy in agriculture. The agreement was forged very quickly in the new millennium, given that both parties were not subject to any tariffs (Singapore has no indigenous manufacturing industry while Japan has virtually zero manufacturing tariff); and that Singapore had no agriculture exports except for goldfish while Japan retained a high level of agricultural protectionism. Singapore's strength lies in professional services, especially its dexterous financial and intellectual property expertise in relation to accommodating foreign direct investments. Yet, in joining the multilateral treaties, the striking thing about Singapore is that it would insist on clauses that clearly defined what is binding for all parties, rather than settle with clauses that were aspirational, vague or issue-focused. In this regard, Singapore

is an exception, given how the developing South tends to sign multilateral treaties without strictly binding clauses. Many countries in the developed North would also have preferred the aspirational clauses with the slowdown of the liberal world order. In the developed North, Japan is an exception in opting for mutually binding clauses (Inoguchi and Le, 2021).

Most Southeast Asian countries have experienced continuous, rapid economic development in the fourth quarter of the last century. However, the 1997 Asian Financial Crisis had been the turning point. Thailand, Indonesia, and South Korea were the hardest hit, with Thailand and Indonesia suffering the worst effects on their economy and internal politics. For Singapore and Vietnam, the impact had been positive. The Singapore-Japan free trade agreement in 2001 provided the impetus to widen and enhance bilateral free trade networks when the WTO was slow to come up with mechanisms to alleviate the economic blow. The free trade networks among small states like Singapore, New Zealand, and Chile have continued to grow on the basis of the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP), a multilateral free trade regime among 11 countries, including Japan. The then US President Donald Trump had withdrawn from the 12-country Trans-Pacific Partnership Agreement (TPP). His decision resulted in the 11-country CPTPP treaty, which has become a force to be reckoned with, capable of replacing or reinforcing the weakened WTO. China has been indicating its interest to join the 11-country CPTPP.

As the antagonism between Donald Trump and Xi Jinping sharpened, ASEAN member states were confronted by this dilemma: While security can only be minimally assured by aligning with the United States, economic interdependence and connectivity have become overwhelmingly linked with China. Therefore, the need to balance further economic transactions while consolidating national and regional security has become a serious and common agenda for Southeast Asian states.

### ***The Philippines***

The end of the Marcos dictatorship is a good starting point for reviewing the Filipino foreign policy. Ferdinand Marcos was overthrown by the People Power Revolution. His contender, Benigno Aquino, was assassinated and Marcos immediately called a snap election, which he won. Pressure from both mass protests on the streets and the United States government forced Marcos and his wife Imelda to resign and fly to Honolulu. Benigno Aquino's wife, Corazon Aquino, was installed as president. All of these took place in 1986.

All the problems that had not been addressed in the long Marcos presidency manifested themselves during the Corazon Aquino presidency. Since Philippine's independence in 1946, successive presidents coming from established elite families have failed to raise the economic status of a newly independent Philippines. The Filipinos prided themselves on two achievements: That the Philippines was a founding member of the UN (Hernandez, 2020), and that its national per capita income was the highest in all of Asia in 1950. When Corazon Aquino took over from Marcos, a myriad of problems confronted her. These included the accumulation of huge national debts due to lax government expenditure, massive corruption which impeded economic productivity, active rebellion from the communists and ethnic Mindanao minorities, and natural disasters like the eruption of Mount Pinatubo. Aquino's successors, Fidel Ramos, Joseph Estrada, Gloria Macapagal Arroyo, and Benigno Aquino III, had continued with the governance of Philippines by taking a business-as-usual approach. It was not until 2016 before major changes started to take place with the ascension of Rodrigo Duterte to the presidency.

Duterte was mayor of Davao City in the southeast of Mindanao, one of Philippine's least developed provinces. As a populist in Mindanao, he pays close attention to eradicating drugs and crimes, adopting draconian measures to punish drug dealers. Neither does he take the Visiting Forces Agreement with the United States too seriously, when it comes to foreign policy. After his predecessors had scrapped the agreements with the United States regarding the Subic Bay naval base and the Clarke air field, Duterte appears willing to relinquish the US-Philippines Mutual Defence Treaty, focusing instead on strengthening ties and enhancing economic transactions with China. Nevertheless, being a populist, Duterte does not mind saying "no" to China about territory, fishing, navigation, and mineral resource exploration and exploitation in the South China Sea, where both countries continued to exert overlapping territorial claims. At the same time, the Manila establishment does not seem ready to give in to President Duterte's approach to foreign relations with China. Consequently, there is unease with Chinese action in the South China Sea, and its resulting impact on the strategic interests of the Philippines.

## ***Indonesia***

During World War 2, Japan had invaded East and Southeast Asia to secure additional resources and time to fight against the United States, Great Britain, France, and the Netherlands. When Japan surrendered to the Allied Powers, some of the Japanese military joined national independence fighters, violating the Japanese government order. Immediately after the Japanese surrender,

Sukarno and Hatta, respectively the former President and Vice President of Indonesia, proclaimed Indonesian independence. (Over in Vietnam, Ho Chi Minh proclaimed Vietnam's national independence.) The tenacious Dutch and French colonialists had come back to both countries in an attempt to hold on to their respective colonies. Sukarno and Hatta countered the Dutch colonialists and cemented Indonesia's national independence in 1949. Indonesia's motto is "Unity in Diversity". To forge a sense of identity for the young Indonesian republic, Bahasa Indonesia was created by tinkering with the Malay language used among the locals. Indonesia consists of some 17,000 islands with 300 distinctive ethnic groups and 700 local languages. Communications was a challenge, and Radio Indonesia was the best tool for nurturing the national identity, while Bahasa Indonesia was first taught through primary school education to most children who spoke in a native language. To unite the disparate communities on a national scale, the map of a greater Indonesian archipelago (stretching from the Pacific Ocean in the east to the Indian Ocean in the west) was used.

Initially, Sukarno practiced loose democracy, mindful to preserve the "Unity in Diversity". As the years went on, Sukarno leaned towards authoritarianism. His nationalist passion was enraged when the Federation of Malaysia was born from the British colonies in Malaya, Singapore and Borneo. Indonesia quarrelled with Malaysia and almost exited from the UN when Malaysia became a UN member. Sukarno was an enthusiastic member of the Non-Aligned Movement and became closer to China. Under his lax governance, the members of the Indonesia Communist Party (PKI) increased steadily in number in the 1960s. Shortly after, the PKI attempted a coup d'état in 1965. The Indonesian military headed by Suharto counter-attacked vehemently and tenaciously. Large-scale massacres of alleged communists in the country were recorded between 1965 and 1966.

In 1968, Suharto became president and his administration aspired to create the "New Order" government. Suharto attracted foreign direct investments in huge numbers. His foreign policy was low-key and passive, in harmony with ASEAN's non-interference in internal affairs. He was focused on what would become 30 years of continued economic development and "Indonesia Raya" (meaning Great Indonesia). But the 1997 Asian financial crisis hit Indonesia very hard and led to Suharto's downfall. Following the crisis, public discontent erupted. Externally, Indonesia's invasion of Timor Leste in 1975 and suppression of human rights for 25 years invited global criticism. Suharto's diplomacy in ASEAN was excellent, given that Indonesia continued to observe ASEAN's motto of non-interference in internal affairs despite its big demography and Gross National Product (GNP).

The post-Suharto years were full of political, economic, and social chaos. Democratisation evolved steadily, with Bacharuddin Jusuf Habibie (r. 1998–1999), Abdurrahman Wahid (r. 1999–2001), Megawati Sukarnoputri (r. 2001–2004), Susilo Bambang Yudhoyono (r. 2004–2014), and Joko Widodo (r. 2014 to date), who together represent the sheer diversity of Indonesia. Joko Widodo (also known as Jokowi) came from Jogjakarta’s humble background. Conscious of the frugal livelihoods of ordinary people, democratisation has been Jokowi’s key message. Yet, the tides of globalisation and global competition have forced him to consolidate the infrastructure and industry as well as attract foreign capital without being too bothered by political colours. His choice of Vice President illustrates his dilemma. He had been troubled with the construction of a rapid train system between Jakarta and Bandung, having to choose between a Chinese proposal and a Japanese offer. He had selected the Chinese package before switching to the Japanese offer. Jokowi’s foreign policy stance aligns with ASEAN and is, on the whole, similar to Suharto’s. At the same time, Jokowi is intent on making Indonesia competitive.

## ***Malaysia***

To understand Malaysia’s foreign policy, let us begin at the 1969 racial riots. After Britain’s return to British Malaya following Japan’s defeat in World War 2, it had been plagued by the insurgency led by the Malayan Communist Party and the British Commonwealth army was deployed to quell the uprising in 1948 and 1960. Although the Federation of Malaya proclaimed national independence in 1957, ambiguity about federalism and democratisation lingered. In 1969, major racial riots took place. The then Malaysian Prime Minister Tun Abdul Razak (r. 1957–1970) had taken the initiative to place bumiputra (Malays and other indigenous peoples) in higher positions economically, socially and politically, but this was deemed unsatisfactory by the disgruntled Malays and the Chinese who were newly handicapped by this policy. But as strong economic growth prevailed on the back of Malaysia’s rich agricultural sector and abundant petroleum and natural gas mining sector, citizens went along with the ethnically affirmative or negative-action policies. Mahathir Mohamad (r. 1981–2003) had been successful in keeping the “bumiputra first” policy throughout his long leadership. He also launched the “Look East Policy” to promote learning from the Japanese and South Koreans. His foreign policy was in harmony with ASEAN on the whole, in that the highest priority was stability and prosperity. He also succeeded at maintaining the racial harmony between Malays, Chinese, and Indians, especially in emphasising affirmative action for hiring bumiputra for public positions in government.

The Malaysian economy thrived as the bumiputra were more or less happy with the affirmative action and general improvements to living standards. The Chinese, on the other hand, were not unhappy enough to revolt as they did in the 1940s and 1950s. Some Chinese had even joined the Malay-centred governing party while able, ambitious, and mobile Chinese kept a high rate of emigration. The rich agricultural and abundant petroleum and natural gas sectors propelled the economy towards accelerated growth. Mahathir Mohamad continued with the bumiputra policy, with a view towards ensuring stability and prosperity in Malaysia and ASEAN. Malaysia's industrial development did well with the production of electric and electronic devices, information technology and communication goods, and other industrial and high-tech items such as military equipment.

Malaysia has been a progressive Islamic nation that shares in upholding the ASEAN principles of neutrality and non-interference in internal affairs. Malaysia has signed the Treaty on the Prohibition of Nuclear Weapons, and has been contributing to peacekeeping missions under the UN. In the South China Sea, Malaysia's tendency is to avoid conflicts with China. It has become more critical of China in recent years, especially when China encroaches into Malaysia's territorial waters. The James Shoal off the eastern coast of Malaysian is being claimed by China as "its southernmost territory", even though this is over 15,000 kilometres from China and 20 metres below the water surface. Negotiations for a promised code of conduct in the South China Sea between ASEAN and China had been agreed upon but as of August 2020, both sides seem to have drawn further apart.

## Conclusion

---

The key tenets of foreign policy of Myanmar, Thailand, Vietnam, Singapore, the Philippines, Indonesia, and Malaysia since the 1997 Asian Financial Crisis have been characterised by the changing tides of external globalisation and internal democratisation. The search for stability and prosperity among ASEAN member states (who are burdened by tribal, imperial, and colonial legacies or new settler societies), as well as the need to operate within the fast-changing international environment, have been a tremendous challenge.

Nevertheless, these seven Southeast Asian states have achieved relatively positive results in their respective ways. They have struggled with difficulties such as the 1997 Asian Financial Crisis, the 2008 economic meltdown, and the China-US “cold war” from 2018. Striving for economic and technological competitiveness, and maintaining a good global standing without incurring economic or other sanctions, have never been easy. Leaning towards authoritarianism and sliding into protectionism has been costly for many developing states (Rodrik, 2013). Nevertheless, Southeast Asian states have found effective ways for coping with these conundrums in their respective courses of globalisation and democratisation.

## References

---

Cook, Chris and Stephenson, John, eds. *The Cambridge Dictionary of Modern World History*. Cambridge: Cambridge University Press, 2018: 113–114, 286–287.

“South China Scene: America Is Churning Waters Claimed by China.” *The Economist*, 25 July 2020: 20.

Grossman, Derek. “What Does Vietnam Think of the U.S. Indo-Pacific Strategy?” *The Japan Times*, 6 August 2020: 7.

Hernandez, Carolina. “Philippine Foreign Policy: Back to Square One?” In *The SAGE Handbook of Asian Foreign Policy*, edited by Inoguchi, Takashi, 2 vols. London: Sage Publications, 2020: vol. 1, 730–749.

Inoguchi, Takashi. “Political Security: Toward a Broader Conceptualization.” *International Studies* 40, no. 2. New Delhi: Sage Publications, 2003: 105–124.

Inoguchi, Takashi, ed. *The SAGE Handbook of Asian Foreign Policy*, 2 vols. London: Sage Publications, 2019.

Inoguchi, Takashi and Quynh Le, Lien Thi. *The Development of Global Legislative Politics: Rousseau and Locke Writ Global*. Dordrecht: Springer, 2019.

Inoguchi, Takashi. “Japanese Foreign Policy as an Asian Country.” In *Japan’s Foreign Policy in the Twenty-First Century: Continuity and Change*, edited by Lam, Peng Er and Jain, Purnendra. Washington D.C.: Lexington Books, 2020.

Inoguchi, Takashi and Quynh Le, Lien Thi. *Digitized Statecraft in Multilateral Treaty Participation: Global Legislative Behavior of 193 Sovereign States*. Singapore: Springer Nature, 2021.

Myoe, Maung Aung. “Myanmar Foreign Policy: Principles and Practices.” In *The SAGE Handbook of Asian Foreign Policy*, edited by Inoguchi, Takashi, 2 vols. London: Sage Publications, 2019: vol.2, 767–788.

Milanovic, Branko. *Capitalism, Alone: The Future of the System That Rules the World*. Cambridge, Mass.: Harvard University Press, 2019.

Pande, Aparna. “Neighbors without Borders: Regional Integration in South Asia.” In *The SAGE Handbook of Asian Foreign Policy*, edited by Inoguchi, Takashi, 2 vols. London: Sage Publications, 2019: 1140–1162.

Rodrik, Dani. *The Globalization Paradox: Democracy and the Future of the World Economy*. New York: W.W. Norton, 2013.

Thayer, Carlyle. "Vietnamese Foreign Policy." In *The SAGE Handbook of Asian Foreign Policy*, edited by Inoguchi, Takashi, 2 vols. London: Sage Publications, 2019: 709–729.

## About the Author

---

**Takashi Inoguchi** (Ph.D., Massachusetts Institute of Technology) is an Eminent Scholar-Professor at J.F. Oberlin University in Tokyo, an Emeritus Professor at the University of Tokyo, and a former UN Assistant Secretary. He was awarded the endowed chair in the International Society for Quality-of-Life Studies (ISQOLS) and the lifetime achievement award from the World Association for Public Opinion Research (WAPOR) Asia. He has published about 150 books, the latest of which is *Digitized Statecraft in Multilateral Treaty Participation: Global Quasi-Legislative Behavior of 193 Sovereign States*.

## About the S. Rajaratnam School of International Studies

---

The **S. Rajaratnam School of International Studies (RSIS)**

is a think tank and professional graduate school of international affairs at the Nanyang Technological University, Singapore. An autonomous school, RSIS' mission is to be a leading research and graduate teaching institution in strategic and international affairs in the Asia Pacific. With the core functions of research, graduate education and networking, it produces research on Asia Pacific Security, Multilateralism and Regionalism, Conflict Studies, Non-traditional Security, Cybersecurity, Maritime Security and Terrorism Studies.



For more details, please visit [www.rsis.edu.sg](http://www.rsis.edu.sg). Join us at our social media channels at [www.rsis.edu.sg/rsis-social-media-channels](http://www.rsis.edu.sg/rsis-social-media-channels) or scan the QR code.



**RSiS**

S. RAJARATNAM  
SCHOOL OF  
INTERNATIONAL  
STUDIES

Nanyang Technological University, Singapore

**Nanyang Technological University, Singapore**

Block S4, Level B3, 50 Nanyang Avenue, Singapore 639798

Tel: +65 6790 6982 | Fax: +65 6794 0617 | [www.rsis.edu.sg](http://www.rsis.edu.sg)