

ISAS Working Paper

No. 123 – 7 March 2011

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‘Same but Different?’: Comparing the ASEAN and SAARC Frameworks

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Asia has experienced an explosion of regional trade agreements (RTAs) in recent years particularly in East and Southeast Asia. Production and institutions across these regions have become further integrated due to these RTAs. The domain of integration now extends to South Asia with India and other South Asian economies getting connected to East and Southeast Asia through formal trade arrangements. Proliferation of RTAs has revived the debate on multilateralism and regionalism. While most regional economies figure in the multilateral framework of the World Trade Organization (WTO), their pursuit of RTAs has raised questions over whether they repose greater faith in regional trade networks. The Economics and Trade Policy research cluster at ISAS organised a workshop at Singapore on 20 October 2010 on ‘Trade Policies in South Asia and Southeast Asia: Encouraging Regionalism?’ that examined different aspects of the theme including comparative dimensions of trade frameworks, bilateral trade relations and country perspectives on regional trade. The papers are being brought out by ISAS as a working paper series. This paper is the second in this series.

Abstract

When the Association of Southeast Asian Nations (ASEAN) was founded in 1967, its members existed in a state of mutual suspicion and uncertainty. As new nation-states, its founding members, Indonesia, Malaysia, the Philippines, Singapore and Thailand, were also concerned with protecting their sovereignty and political and economic development. Nevertheless, over time, ASEAN developed informal diplomatic mechanisms to manage their bilateral tensions. While tensions continue to flare up between neighbours, ASEAN states

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appear to have successfully avoided the outbreak of armed conflict between states in the region. Similarly, when the South Asian Association for Regional Cooperation (SAARC) was founded in 1985, Bangladesh, Bhutan, India, Maldives, Nepal, Pakistan and Sri Lanka had long running disputes with each other. However, unlike ASEAN, SAARC's record at managing regional conflicts has not been as successful. This paper examines the factors that account for this difference between ASEAN and SAARC in managing conflict.

Introduction

ASEAN was founded by Indonesia, Malaysia, the Philippines, Singapore and Thailand in 1967. At that time, Southeast Asian countries existed in a state of mutual suspicion and uncertainty. Not only had Indonesia, under President Suharto, just ended its *Konfrontasi* (Confrontation) of Malaysia but post-separation tensions existed between Singapore and Malaysia, while Malaysia and the Philippines were embroiled in a territorial dispute over Sabah. At the same time, most of the Southeast Asian states had just gained independence and were thus focused on protecting their sovereignty and political and economic development.

In this light, it is telling that the founding document of the ASEAN Declaration (also known as the Bangkok Declaration) stressed the association's determination to 'ensure...stability and security from external interference...in order to preserve...national identities in accordance with the ideals and aspirations of their people' and also clarified that 'all foreign bases are temporary...and are not intended to be used directly or indirectly to subvert the national independence and freedom of States'.² To this end, the Declaration called for the promotion of 'regional peace and stability through abiding respect for justice and the rule of law in the relationship among countries of the region and adherence to the principles of the United Nations Charter' while further emphasising the need for economic and social cooperation.³ Hence, conflict management was dealt with in the most general of terms.

Similarly, the countries in South Asia have also existed in a state of mutual suspicion since India and Pakistan gained independence in 1947. Apart from the enduring Kashmir dispute between the two, India also has had long-running disputes over water sharing, border problems, illegal immigrants and other issues with neighbouring countries like Bangladesh, Nepal and Sri Lanka. Additionally, Bangladesh and Pakistan continue to wrangle over the repatriation of Pakistanis stranded in Bangladesh since the 1971 civil war that resulted in the birth of Bangladesh. Nepal and Bhutan too spar over the status of the Nepali origin minority in Bhutan, a number of whom have been forced to flee into India and Nepal. Thus the conditions in South Asia in 1985, when the SAARC was founded by Bangladesh, Bhutan,

² 'The ASEAN Declaration', ASEAN (08 August 1967), www.asean.org/1212.htm. Accessed on 23 February 2011.

³ *Ibid.*

India, Maldives, Nepal, Pakistan and Sri Lanka, were somewhat similar to the conditions extant in Southeast Asia when ASEAN was formed.

SAARC's founding document, like the ASEAN Declaration, emphasised 'strict adherence to the principles of the United Nations Charter and...respect for the principles of sovereign equality, territorial integrity, political independence, non-interference in the internal affairs of other States' and advocated 'economic, social and technical cooperation', while eschewing formal mechanisms for conflict management.⁴

This paper compares ASEAN's ability to manage inter-state conflicts in Southeast Asia to SAARC's ability to do the same in South Asia. The paper argues that ASEAN has succeeded in creating a largely effective, if tenuous, conflict management norm in the 'ASEAN Way', relative to that of SAARC.

Conflict management is the 'way in which a society attempts to deal with its inter-party conflicts' and comprises three broad categories – conflict avoidance, conflict prevention and conflict resolution.⁵ Accordingly, conflict avoidance consists of 'any processes operating to avoid the development of contentious issues and goal incompatibilities', while conflict prevention refers to processes 'which contribute to the prevention of undesirable conflict behaviour [like violence] once some situation of goal incompatibility has arisen'.⁶ Finally, at its most successful, conflict management 'bring[s] hostilities to a satisfactory conclusion through settlement or resolution'.⁷ Thus, the prevention of violence is 'an initial step of prevention...essential to engendering a hospitable environment for negotiation'.⁸ Accordingly, one could say that a party or organisation has successfully managed conflict(s) if it is able to prevent a *violent conflict* from occurring, even if tensions persist and there is no final resolution to the dispute.

This paper identifies the major factors that have helped or hindered ASEAN and SAARC in tackling inter-state conflicts in Southeast and South Asia. The paper first examines ASEAN's establishment and growth during the Cold War. In this period, ASEAN comprised of the first five countries (Indonesia, the Philippines, Malaysia, Singapore and Thailand) until 1985, when Brunei joined the association. These nations shared a common desire to pursue a market-friendly economic model that inspired the Southeast Asian countries to use this regional organisation as a bulwark in the face of a perceived Communist threat. This is followed by an examination of ASEAN's second phase. As the regional organisation expanded in the post-Cold War era, events such as the 1997 economic crisis and the 1999

⁴ 'Charter of the South Asian Association for Regional Cooperation', SAARC (08 December 1985), <http://saarc-sdmc.nic.in/pdf/charter.pdf>. Accessed on 23 February 2011.

⁵ C.R. Mitchell, *The Structure of International Conflict* (London: Macmillan Press, 1981), pp.256-79.

⁶ *Ibid.*

⁷ Muthiah Alagappa, 'Regionalism and Conflict Management: A Framework for Analysis', *Review of International Studies*, Vol.21, No.4 (1995), p.369.

⁸ Ho-Won Jeong, *Conflict Management and Resolution: An Introduction* (New York: Routledge, 2010), p.25.

East Timor crisis exposed some key weaknesses of the ‘ASEAN Way’, the organisation’s informal conflict management norm. In the face of these challenges, ASEAN appears to have reinvented itself to lead the move towards ‘Asia-Pacific’ regionalism through its participation and leadership in the Asia Pacific Economic Cooperation (APEC) and ASEAN Regional Forum (ARF).

The third section of the paper assesses the first phase of SAARC’s existence, from 1985-2005, when it comprised the seven founding members – Bangladesh, Bhutan, India, Maldives, Nepal, Pakistan and Sri Lanka. The nascent regional organisation remained hostage to the various bilateral tensions amongst its member states during this time. Not only was SAARC unable to prevent armed conflict in the region, its economic efforts were also stymied due to the acrimonious political relations of its key members.

The fourth section reviews SAARC’s second phase from 2005 onwards, when the organisation gets the opportunity to reinvigorate itself with the inclusion of Afghanistan as a full member, and China and Japan as observers. While SAARC continues to lack a ‘conflict management’ norm, in this period, the presence of extra-regional players appears to have reduced the chances of an open conflict between the member states. The paper then briefly examines the factors that have helped ASEAN achieve success, including, the presence of a common threat, the role of the pivotal state and the role of extra-regional powers.

ASEAN One: Formation and Establishment (1967-1990s)

In the first phase of its existence, from 1967 to the mid-1990s, ASEAN succeeded in establishing a specific conflict management norm that confirmed its place as a functional regional organisation. Initially, after the signing of the Bangkok Declaration (ASEAN Declaration), the organisation stayed largely defunct. It was only nine years later, in 1976, that the organisation held its first summit. It is telling that the first summit came just after the Communist North Vietnamese victory in 1975.⁹ This combined with the communist-inspired insurgencies in the region, led to the perception of a ‘Communist threat’ inching its way into maritime Southeast Asia.¹⁰ This common threat perception inspired regional leaders to play down their bilateral tensions, and instead focus ways to create a stable ‘market-friendly’ regional environment that was insulated from the ‘Communist threat’.¹¹ This shared vision also meant that the ASEAN countries were able to agree on the United States (US) as an

⁹ Russell H. Fifield, ‘ASEAN: Image and Reality’, *Asian Survey*, Vol.19, No.12 (1979), p.1200; David B.H. Denoon and Evelyn Colbert, ‘Challenges for the Association of Southeast Asian Nations (ASEAN)’, *Pacific Affairs*, Vol.71, No.4 (1998-99), p.506.

¹⁰ Vincent K. Pollard, ‘ASA and ASEAN, 1961-1967: Southeast Asian Regionalism’, *Asian Survey*, Vol.10, No.3 (1970) pp.244-55; Amitav Acharya, ‘Ideas, Identity and Institution-building: The “Asia-Pacific” Way’’, *The Pacific Review*, Vol.10, No.3 (1997), p.323; Sheldon W. Simon, ‘ASEAN’s Strategic Situation in the 1980s’, *Pacific Affairs*, Vol.60, No.1, (1987), p.74.

¹¹ David B.H. Denoon and Evelyn Colbert, ‘Challenges for the Association of Southeast Asian Nations (ASEAN)’, *Pacific Affairs*, Vol.74, No.4 (1998-99), p.507.

external security guarantor, albeit to varying degrees.¹² Thus, at their first summit, ASEAN leaders signed the Declaration of ASEAN Concord and the Treaty of Amity and Cooperation (TAC) to promote a stable region in which all states focused on economic growth as a bulwark against Communism.

Both the Declaration of ASEAN Concord and the TAC enshrined the principles of non-intervention in domestic affairs.¹³ Additionally, the former noted the importance of national and regional stability and the need to promote economic growth.¹⁴ It also declared that ASEAN members were to 'rely exclusively on peaceful processes in the settlement of intra-regional differences'.¹⁵ The TAC dealt more specifically with the 'Pacific Settlement of Disputes' and enjoined members to 'refrain from the threat or use of force... [and] settle...disputes...through friendly negotiations'.¹⁶ It also provided for the establishment of a 'High Council' comprising ministerial-level representatives of the signatory states to recommend pacific ways of settling disputes.¹⁷ However, it also stated that none of these measures could be applied to a dispute 'unless all parties to the dispute agree[d] to their application' and also 'encouraged [the parties of a dispute] to take initiatives to solve [the dispute] by friendly negotiations before resorting to the other procedures provided for in the Charter of the United Nations'.¹⁸ These then set the tone for the informal norms of dispute settlement employed by the ASEAN states.

While the High Council has never been invoked, ASEAN member states have evolved an informal dispute prevention mechanism or norm that is often called the 'ASEAN Way'. The 'ASEAN Way' comprises processes of consultation and consensus. These are processes which involve quiet diplomacy, where often disputes are set aside for some time before an attempt is made to resolve them.¹⁹ In this way conflicts are either avoided or prevented by downplaying or seemingly ignoring contentious issues that could otherwise lead to an open conflict. A notable principle enshrined in the 'ASEAN Way' is the principle of 'consensus minus X'.²⁰ Thus decisions do not necessarily require unanimity; rather, a member is allowed

¹² Vincent K. Pollard, 'ASA and ASEAN, 1961-1967: Southeast Asian Regionalism', *Asian Survey*, Vol.10, No.3 (1970), p.254; Sheldon W. Simon, 'ASEAN's Strategic Situation in the 1980s', *Pacific Affairs*, Vol.60, No.1 (1987), p.75.

¹³ 'Declaration of ASEAN Concord', *ASEAN* (24 February 1976), www.aseansec.org/1216.htm. Accessed on 23 February 2011; and 'Treaty of Amity and Cooperation in Southeast Asia', *ASEAN* (24 February 1976), www.aseansec.org/1217.htm. Accessed on 23 February 2011.

¹⁴ 'Declaration of ASEAN Concord', *ASEAN* (24 February 1976), www.aseansec.org/1216.htm. Accessed on 23 February 2011.

¹⁵ *Ibid.*

¹⁶ 'Treaty of Amity and Cooperation in Southeast Asia', *ASEAN* (24 February 1976), www.aseansec.org/1217.htm, Accessed on 23 February 2011.

¹⁷ *Ibid.*

¹⁸ *Ibid.*

¹⁹ Ramses Amer, 'Conflict Management and Constructive Engagement in ASEAN's Expansion', *Third World Quarterly*, Vol.20, No.5 (1999), p.1036; Amitav Acharya, 'Culture, Security, Multilateralism: The "ASEAN Way" and Regional Order', *Contemporary Security Policy*, Vol.19, No.1 (1998), p.55-84.

²⁰ Rajshree Jetly, 'Conflict Management Strategies in ASEAN: Perspectives for SAARC', *The Pacific Review*, Vol.16, No.1 (2003), p.57.

to abstain from participation in a scheme without hindering others from participating in the same.²¹ The utility of the norm was clearly illustrated in negotiations to establish the ASEAN Free Trade Area (AFTA), where economies like Indonesia, Malaysia and Singapore went ahead with the FTA while less developed economies like Cambodia, Laos, Myanmar and Vietnam were given longer time frames to implement the reforms required to participate.²²

The 1980s solidified ASEAN's reputation as a successful regional organisation when the ASEAN countries successfully pressured Vietnam to reverse its 1978 invasion of Cambodia (*Kampuchea*) during the third Indochina War.²³ The constant diplomatic pressure from ASEAN, along with the end of the Cold War and loss of Soviet support eventually led Vietnam to retreat from Cambodia in 1989.²⁴ This success along with the notable economic growth of ASEAN countries during this period marked ASEAN as the most successful regional organisation in the developing world.

ASEAN Two: Expansion and Reinvention

It was with understandable confidence that ASEAN then entered the post-Cold War era looking to expand its membership to create a united Southeast Asia. Thus, Vietnam joined the regional organisation in 1995 followed by Myanmar (1997), Laos (1997) and Cambodia (1999). However, as the 1990s unfolded it brought with it events that exposed some of ASEAN's key weaknesses. The organisation proved slow or unable to respond in a series of regional crises, starting with the collapse of the Thai *baht* and the subsequent economic crisis in 1997. At the same time, the ASEAN decision to defer Cambodia's entry into the regional organisation due to the 1997 coup in the country clearly challenged the ASEAN ideal of domestic 'non-interference'.²⁵ ASEAN also proved ineffectual in dealing with regional environmental issues like the haze, caused by forest fires in Indonesia.²⁶

²¹ *Ibid.*

²² *Ibid.* For more details, see 'Agreement On The Common Effective Preferential Tariff (CEPT) Scheme for The ASEAN Free Trade Area', *ASEAN* (28 January 1992), www.aseansec.org/1164.htm. Accessed on 23 February 2011; 'Protocol to Amend The Framework Agreement on Enhancing ASEAN Economic Cooperation', *ASEAN* (15 December 1995), www.aseansec.org/2083.htm. Accessed on 23 February 2011; 'Protocol for the Accession of Socialist Republic of Vietnam to the Agreement on the Common Effective Preferential Tariff Scheme for the ASEAN Free Trade Area', *ASEAN* (15 December 1995), www.aseansec.org/2083.htm. Accessed on 23 February 2011.

²³ Amitav Acharya, 'Regional Military-Security Cooperation in the Third World: A conceptual Analysis of the Relevance and Limitations of ASEAN (Association of Southeast Asian Nations)', *Journal of Peace Research*, Vol.29, No.1 (1992), p.11; Russell H. Fifield, 'ASEAN: Image and Reality', *Asian Survey*, Vol.19, No.12 (1979), p.1202.

²⁴ Leszek Buszynski, 'ASEAN: A Changing Regional Role', *Asian Survey*, Vol.27, No.7 (1987), p.765; David B.H. Denoon and Evelyn Colbert, 'Challenges for the Association of Southeast Asian Nations (ASEAN)', *Pacific Affairs*, Vol.71, No.4 (1998-1999), p.508; Lau Teik Soon, 'ASEAN and the Cambodian Problem', *Asian Survey*, Vol.22, No.6 (1982), pp.548-60.

²⁵ David B.H. Denoon and Evelyn Colbert, 'Challenges for the Association of Southeast Asian Nations (ASEAN)', *Pacific Affairs*, Vol.71, No.4 (1998-99), p.511.

²⁶ James Cotton, 'The "Haze" over Southeast Asia: Challenging the ASEAN Mode of Regional Engagement', *Pacific Affairs*, Vol.72, No.3 (1999), pp.331-51. The recurrence of haze in Southeast Asia also clearly

Most tellingly, ASEAN proved inadequate during the East Timor crisis of 1999, where ASEAN members were not even able to agree on what stance or action to take. While Thailand, the Philippines, Malaysia and Singapore joined the Australia-led International Force for East Timor (INTERFET), Cambodia, Vietnam, Laos and Myanmar stayed away from the issue entirely.²⁷ This clearly illustrated the limitations and challenges inherent in the principles of ‘non-interference’ and ‘informal dispute settlement’.

Nevertheless, ASEAN did manage to ameliorate some tensions in the region, such as the territorial disputes in the South China Sea. The disputes involve a number of Southeast Asian states (Malaysia, the Philippines, Brunei and Vietnam), along with China, which has claimed the entire region as its sovereign territory.²⁸ In order to restrain Chinese moves into the region, the ASEAN countries banded together and succeeded in establishing the non-binding Declaration on the Conduct of Parties in South China Sea, which was adopted in 2002.²⁹ Thus far the agreement appears to have kept all parties involved from resorting to the use of force and has also nudged China away from its preference to deal bilaterally with each disputing state to a multilateral setting.

However, even as academics and observers started to predict the organisation’s death, ASEAN began to reinvent itself and lead the Asia-Pacific regionalism. It accomplished this by spearheading two ‘Asia-Pacific’ regional organisations – the Asia Pacific Economic Cooperation (APEC) and the ASEAN Regional Forum (ARF). Proposed by then Australian Prime Minister Bob Hawke in 1989, the APEC eventually became a way for ASEAN economies to position themselves at the core of a larger regional project. At this time, however, several external developments created the incentive for the ASEAN economies to join a larger economic forum. First, the future of the world trading system seemed uncertain as the Uruguay Round faltered, which in turned fuelled fears that the Southeast Asian economies may face discrimination from trading blocs in Europe and North America.³⁰ APEC thus became a way to provide major economies like Japan and the US an incentive to strengthen their ties with ASEAN.³¹

illustrates the organisation’s continued struggle with the regional issue. Nopporn Wong-Anan, ‘Q+A – Why has Southeast Asia’s haze returned?’, *Reuters* (22 October 2010), <http://in.reuters.com/article/idINIndia-52379020101022>. Accessed on 23 February 2011.

²⁷ Donald E. Weatherbee, *International Relations in Southeast Asia: The Struggle for Autonomy*, 2nd ed. (Lanham: Rowman & Littlefield Publishers, 2009), pp.258-60; ‘UN approves Timor Force’, *BBC News* (15 September 1999), <http://news.bbc.co.uk/2/hi/asia-pacific/447639.stm>. Accessed on 23 February 2011; Sonny Inbaraj, ‘ASEAN’s commitment to East Timor faces tough test’, *Asia Times Online* (1 February 2000), www.atimes.com/se-asia/BB01Ae01.html. Accessed on 23 February 2011.

²⁸ S.P. Seth, ‘ASEAN and Regional Security’, *Economic and Political Weekly*, Vol.34, No.33 (14-20 August 1999), p.2304.

²⁹ ‘Declaration on the Conduct of Parties in the South China Sea’, *ASEAN* (4 November 2002), www.aseansec.org/13163.htm. Accessed on 23 February 2011.

³⁰ Amitav Acharya, ‘Ideas, Identity and Institution-building: The “Asia-Pacific” Way’’, *The Pacific Review*, Vol.10, No.3 (1997), p.323.

³¹ *Ibid.*, p.324.

At the same time, ASEAN has also been successful in embedding the ‘ASEAN Way’ into the APEC. Like ASEAN, APEC depends on consensus to arrive at decisions and does not require legalist commitments from its members, and instead, ‘commitments are undertaken on a voluntary basis’.³² Thus, APEC describes itself as a ‘cooperative, multilateral economic and trade forum... [which] is the only international intergovernmental grouping in the world...[that does not require] its members to enter into legally binding obligations. APEC achieves its goals by promoting dialogue and arriving at decisions on a consensus basis, giving equal weight to the views of all members’.³³

In the security realm, the ARF, which was established in 1994, arguably represents a successful attempt to institutionalise how big powers – most notably the US and China – operate and interact in the region. It has been noted that the ‘ARF has...extended ASEAN diplomatic leverage to the wider region and...it may have helped manage the demise of the Soviet Union, the rise of China, and the draw-down of U.S. military forces’.³⁴ It is notable that the US, ‘which initially opposed multilateralism in Asia-Pacific security...now welcomes the formation of the ARF’.³⁵ Similarly, ‘China’s policy toward the ARF has become noticeably more positive, attesting at least partly to the effects of socialisation and learning within the ASEAN-sponsored dialogue activities’.³⁶

The objectives of the ARF, as laid out at the time of its founding, have been to ‘foster constructive dialogue and consultation on political and security issues of common interest and concern’ and ‘to make significant contributions to efforts towards confidence-building and preventive diplomacy in the Asia-Pacific’.³⁷ In its 1995 ARF Concept Paper, it also stated that the ARF intended to move from confidence-building to preventive diplomacy and eventually towards conflict resolution.³⁸ This resolve took a still more positive turn in 1997 when the ARF agreed to work towards developing mechanisms for Preventive Diplomacy.³⁹ Unfortunately, since then the project has floundered as ARF members have been unable to agree on a common understanding of what comprised Preventive Diplomacy.⁴⁰ Nevertheless,

³² ‘About APEC’, *APEC* (14 January 2009), www.apec.org/About-Us/About-APEC.aspx. Accessed on 23 February 2011.

³³ ‘How APEC Operates’, *APEC* (14 January 2009), www.apec.org/About-Us/How-APEC-Operates.aspx. Accessed on 24 February 2011.

³⁴ John Garofano, ‘Power, Institutions, and the ASEAN Regional Forum: A Security Community for Asia?’, *Asian Survey*, Vol.42, No.3 (2002), p.513.

³⁵ Amitav Acharya, ‘Ideas, Identity and Institution-building: The ‘Asia-Pacific’ Way’’, *The Pacific Review*, Vol.10, No.3 (1997), p.340.

³⁶ *Ibid.*

³⁷ ‘The ASEAN Regional Forum: About Us’, *ARF* (2005), www.aseanregionalforum.org/AboutUs/tabid/57/Default.aspx. Accessed on 23 February 2011.

³⁸ Amitav Acharya, ‘Ideas, Identity and Institution-building: The “Asia-Pacific” Way’’, *The Pacific Review*, Vol.10, No.3 (1997), p.335; ‘Terms of Reference and Concept Papers: Concept Paper of ARF’, *ARF* (2005), www.aseanregionalforum.org/PublicLibrary/TermsOfReferencesandConceptPapers/tabid/89/Default.aspx. Accessed on 23 February 2011.

³⁹ John Garofano, ‘Power, Institutions, and the ASEAN Regional Forum: A Security Community for Asia?’, *Asian Survey*, Vol.42, No.3 (2002), p.513.

⁴⁰ *Ibid.*, pp.513-17; For more information, see ‘Terms of Reference and Concept Papers: ARF Concept Paper of Preventive Diplomacy’, *ARF* (2005),

while it is important not to overstate the ARF's success, it is equally important to note its continued contribution to the security and stability of the region. As observed above, the ARF has extended ASEAN's reach into the larger region and appears to have socialised both the US and China into an 'ASEAN-style' multilateral interaction in the security realm. Its continued relevance is also indicated by the number of countries joining the forum. Currently it comprises 27 countries including the ASEAN-10.

At the same time ASEAN has also moved towards creating a more rules-based regime for itself. In 2003, ASEAN member states signed the Declaration of ASEAN Concord II. Accordingly, ASEAN endorsed the creation of an ASEAN Community, including an ASEAN Security Community to 'bring ASEAN's political and security cooperation to a higher place'.⁴¹ Additionally, in 2007 ASEAN also adopted the ASEAN Charter, the purpose of which was to make ASEAN 'a rules-based and people-oriented organisation with its own legal personality'.⁴² The ASEAN Charter came into force in December 2008, after being ratified by all member states.⁴³ Still more recently, at the April 2010 ASEAN Summit, the ASEAN Foreign Ministers signed the Protocol to the ASEAN Charter on Dispute Settlement Mechanisms. This protocol not only aims to establish mechanisms to help resolve disputes concerning the interpretation or application of the ASEAN Charter, but also applies to other ASEAN instruments which do not specifically provide for dispute settlement mechanisms.⁴⁴ While it remains to be seen whether these ASEAN attempts to move towards a more rules-based regime will be successful, they certainly do signal the ASEAN states' desire to move towards a more formal and legalistic structure.

SAARC One: Formation and Establishment (1985-2005)

Since 1947, intra-regional conflict has abounded in South Asia. Apart from the major bilateral conflict over Kashmir between India and Pakistan, there exist various other conflicts ranging from border disputes to resource sharing, trade and migration issues amongst others

www.aseanregionalforum.org/PublicLibrary/TermsOfReferencesandConceptPapers/tabid/89/Default.aspx. Accessed on 23 February 2011.

⁴¹ 'Declaration of ASEAN Concord II' (7 October 2003), www.aseansec.org/15159.htm. Accessed on 23 February 2011.

⁴² 'ASEAN Charter set to be enforced next month', *The Brunei Times* (16 November 2008), www.bt.com.bn/asia_news/2008/11/16/asean_charter_set_to_be_enforced_next_month. Accessed on 23 February 2011.

See also: 'The ASEAN Charter', *ASEAN* (January 2008), www.asean.org/publications/ASEAN-Charter.pdf. Accessed on 23 February 2011.

⁴³ *Ibid.*

⁴⁴ 'Statement of the ASEAN Chair on the Signing of the Protocol to the ASEAN Charter on Dispute Settlement Mechanisms by the Foreign Ministers of ASEAN', *ASEAN* (8 April 2010), www.aseansec.org/24506.htm. Accessed on 23 February 2011; 'ASEAN: Protocol on Dispute Settle Mechanisms Signed', *UNPAN* (12 April 2010), www.unpan.org/PublicAdministrationNews/tabid/115/mctl/ArticleView/ModuleID/1467/articleId/21548/default.aspx. Accessed on 23 February 2011.

between various states in the region. One set of these bilateral conflicts involves India and its smaller neighbours, while a second (smaller) set involves the other South Asian states.

Bangladesh alone has a variety of disputes with India including India's alleged involvement in Bangladesh's ethnic tensions in the Chittagong Hill Tracts, Bangladesh's alleged involvement in India's Northeast problem, and a border dispute.⁴⁵ Indo-Sri Lankan relations have not been any better. India's failed intervention into Sri Lanka's civil war in 1987, has led subsequent Sri Lankan governments to look at Delhi with some suspicion.⁴⁶ India also has a trade and transit rights dispute, and a border dispute with Nepal.⁴⁷ Additionally, some tensions over the repatriation of Pakistanis refugees in Bangladesh and the status of the Nepali-origin minority in Bhutan exist between Pakistan and Bangladesh, and Nepal and Bhutan, respectively.⁴⁸

However, India's most intractable disputes are with the second largest state in the region, Pakistan. These include disputes over Kashmir, the Siachen glacier, nuclear rivalry and accusations of cross-border terrorism.⁴⁹ These mutual suspicions amongst South Asian countries led some, like Pakistan, to seek external security guarantors against the perceived Indian threat. Hence, in this period, American and Chinese presence in South Asia further contributed to the instability of the region. The US' and China's support of Pakistan in particular led India to regard both powers with suspicion.⁵⁰

It is thus not surprising that when SAARC was first proposed by Bangladesh, it was never mooted as a formal means of conflict management in the region. Instead, SAARC was largely conceived as a vehicle to foster economic and social/cultural cooperation in South Asia, and it was agreed that all decisions were to be made on the basis of unanimity and that all

⁴⁵ James Heitzman and Robert L. Worden (eds), *India: A Country Study* (Washington: GPO for the Library of Congress, 1995), <http://countrystudies.us/india/>. Accessed on 23 February 2011; Chitra K. Tiwari, 'South Asian Regionalism: Problems and Prospects', *Asian Affairs*, Vol.12, No.2 (1985), p.5; Border dispute is India's key debate with Bangladesh', *Deccan Chronicle* (10 November 2010), www.deccanchronicle.com/national/border-dispute-indias-key-debate-bangladesh-868. Accessed on 23 February 2011; 'ISI trains north-east militants in Bangladesh', *Express India* (11 September 2004), www.expressindia.com/news/fullstory.php?newsid=36020. Accessed on 23 February 2011.

⁴⁶ 'Misgivings Reinforced', *Economic and Political Weekly*, Vol.30, No.30 (1995), p.1889.

⁴⁷ James Heitzman and Robert L. Worden (eds), *India: A Country Study* (Washington: GPO for the Library of Congress, 1995), <http://countrystudies.us/india/>, Accessed on 23 February 2011; 'India's Boundary Disputes with China, Nepal, and Pakistan', *International Boundary Consultants* (15 May 1998), www.boundaries.com/India.htm. Accessed on 23 February 2011.

⁴⁸ 'Misgivings Reinforced', *Economic and Political Weekly*, Vol.30, No.30 (1995), p.1889; Lok Raj Baral, 'Bilateralism Under the Shadow: The Problems of Refugees in Nepal-Bhutan Relations', *CNAS Journal*, Vol.20, No.2 (1993), pp.197-212.

⁴⁹ James Heitzman and Robert L. Worden (eds), *India: A Country Study* (Washington: GPO for the Library of Congress, 1995), <http://countrystudies.us/india/>. Accessed on 23 February 2011; 'India raises cross-border terrorism with Pak', *CNN-IBN*, 24 June 2010, <http://ibnlive.in.com/news/india-raises-crossborder-terrorism-with-pak/125199-2.html>. Accessed on 23 February 2011.

⁵⁰ C. Raja Mohan, 'India and the Balance of Power', *Foreign Affairs*, Vol.85, No.4 (2006), p.19; William J. Barnds, 'Friends and Neighbors', *Foreign Affairs*, Vol.46, No.3 (1968), p.559.

contentious bilateral issues were to be kept out of the SAARC forum.⁵¹ However, unlike ASEAN, the SAARC states were unable to work out an informal conflict avoidance norm, and the region experienced some armed conflict, most notably the Kargil War between India and Pakistan in 1999. This then led the 11th SAARC Summit to be postponed for three years.⁵² The war also foiled negotiations for a potential India-Pakistan energy deal.⁵³ Border spats, like the armed clashes between Indian and Bangladeshi border guards in April 2001, also added to the instability of the region.⁵⁴

SAARC's economic development also remained hostage to mutual suspicions. Thus, while the SAARC Preferential Trading Arrangement (SAPTA) was signed in 1993 and brought into force by 1995, no great progress was made on the economic front.⁵⁵ An attempt to circumvent the slow progress, the South Asia Growth Quadrangle between Bangladesh, Bhutan, India and Nepal launched in 1997, was also undone due to domestic suspicion of India in Bangladesh.⁵⁶

SAARC Two: Expansion and Reinvention?

At the 13th SAARC Summit in 2005, SAARC members agreed to include Afghanistan as the eighth member of the regional grouping.⁵⁷ At the same summit, SAARC also granted observer status to China and Japan. Subsequently, Australia, the European Union (EU), Iran, Republic of Korea, Mauritius, Myanmar and the US have also joined the regional organisation as observers.⁵⁸ The inclusion of Afghanistan as a full member and international observers like the US and China arguably represents an opportunity for SAARC to reinvigorate itself. It created an opportunity for the South Asian states to interact with each

⁵¹ 'Charter of the South Asian Association for Regional Cooperation', SAARC (08 December 1985), <http://saarc-sdmc.nic.in/pdf/charter.pdf>. Accessed on 23 February 2011; 'Misgivings Reinforced', *Economic and Political Weekly*, Vol.30, No.30 (1995), p.1889.

⁵² Rajshree Jetly, 'Conflict Management Strategies in ASEAN: Perspectives for SAARC', *The Pacific Review*, Vol.16, No.1 (2003), p.63.

⁵³ Smruti S. Pattanaik, 'Making Sense of Regional Cooperation: SAARC at Twenty', *Strategic Analysis*, Vol.30, No.1 (2006), p.152.

⁵⁴ 'Fresh Bangladesh border clash', *BBC News* (19 April 2001), http://news.bbc.co.uk/2/hi/south_asia/1284789.stm. Accessed on 23 February 2011.

⁵⁵ 'SAARC Preferential Trading Arrangement (SAPTA)', SAARC (2009), www.saarc-sec.org/areaofcooperation/detail.php?activity_id=4, Accessed on 23 February 2011; Dushni Weerakoon, 'Does SAFTA Have a Future?', *Economic and Political Weekly*, Vol.36, No.34 (2001), pp.3214-16; Kalyan Raipuria, 'ASEAN and SAARC: Select Futuristic Scenarios', *Economic and Political Weekly*, Vol.37, No.35 (2002), p.3581.

⁵⁶ Such sub-regional groupings are allowed under Article VII of the SAARC Charter. The attempt to establish the growth quadrangle was supported by the traditionally 'pro-India' ruling Awami League. However, the proposal was cried down by the traditionally 'anti-India' BNP (Bangladesh National Party)-led opposition, which accused the proposal as a device to sideline SAARC as a whole. The BNP also termed to move as a way to 'establish Indian expansionism'. See Md Nuruzzaman, 'SAARC and Subregional Co-operation: Domestic Politics and Foreign Policies in South Asia', *Contemporary South Asia*, Vol.8, No.3, (1999), pp.311-22.

⁵⁷ Afghanistan officially joined SAARC as a member in 2007 at the 14th SAARC Summit.

⁵⁸ Myanmar also applied for full membership in 2008. Currently, its application is under consideration.

other in the presence of extra-regional states that could potentially reduce some of the mutual suspicions in the region. Moreover, the expansion also represents an opportunity for SAARC, as an economic bloc, to develop beneficial trade relationships amongst these external observers.

The clarity of this successful relationship is still not determined. Certainly, economic cooperation in the region is still subject to some impediments. The more recent South Asian Free Trade Area (SAFTA), which was first signed in 2004 and came into force in January 2006, has faced hurdles in terms of long 'sensitive lists' and other barriers.⁵⁹ Indeed, Article 14 of the SAFTA agreement states that '[n]othing in this Agreement shall be construed to prevent any Contracting State from taking action and adopting measures which it considers necessary for the protection of its national security', while leaving some room in the interpretation of what might constitute an issue of 'national security'.⁶⁰ That economic development in SAARC has been held hostage to politics is also clear in Pakistan's declared intention to have limited bilateral trade with India, until such time that progress is made on the Kashmir issue.⁶¹ Pakistan has also denied Most Favoured Nation (MFN) status to India.⁶² On the other hand, while India granted MFN status to Pakistan in 1996, it maintains 'an array of hidden barriers [which] leave little wriggle room for Pakistani exports to India'.⁶³ Apart from banning products from each other, the two also 'restrict transport links and business contact with each other'.⁶⁴

However, cooperation in other areas has progressed further. In this regard, the recently established SAARC University in Delhi is a notable achievement.⁶⁵ Similarly, the SAARC Development Fund (SDF), which was officially launched during the 2010 SAARC summit, is a positive development.⁶⁶ Much like the now defunct South Asian Development Fund

⁵⁹ Pradumna B. Rana and J. Malcolm Dowling, 'Economic Integration in South Asia and Lessons from East Asia of Trade and Investment' in Joseph Francois, Pradumna B. Rana and Ganeshan Wignaraja (eds), *Pan-Asian Integration: Linking East and South Asia* (Hampshire: Palgrave Macmillan, 2009), p.214.

⁶⁰ 'Agreement on South Asian Free Trade Area (SAFTA)', SAARC (06 January 2004), www.saarc-sec.org/userfiles/saftaagreement.pdf. Accessed on 23 February 2011.

⁶¹ Smruti S. Pattanaik, 'Making Sense of Regional Cooperation: SAARC at Twenty', *Strategic Analysis*, Vol.30, No.1 (2006), p.159.

⁶² Aparna Sawhney and Rajiv Kumar, 'Rejuvenating SAARC: The Strategic Payoffs for India', *Global Economy Journal*, Vol.8, No.2 (2008), p.4.

⁶³ Muhammad Najeeb, 'MFN eludes India, Pak Inc cries foul', *The Economic Times* (09 September 2003), www.hvk.org/articles/0903/121.html, Accessed on 23 February 2011; Shaheen Rafi Khan, Faisal Haq Shaheen and Moeed Yusuf, 'Managing Conflict Through Trade: The Case of Pakistan and India' in Shaheen Rafi Khan (ed.), *Regional Trade Integration and Conflict Resolution* (New York: Routledge, 2009), pp.118-49.

⁶⁴ Pradumna B. Rana and J. Malcolm Dowling, 'Economic Integration in South Asia and Lessons from East Asia of Trade and Investment', in Joseph Francois, Pradumna B Rana and Ganeshan Wignaraja (eds), *Pan-Asian Integration: Linking East and South Asia* (Hampshire: Palgrave Macmillan, 2009), p.220.

⁶⁵ 'SAARC University to start functioning in New Delhi by August', *The Economic Times* (27 April 2010), <http://economictimes.indiatimes.com/news/politics/nation/SAARC-University-to-start-functioning-in-New-Delhi-by-August/articleshow/5864515.cms>. Accessed on 23 February 2011.

⁶⁶ 'SAARC Development Fund (SDF)', SAARC (2009), www.saarc-sec.org/areaofcooperation/cat-

(SADF), the SDF is to ‘serve as a regional funding mechanism to fund various social, economic and infrastructure projects in the region’, much like the International Monetary Fund or the Asian Development Bank.⁶⁷

Finally, while SAARC has yet to devise a conflict management norm – informal or otherwise – the presence of extra-regional powers in the organisation and region appears to have reduced the chances of armed inter-state conflict in South Asia. Much of this also has to do with the rapprochement between India, the largest member of the regional organisation, and the US. Traditionally, India has regarded the superpower with suspicion, given its close alliance with Pakistan.⁶⁸ However, in the early 21st century some factors have brought the US and India closer together. Apart from India’s growing economic openness, a mutual suspicion of China’s rise and an interest in countering terrorism have changed Indian perceptions of the US and the latter is increasingly seen as a fair arbiter.⁶⁹ Certainly, the US’ interest in stabilising Afghanistan and fighting the Taliban in the region has resulted in increased pressure on Pakistan to actively secure its borders. Thus, while Pakistan continues to receive aid from the US, the aid has been made conditional on Islamabad’s ‘success in fighting terrorism and extremist elements in the country’.⁷⁰ Moreover, the US also pressured Pakistan to ‘take firmer action against militants thought to be involved in [the 2008] Mumbai bombings’, which led the Pakistani forces to close down facilities that belonged to Jamaat-ud-dawa, a group thought to be a front for the Lashkar-e-Taiba (LeT), who India blamed for the bombings.⁷¹ At the same time, the US also ‘actively tr[ie]d to negotiate an end to prevailing frictions between India and Pakistan’.⁷² The US and India also coordinated their response to the crisis in Nepal in 2006.⁷³ As a result, the recent rapprochement between India and the US appears to have led the US to contribute a more stabilising influence in the region.

detail.php?cat_id=58. Accessed on 23 February 2011; ‘SAARC development fund launched in Bhutan’, *People’s Daily Online* (29 April 2010), <http://english.peopledaily.com.cn/90001/90777/90851/6967797.html>. Accessed on 23 February 2011.

⁶⁷ *Ibid.*

⁶⁸ Baldev Raj Nayar, ‘United States and India: New Directions and Their Context’, *Economic and Political Weekly*, Vol.12, No.45/46 (1977), p.1906.

⁶⁹ Christophe Jaffrelot, ‘The India-US Rapprochement: State-driven or Middle Class-driven?’, *India Quarterly*, Vol.65, No.1 (2009), pp.5-8.

⁷⁰ ‘Increased aid conditional to fighting terror: US to Pak’, *Express India* (27 March 2009), www.expressindia.com/latest-news/Increased-aid-conditional-to-fighting-terror-US-to-Pak/439772/.

Accessed on 23 February 2011. Also see, K. Alan Kronstadt, ‘International Terrorism in South Asia’, *CRS Report for Congress* (3 November 2003), www.fas.org/irp/crs/RS21658.pdf. Accessed on 23 February 2011.

⁷¹ Farhan Bokhari, ‘US Ups Pressure on Pakistan’, *CBS News* (22 December 2008), www.cbsnews.com/8301-503543_162-4681704-503543.html, Accessed on 23 February 2011.

⁷² *Ibid.*

⁷³ ‘The United States and South Asia: An Expanding Agenda’, House of Representatives (17 May 2006), www.foreignaffairs.house.gov/archives/109/27646.pdf. Accessed on 23 February 2011.

Factors Determining Effectiveness of Conflict Management in ASEAN and SAARC

While tensions between states in ASEAN continue to exist – evident in such bilateral spats as those between Singapore and Malaysia in regards to their water treaties, Singapore and Thailand over Temasek Holdings’ investment in the Thai telcom Shin Corp, and the ownership of the historic Preah Vihear temple in Thailand and Cambodia – it is clear that the informal and quiet diplomacy encompassed in the ‘ASEAN Way’ has successfully managed conflict in Southeast Asia, albeit at its most basic level, that is, the prevention of a violent conflict. Four major factors help explain ASEAN’s relative success, and SAARC’s inability, thus far, to manage conflict in their respective regions. These are: a common threat perception; role of the key state; role of extra-regional powers; all of which facilitate the creation of the fourth major factor, a common norm.

1. Common Threat Perception

During its formative years, the core ASEAN members – Indonesia, the Philippines, Malaysia, Singapore and Thailand – all saw the ‘Communist threat’ especially as embodied by the fall of South Vietnam to North Vietnam and the Soviet-backed Vietnamese invasion of *Kampuchea* as a threat to their ‘market-friendly’ model of economic growth. This common external threat perception thus provided the impetus for these countries to set aside their bilateral issues and work towards establishing a stable region conducive to export-oriented economic growth. Consequently, the ASEAN states developed informal diplomatic mechanisms to manage their bilateral tensions, which then evolved into the consultative and consensus-oriented ‘ASEAN Way’.

Unlike ASEAN, SAARC states did not share a common threat perception at the time of its founding. Indeed, for many of the smaller countries in the region, India is not only seen as a regional hegemon but also as a potential threat. India’s perceived activism in South Asia in the past has led some of its smaller neighbours to regard it with suspicion. It does not help that Indian rhetoric at times does appear to portend potential ‘activist’ moves in the region.⁷⁴ Additionally, the other South Asian states also have several, albeit less acrimonious, bilateral

⁷⁴ ‘Foreign Secretary Mr Shyam Saran’s speech on “India and its Neighbours” at the India International Centre (IIC)’, (Washington, D. C.: *Embassy of India*, 14 February 2005), www.indianembassy.org/prdetail1124/download_file.php?action=download&mainfolder=form_files/&filename=Form_Pdf_29.pdf. Accessed on 24 February 2011.

For example, in 2005, in a speech at the India International Centre, the Indian Foreign Secretary said, ‘India would like the whole of South Asia to emerge as a community of flourishing democracies... [w]e believe that democracy would provide a more enduring and broad-based foundation for an edifice of peace and cooperation in our sub-continent’ and that ‘India would certainly welcome more democracy in [its] neighbourhood’ and that was something India ‘may encourage and promote’. While these apparently activist comments were mediated with an acceptance of the status quo and the understanding, ‘[w]hile democracy remains India’s abiding conviction, the importance of our neighbourhood requires that we remain engaged with whichever government is exercising authority in any country in our neighbourhood,’ It is easy to see how such comments may cause some consternation in the region.

disputes with each other. These mutual suspicions have thus inhibited the development of a common conflict management norm in South Asia.

2. Role of the Key State

In 1967, Indonesia, under Suharto, was keen to mitigate the effects of the *Konfrontasi* with Malaysia. Thus, Indonesia was willing to take up the role of a benign regional leader. At the same time, the smaller ASEAN states were also eager to socialise Indonesia into a less hostile position, and were thus careful to accord it some deference as the regional leader. For example, Indonesia's reaction to the hanging of two Indonesia commandos in 1968 by Singapore was relatively restrained despite public demonstrations in Jakarta. In turn, as a reconciliatory gesture, during a 1973 visit to Indonesia, then Singaporean Prime Minister, Lee Kuan Yew, scattered flower petals on the graves of the commandos.⁷⁵

On the other hand, while India, as the largest state and economy, occupies a similar position in South Asia, it did not regard the proposed regional organisation with the same optimism. Indeed, at the time of SAARC's founding, it was ambivalent towards the organisation, seeing it as a forum where the smaller states may 'gang up' against it.⁷⁶ India's various disputes with its neighbours have also led to it being seen as highhanded, which without doubt colours its interactions with its neighbours and vice-versa. To be sure, South Asian states, like Pakistan, have not toned down their rhetoric towards India. Nevertheless, India's recent pledge to operate on the principle of non-reciprocity in its economic relations with its neighbours is a step towards taking up a benign regional leadership role.⁷⁷ This also represents a return to the short lived 'Gujral Doctrine', first articulated in 1997 by then Prime Minister, I.K. Gujral, who stated that India would not ask for reciprocity, but conduct its relations with its neighbours on the basis of good faith and trust.⁷⁸ However, once Gujral left office in 1998, the doctrine died a natural death. In spite of this, India has also seemingly 'bypassed' its immediate region and has actively engaged with extra-regional multilateral organisations like ASEAN, the ARF and the East Asia Summit (EAS).⁷⁹ Hence, while India's recent iteration of

⁷⁵ Rajshree Jetly, 'Conflict Management Strategies in ASEAN: Perspectives for SAARC', *The Pacific Review*, Vol.16, No.1 (2003), p.64.

⁷⁶ Thomas Perry Thornton, 'Regional Organizations in Conflict Management', *ANNALS of the American Academy of Political and Social Science*, Vol.518, No.1 (1991), p.136.

⁷⁷ 'Foreign Secretary Mr Shyam Saran's speech on "India and its Neighbours" at the India International Centre (CII)', (Washington, D. C.: *Embassy of India*, 14 February 2005), www.indianembassy.org/prdetail1124/download_file.php?action=download&mainfolder=form_files/&filename=Form_Pdf_29.pdf. Accessed on 23 February 2011.

⁷⁸ 'The Gujral Doctrine: Text of "Aspects of India's Foreign Policy", a Speech by I.K. Gujral at the Bandaranaike Center for International Studies in Colombo, Sri Lanka on January 20, 1997', (Washington, D. C.: The Henry L. Stimson Center, 20 January 1997), <http://apps.stimson.org/southasia/?sn=sa20020116302>. Accessed on 23 February 2011.

⁷⁹ Smruti S. Pattanaik, 'Making Sense of Regional Cooperation: SAARC at Twenty', *Strategic Analysis*, Vol.30, No.1 (2006), p.140; Nagesh Kumar, Rahul Sen and Mukul Asher, 'India-ASEAN Partnership in an Era of Globalization: An Overview' in Nagesh Kumar, Rahul Sen and Mukul Asher (eds), *India-ASEAN Economic Relations: Meeting the Challenges of Globalization* (Singapore: ISEAS, 2006), pp.1-14.

non-reciprocity is a positive development for SAARC, its commitment to the regional project is not necessarily absolute.

3. Role of Extra-Regional Players

At the time of its inception, Southeast Asian states faced what appeared to be an existential threat in Communism. Additionally, as new nation-states, none of them possessed the resources to ‘counter’ this threat indigenously. This led the ASEAN nations to then solicit external security guarantors – in particular, but not exclusively, the US. The ASEAN states have also demonstrated a willingness to subject themselves to international arbitration in their disputes. For instance, Malaysia and Singapore took their dispute over Singapore reclamation projects to the International Tribunal for the Law of the Sea in 2003. Subsequently, the matter was resolved with Singapore agreeing to review its reclamation plans to protect sea currents.⁸⁰

On the other hand, in South Asia, because India itself is perceived to be a major threat, other regional states like Pakistan and Bangladesh have sought help from outside powers – like the US and China – against India. For instance, in 1983, when ethnic violence broke out in Sri Lanka, the Sri Lankan government approached the US for military assistance against the perceived possibility of an Indian intervention.⁸¹ Moreover, in the milieu of the Cold War, the US’ support for Pakistan and China, both regional rivals to India, led India to regard the superpower with suspicion, just as India’s close relationship to the Soviet Union (USSR) led the US to regard India with equal suspicion.⁸² Thus, ‘[f]rom the early 1950s...[India] became the target of American containment through the mechanism of building up Pakistan militarily as a counterpoise against India’, while the US’ support of West Pakistan during the 1971 civil war only solidified India’s misgivings vis-à-vis the superpower.⁸³ Additionally, Indian quest for (and subsequent acquisition in 1998) nuclear weapons and opposition to the Non-Proliferation Treaty (NPT) only added to Indo-US tensions, and led the US to regard India as a ‘revisionist state destined to be at odds with the United States’.⁸⁴ Similarly, Washington’s ‘hyperactive, prescriptive approach to Kashmir’ kept Indian reservations alive.⁸⁵

⁸⁰ ‘Singapore, Malaysia end sea dredging dispute’, *China Daily* (26 April 2005), www.chinadaily.com.cn/english/doc/2005-04/26/content_437666.htm. Accessed on 23 February 2011.

⁸¹ P. Venkateshwar Rao, ‘Ethnic Conflict in Sri Lanka: India’s Role and Perception’, *Asian Survey*, Vol.28, No.4 (1988), p.420.

⁸² C. Raja Mohan, ‘India and the Balance of Power’, *Foreign Affairs*, Vol.85, No.4 (2006), p.19; William J. Barnds, ‘Friends and Neighbors’, *Foreign Affairs*, Vol.46, No.3 (1968), p.19.

⁸³ Baldev Raj Nayar, ‘United States and India: New Directions and Their Context’, *Economic and Political Weekly*, Vol.12, No.45/46 (1977), p.1906.

⁸⁴ Deepa Ollapally and Raja Ramanna, ‘US-India Tensions: Misperceptions on Nuclear Proliferation’, *Foreign Affairs*, Vol.74, No.1 (1995), p.13.

⁸⁵ C. Raja Mohan, ‘India and the Balance of Power’, *Foreign Affairs*, Vol.85, No.4 (2006), p.19; William J. Barnds, ‘Friends and Neighbors’, *Foreign Affairs*, Vol.46, No.3 (1968), p.20.

India's relations with China were equally tense. A border dispute led to a full scale war between the neighbours in 1962 and subsequent rounds of talks have yet to resolve the issue.⁸⁶ Also, since the 1960s, China '[r]econgnising that strategic-rival, India, has the size, might, numbers, and above all, the intention to match China, Beijing has long followed *hexiao, gongda* policy in South Asia', that is, a policy of 'uniting with the small (Pakistan, Bangladesh, Burma, Nepal, and Sri Lanka) to counter the big (India)'.⁸⁷ Finally, the extant of mutual suspicion in South Asia (and of extra-regional actors) have prevented states from seeking international arbitration.⁸⁸

However, this situation is changing. Not only has India's economic performance led to a growing interest amongst key extra-regional players to engage with India, it has also given India the confidence to both act more benignly in its own region and to engage (with reduced suspicion) with extra-regional players. The burgeoning Sino-Indian economic ties – bilateral trade is expected at around US\$60 billion at the end of 2010 – appear to have given both states the incentive to set aside contentious issues and concentrate on mutually beneficial economic development.⁸⁹ At the same, the convergence of interests between India and the US has also helped alleviate tensions in the region.

4. Common Norm

Their common threat perception, the presence of a regional leader favourable to the establishment of a regional organisation and the presence mutually agreeable and equally favourable external power, set the conditions for ASEAN states to successfully develop norms to help them manage conflict in Southeast Asia. That there was a preference for an informal, non-legalist style of conflict management is not surprising given that all ASEAN states were relatively new nation-states, and were as a result disinclined to subject themselves to a structure/norm that seemed to impinge on their individual sovereignty. Nevertheless, in the 'ASEAN Way', Southeast Asian states have found a way to avoid/ignore contentious issues that could destabilise the region and the regional economies. The 'consensus minus X' approach also allowed ASEAN states to accommodate differing stances that could otherwise lead to glaring stalemates.

Unlike the ASEAN, at the time of SAARC's founding, there was no common threat perception in South Asia to motivate its founding members to push aside their bilateral squabbles with each other. Moreover, because of their bilateral tensions, some states, like

⁸⁶ Mohan Malik, 'India-China Relations', *APCSS Brief Analytical Reports* (2009), p.1145.

⁸⁷ *Ibid.*

⁸⁸ Rajshree Jetly, 'Conflict Management Strategies in ASEAN: Perspectives for SAARC', *The Pacific Review*, Vol.16, No.1 (2003), p.68.

⁸⁹ 'Indo-China trade will touch USD 60-bn by 2010-end: Sr. diplomat', *The Economic Times* (13 May 2010), <http://economictimes.indiatimes.com/news/economy/foreign-trade/Indo-China-trade-will-touch-USD-60-bn-by-2010-end-Sr-diplomat/articleshow/5927477.cms>. Accessed on 23 February 2011.

Pakistan and Sri Lanka, sought the help of external powers to secure themselves against a perceived threat from another founding member, India. Given this situation, it is then unsurprising that India was both unwilling and unable to take up the role of a benign regional leader. As a result, SAARC floundered and its members were unable to create any mutually agreeable conflict management norm. Consequently, SAARC countries have not been able to 'de-couple' their political frictions from their economic development. Pakistan's refusal to move forward on trade, failing a resolution on the Kashmir issue, clearly illustrates that members even disagree on whether regional cooperation is possible without addressing bilateral conflicts. Moreover, SAARC decisions are based on unanimity, which has made accommodating differing viewpoint difficult. This lack of flexibility has made moving forward on projects – such as the South Asia Growth Quadrangle – a challenge.

Conclusion

Conditions at the time of the ASEAN's founding provided Indonesia, Malaysia, the Philippines, Singapore and Thailand with the impetus to set aside bilateral tensions and create a regional organisation that could stabilise the region. Hence, these states were able to formulate an informal conflict management norm in the ASEAN Way. While this conflict management norm has thus far been geared more towards conflict prevention in the most basic sense, that is, the prevention of an armed inter-state conflict in the region, it is clear that at this basic level ASEAN (and its 'ASEAN Way') has been successful in managing conflict in the region, as there has been no armed conflict between states in Southeast Asia since 1967.

This is not to say that bilateral tensions do not exist. Singapore and Malaysia continue to spar occasionally, most recently over the water treaties. Singapore and Indonesia also had a diplomatic spat over Singapore's acquisition of sand for its reclamation project and the Thai state's approach to the insurgency in its south caused some tensions with Malaysia. However, despite indulging in some heated rhetorical exchanges, Southeast Asian states have demonstrated a commitment to the quiet diplomacy of the 'ASEAN Way', and have successfully avoided armed conflict in the region, by downplaying and/or ignoring bilateral issues until such time a mutually acceptable resolution can be found or by successfully subjecting disputes to international arbitration.

ASEAN's success on this score has also facilitated its economies' growth. Intra-ASEAN trade grew from 17.9 per cent in 1980 to 26.9 per cent (of total trade) in 2007.⁹⁰ Thus, while much of the economic growth in the region is due to growth at the national level, ASEAN's ability to create a region free of armed conflict arguably created a stable environment that

⁹⁰ Michael Plummer and Ganeshan Wignaraja, 'Integration Strategies for ASEAN: Alone, Together, or Together with Neighbours?', in Joseph Francois, Pradumna B. Rana and Ganeshan Wignaraja (eds), *Pan-Asian Integration: Linking East and South Asia*, (Basingstoke, UK: Palgrave Macmillan, 2009), p.165.

enabled for individual state to pursue economic development. Here it is telling that intra-regional trade in South Asia, despite India's growth and its bilateral trade agreements with other South Asian states like Sri Lanka and Nepal, stands at around five per cent.⁹¹

In South Asia, conflicting threat perceptions, the disruptive role of extra-regional players and India's ambivalence towards the SAARC, at its founding, largely scuppered the emergence of a regional conflict management norm. However, recent changes in India's view towards the regional organisation and its neighbourhood (while still ambivalent) may lead to the provision of the sort of regional leadership needed to establish SAARC as an organisation relevant to South Asia. Moreover, India's improving relationship with external stakeholders, and their changing role in the region, also appear to have reduced the likelihood of another armed conflict in South Asia. As with Southeast Asia, it is unlikely that South Asian states will be comfortable with any arrangement/norm that appears to impinge on their sovereignty. However, given these changes, there exists a possibility that this extra-regional influence may slowly transfer into the institutional arrangement and lead to the development of an informal conflict management norm.

⁹¹ Pradumna B. Rana and J. Malcolm Dowling, 'Economic Integration in South Asia and Lessons from East Asia of Trade and Investment' in Joseph Francois, Pradumna B. Rana and Ganeshan Wignaraja (eds), *Pan-Asian Integration: Linking East and South Asia* (Hampshire: Palgrave Macmillan, 2009), p.216; Aparna Sawhney and Rajiv Kumar, 'Rejuvenating SAARC: The Strategic Payoffs for India', *Global Economy Journal*, Vol.8, No.2 (2008), p.7.