The Institute of Southeast Asian Studies was established as an autonomous organization in 1968. It is a regional research centre for scholars and other specialists concerned with modern Southeast Asia, particularly the multi-faceted problems of stability and security, economic development, and political and social change.

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**SOUTHEAST ASIAN AFFAIRS 1993**

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SOUTHEAST ASIAN AFFAIRS 1993

INSTITUTE OF SOUTHEAST ASIAN STUDIES
TRIBUTE TO
Professor Kernial S. Sandhu, 1929-92

When, nearly forty years ago, I walked into a dusty, wind-swept classroom in what was then the University of Malaya to lecture on population growth and fertility among Southeast Asian peoples, I was not altogether happy to see at the back of the room a group of Indian students somewhat more advanced in age than the usual undergraduate. My wife to be, who had taught them in a previous term, had warned me that they were mature and politically knowledgeable fellows, most of whom had come late to the university after pursuing careers elsewhere and who delighted in verbal skirmishes with neophyte colonial lecturers. I cannot now remember all their names but Kernial Singh was certainly among them. I survived that term although, incidentally, Kernial told me much later that the class preferred my wife's lectures to mine: she was interested in what they knew, while I was trying to discover what they didn't know. Whether this was true or not, it did not occur to me that among this group of dissidents was one who would become one of my closest friends.

It was not until his senior year in 1955 that I came to know Kernial at all well (for one thing, my game was tennis, rather than the hockey or cricket to which he was addicted). In that year he joined a team of students engaged in a survey of padi production in Mukim Padang Pauh in Perlis. In my capacity as the supervisor of that survey, I paid several fairly extended visits to Kernial's group and stayed with them in the house they were renting. I remember being fascinated by the way in which a Perak Malay (who went on to become Director-General of Education in the Federal Government), a Johor Malay of Banjarese descent, a Melaka Cantonese, a Singapore Hokkien, and a Johor Sikh adapted so readily to the exigencies of communal living in spite of their differing cultural backgrounds. What I recall most vividly about my visits to Padang Pauh, though, were the raucous nights when the padi fields resounded to University of Malaya student songs. Naturally, I had no idea that this was but the first of numerous occasions when I would visit with Kernial (in Singapore, both at Adam Park and earlier at Raffles Hall, where he was a Resident Fellow, and in Kuala Lumpur, Segamat, London, and Vancouver) and he with me (in California, Chicago, and London).

Kernial was an uncommonly capable student and, as he specialized in my particular field of study, I suppose I can claim some small credit for guiding him to a first-class degree. But he himself gets all the credit for resisting the blandishments of the several companies and corporations that attempted to lure him into the
business world. I am not at all sure what motivated him but it was clear at the
time that he was determined to enter the academic profession, and neither chief
executive officers nor Professor Dobby, at that time Acting Vice-Chancellor of the
University of Malaya, was going to change his mind. There followed a Master's
Degree from British Columbia and a doctorate from the University of London.
I was instrumental in persuading Kernial to choose University College London for
his doctoral studies, although I had left there before he arrived, and he pursued
those studies under the direction of Professor Sir Clifford Darby. This was at once
a rare privilege and an equally rare achievement, for Sir Clifford accepted very
few doctoral candidates and few of those whom he did accept survived the rigours
of his supervision. I should also note that it is rare for the Cambridge University
Press to publish a doctoral thesis, as it did in the case of Kernial's Indians in Malaya.

Our formal collaboration (as opposed to informal discussions) began in about
1970 with the preparation of a book on Early Malaysia. Some of our efforts were
on a substantial scale, many were comparatively minor, some resulted in publica-
tions, more simply proved impracticable for one reason or another or were
abandoned or consigned to an indefinite future. Among these latter was an attempt
to reconstruct conditions in nineteenth-century Johor on which we embarked in
the late 1960s and which I found especially enlightening, even though it came to
nothing. Kernial knew the region like the back of his hand: it was after all, his
home turf. As we crisscrossed the state from village to village, he enlivened our
investigations with geographically pertinent anecdotes and introductions to people
he had known years earlier. And very often, we would find ourselves at the end of
the day at Keluang, where Kernial for several years had taught school and where
he still had friends eager to enliven our evenings. As the talk slid back and forth,
I felt that I was really in touch with the heart of historical Johor, whether we were
in a coffee-shop in an old kangkar settlement, the 'hut of a tin-mining kongsi', or the
home of a school-teacher in Keluang. Kernial possessed the not-so-common ability
to elicit meaningful information from all these people. The fact was, of course, that
he had transcended his cultural origins. Although he was, and remained a Sikh
through and through (despite the lack of turban and beard), he had thoroughly
assimilated to the world-wide culture of academia while retaining the common
touch that enabled him to relate easily to people in all walks of life.

It goes without saying that whatever his scholarly achievements, Kernial's most
impressive and, it is to be hoped, most lasting monument is the Institute of South-
east Asian Studies. He found it a fledgling experiment with a dubious future and,
after two short decades, left it the powerful and respected institution it is today.
This was no job for a narrow disciplinary specialist. It required the Director to
expand his academic competencies and raise his intellectual horizons in order
to make the Institute a truly viable focus for research on contemporary Southeast
Asia. Just how successful he was is amply attested to by the diversity of programmes
and publications currently sponsored by the Institute. I think it is both remarkable
and admirable that no one scanning these programmes would be able to deduce
from them the Director's own academic training. That itself is powerful testimony
not only to the breadth of his interests but also to the impartiality of his admin-
istrative stance. Equally noteworthy is the circumstance that, despite the pressures
of the Directorship, the administrator never betrayed the scholar. Both programmes and publications were maintained at a level of quality that puts some Southeast Asian Studies Centres in other parts of the world to shame. The same meticulous attention to detail was evident in our joint editorial efforts. After three weeks in my house in Chicago going over the text of our *Melaka* volumes for twelve hours a day, I was more than ready to countenance an occasional ambiguity, or indeed infelicity, in a paper. But Kernial would not hear of it, and we would often spend the rest of the evening and much of the night trying to contact an author in some particularly remote corner of the world.

Many of you will know that our collaboration was not an expediency business arrangement intended to facilitate a common research agenda but a close friendship that developed over nearly forty years, and involved both our families. To some, it may seem anomalous that two fellows from Gloucestershire and Johor respectively — which surely had little enough in common, especially some fifty or so years ago — should have established such an enduring rapport. I guess it reflected a commonality of fundamental values and a shared philosophy of life. But this does not mean that we always saw eye to eye, either in political or academic matters. In fact, it was usually the opposite: we fed off our differences, and the real pay-offs to our alternating visits to Singapore and Chicago were not the advancement of our projects but rather the delight of riding our hobby-horses in new contexts.

It was a long road for the youth from Segamat who, dispatched to Australia to study chemical engineering, got no farther than Kuching; who began as a schoolteacher and ended up as a professor in a North American university; and who, for compelling domestic reasons, in mid-life began a new career, building the world’s most prestigious centre of contemporary Southeast Asian studies. If, as Guru Nanak, the founder of the Sikh faith said, “God will not ask a man his tribe or sect, but what he has done”, Kernial Singh Sandhu will have nothing to fear. And Margo and I are proud to have been witnesses to that pilgrimage but greatly saddened that it has so soon come to its appointed end.

Paul Wheatley

*I Irving B. Harris Professor Emeritus of Social Thought* 
*University of Chicago*
TRIBUTE TO
Professor Kernial S. Sandhu, 1929–92

The shock of Kernial’s sudden death has stayed with me. Not because I was that close to him; we met on the average about once a year during the past twenty years. Not because I am that sensitive to the death of friends; I am old enough to have lost several in recent years. So I wondered why.

There are several reasons. The fact that I had seen and heard from him not long before he died and he looked well and sounded so cheerful and spoke about such forward-looking things certainly contributed to the sense of shock and its aftermath. The fact that he will not be there to enjoy what he had planned for 1993 is another reason. He had outlined the special conference to celebrate the 25th anniversary of the Institute of Southeast Asian Studies (ISEAS), one of the most successful research institutions in our region and one he had placed on the map by more than twenty years of brilliant and dedicated service as its Director. The fact that every mutual friend I have met since he died spoke with feeling of the loss has also made it difficult to forget what a shock the news had been.

After reflection, however, I realized that there was something more, something I had noted before but had taken for granted for years. It was the observation that we had some unusual interests in common. While we had never articulated what these were, they would surface quite unexpectedly now and then, and we would find ourselves noting the commonality without comment and then moving on to talk about weightier matters. This had happened a number of times, I recall, and they seem to have made us understand each other better. These common interests came from two sources.

The first was our interest in the mysteries of what I might call “ancient and medieval” Southeast Asia. From me, no one should be surprised since I have always been a student of history. Kernial, on the other hand, was a geographer and few now remember that he started his academic life as a student and then a colleague of Paul Wheatley, who became the foremost historical geographer of our part of the world. Although we are about the same age, Kernial had taught school for several years before coming as an undergraduate to the University of Malaya (then in Singapore), so we overlapped there only briefly. It was not until later that we discovered we were fascinated by rather similar questions about the early history of the region. We read each other’s work and were often surprised at how often we wanted to know about the same things.

Both of us were descended from sojourners who later settled in British Malaya,
his parents from India and mine from China. We went to similar government English schools and were conscious, after the traumatic Japanese occupation and the first steps to independence, that the multi-ethnic society in which we lived was becoming, not Malay, Indian or Chinese, but “Malayan” (now Malaysian) and also becoming part of Southeast Asia, a newly recognized region between our ancestral homes of India and China. We became intrigued by the origins of this barely awakened region and sought answers in its ancient past. We looked for the distinctive roots of this region and were intrigued by the several layers of external influences on the indigenous cultures. We also saw these later layers from quite different angles: he from the west across the Bay of Bengal pursuing the threads of Hindu-Buddhist ideas, perceptions and practices, and I both ways in the “mediterranean” areas of the South China Sea, following all manner of official and private trade to a large variety of ports. Thus, Kernial produced his authoritative Indians in Malaya: Some Aspects of Their Immigration and Settlement (1786–1957) (1969), followed by Early Malaysia: Some Observations on the Nature of Indian Contacts with pre-British Malaya (1973). I had written The Nanhai Trade: A Study of the Early History of Chinese Trade in the South China Sea (1958) and contributed Introductions to two volumes of essays: Perceptions of the Past in Southeast Asia (1979), and Southeast Asia in the 9th to 14th Centuries (1986), the latter of which he wanted very much for ISEAS to publish.

This first source of our large area of common interest is even more meaningful to me because it was followed by a second area. This stemmed from an equally shared interest in the uncertain future of Southeast Asia as a cohesive and viable region. That we shared this second interest as well showed how much we had each crossed the normal boundaries of our academic disciplines: he the geographer fascinated by changes over long periods of time and I the historian who could not ignore the evolving power dimensions of space.

We were not aware of this commonality at first. He had left the University of Malaya (now the National University of Singapore) to work in the University of British Columbia in Vancouver while I left the University of Malaya (Kuala Lumpur) to go to the Australian National University in Canberra. We did not see each other for years. Unknown to us, each from afar and for different reasons, we continued to gaze, both with hope and anxiety, at the regional development of Southeast Asia. Only by his returning to head ISEAS in 1972 did our paths begin to cross regularly again. He visited me in Canberra. I went to see him in Singapore. We talked. We were surprised that we not only had a common interest in ancient Southeast Asia, but we also tended to look at the region’s future in the larger Asia-Pacific context.

In Canberra, I had found that the Australian efforts to sustain a global point of view and resist being drawn to the Asian neighbourhood were unrealistic and joined those who seriously questioned the wisdom of such a policy. From his position in Singapore, through the struggles to give shape and meaning to ASEAN, Kernial had grasped the necessity for Southeast Asian states to broaden their outlook and seek trading and strategic relations beyond the region. His years in Canada had helped him see this need. Thus, again from different directions, we found that we shared the same concern for the region. On the one hand, Southeast Asia should dig deep into its history and culture and strengthen the awareness of all that gave
it its distinctive identity in between the two large regions to its west and to its north. On the other, the growing self-consciousness in the region should gain in confidence as it finds its place in a world of growing international trade and plays its part in shaping a possible “new world order”.

I now understand better why my sense of loss at the news of his death has remained so poignant for so long. Although unspoken, he is one of the few in my generation with whom I have shared so much for so many decades about the past and future of a region that is still much neglected and often misunderstood. The greater loss for me is that, while I merely wrote on such subjects from time to time, he contributed so much by being in the middle of the action. He had taken up the cause: to make the Southeast Asian point of view coherent among Southeast Asians themselves and to educate the world outside about the region’s character and great potential. To that formidable task, he brought a disciplined and thoughtful mind and exercised his powers of persuasion in the most articulate ways. Most of all, he was always cool, patient, sensitive and determined. I think he would be content to be so remembered.

Wang Gungwu
Vice-Chancellor
University of Hong Kong
FOREWORD

We are pleased to present the twentieth issue of Southeast Asian Affairs, an annual of comprehensive regional coverage on the political, economic and social trends and developments in Southeast Asia. First published in 1974 by the late Director of ISEAS, Professor Karmial S. Sandhu, Southeast Asian Affairs represented then, as it still does now, a unique collection of analyses and writings on contemporary Southeast Asia by contributors primarily from the region and reflecting the viewpoint of the region.

Designed to be easily readable yet in-depth, informative yet analytical, issue-focused yet providing a background, the annual has come to be a useful tool for all serious students, academics, diplomats, senior executives, journalists and publicists who seek to understand the dynamics of Southeast Asian developments.

Southeast Asian Affairs 1993, like the previous volumes, is divided into two parts. The first part consists of articles that provide the regional and ASEAN overviews. The second focuses on internal developments in each of the ten Southeast Asian countries. There is a state-of-the-nation analysis as well as articles devoted to a salient issue or significant theme for selected countries.

In addition, this issue carries two tributes from two renowned scholars who were friends of Professor Kernial S. Sandhu — Professor Paul Wheatley, the Irving B. Harris Professor of Social Thought in the University of Chicago, and Professor Wang Gungwu, Vice-Chancellor of the University of Hong Kong. They help us remember in a vivid and poignant portrait the man who left a strong Southeast Asian legacy behind.

Finally, I take this opportunity to thank the authors and the members of the Editorial Committee who have contributed much to make this publication possible. While the Institute encourages the statement of all points of view in the publication, the authors alone are responsible for the facts and opinions expressed in their articles. Their contributions and interpretations do not necessarily reflect the view of the Institute or its supporters.

Chan Heng Chee
Director
March 1993

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INTRODUCTION

The year 1992 saw increasing disorder in many parts of the world, dissipating the euphoria generated by the end of the Cold War. And much of the industrial world was going through an economic slowdown. In striking contrast, much of East Asia, including its Southeast Asian component, continued to enjoy relative peace and stability. Its economic growth was also impressive, even though, for most countries, it was slightly lower than what it had been in the preceding few years. These trends lent credence to the prognosis that the Asia-Pacific would be the economic powerhouse of the world in the early part of the next century.

There have, of course, always been two provisos: that the rules of trade are not changed by the West and that the security underpinnings which provide the stability and confidence for economic growth remain in place. The first, if it happens, can complicate and delay the coming of age of East Asia because markets and investments of the West, and especially the United States, are still important. Indeed, with the Uruguay Round of the General Agreement on Tariffs and Trade (GATT) talks stalled, the challenge of growing economic regionalism in North America and Europe and the potential it held for protectionist policies was felt more acutely in 1992 than before. Whether the second condition will hold will depend much upon the policies of the new U.S. Administration. For it has been the United States which, through its military forces and system of alliances, has provided the security framework within which economic progress has been possible.

The question is how and at what pace this will now change. The new U.S. Administration is committed to deeper cuts in defence spending and a tougher trade posture to open up the markets of other countries, especially Japan, to American goods and services. There was, therefore, more uncertainty at the end of 1992 about the future size of the U.S. military forces in East Asia/Western Pacific and how the critical U.S.-Japan partnership would fare in the era of declining U.S. military power and growing trade frictions.

China and Japan will be increasingly important players in the East Asian balance. In 1992, while the U.S. defence budget and forces in Asia were being reduced and the Subic Bay naval base was vacated, China was spending more on its military and embarking on purchases of modern weapons systems from Russia. A new confidence and assertiveness have characterized China's policies in the region, based on rapid economic growth and the perception not only that U.S. power in the Western Pacific would be declining, but also that, apart from Korea, the new American President was likely to be extremely reluctant to involve the United States in any conflict in Asia while he concentrates on domestic problems. Japan, during 1992, took the historic step of sending its troops abroad, to Cambodia, for the first time since the end of World War II, for United Nations peacekeeping operations.
However, sentiment in both Japan and other Asian countries remained strong against any broader Japanese security role in Asia.

Because developments in the wider Asia-Pacific region and, in particular, the policies of the major powers have a crucial bearing on issues relating to the security and prosperity of Southeast Asia, *Southeast Asian Affairs 1993*, like past volumes, pays due attention to them in its first chapter. There are also two chapters on specific subjects—Japan’s role in Southeast Asia, and issues relating to the effects of the North American Free Trade Area (NAFTA) upon the ASEAN region.

Within Southeast Asia, ASEAN celebrated its 25th anniversary in 1992. The fourth Summit held in Singapore in January was notable for launching ASEAN in new directions. Firstly, it agreed to set up an ASEAN Free Trade Area in fifteen years, a decision prompted not only by the growth of economic groupings in Europe and North America, but also by the desire to strengthen the credibility of ASEAN in the post-Cold War world. Secondly, the organization served notice that it wanted a say in the shaping of the new regional political and security order after the end of the Cold War. Thus, ASEAN will actively discuss issues of regional security, and, in fact, the ASEAN Post-Ministerial Meetings seem likely to become an important forum for such discussions with other powers which are linked to ASEAN as dialogue or sectoral partners or as “guests” (China and Russia). Thirdly, ASEAN decided to beef up its organizational machinery by having a larger Secretariat and a Secretary-General with ministerial status and enhanced powers.

The signing of the Paris Agreement on Cambodia in October 1991 had paved the way for normalization of relations between ASEAN and the countries of Indochina. In 1992, Vietnam and Laos acceded to the Treaty of Amity and Co-operation and were given observer status at ASEAN Ministerial Meetings. Whether Cambodia will follow suit will presumably depend upon the government which is to be formed after the elections in May 1993 and the situation in the country then. These steps, together with growing commercial and diplomatic links, were helping to bring Vietnam and Laos into the Southeast Asian mainstream. Admission to full ASEAN membership still looked somewhat distant in view of the different levels of development and the different political systems.

There were also exceptions to the trend towards more peace and co-operation. Cambodia was the principal one. In the earlier part of 1992 the civil war seemed to be fading away as the U.N.-brokered Paris Agreement started to be implemented in stages under U.N. supervision. However, the situation deteriorated as the year progressed. The Khmer Rouge were unwilling to abide by critical provisions of the Agreement and sporadic fighting flared up again. The other problem which received considerable media attention and held the potential for trouble was the South China Sea territorial dispute. A series of Chinese actions in 1992 suggested a hard, uncompromising posture. While it did not seem likely that armed conflict would occur in the near future, the dispute can be expected to drag on.

Otherwise, Southeast Asia was probably marginally better off in 1992 than the year before in terms of internal security and political stability. The situation in the Philippines looked better following the successful holding of national elections, which saw less violence and patronage politics than in the past, and the emergence of General Fidel Ramos as President. The threat from the communist insurgents...
and right-wing military rebels was declining. There were also elections in Thailand and Indonesia. Thailand had a turbulent year, with violence and bloodshed. After an unsuccessful bid to continue their hold on political power through a constitution weighted in their favour, the military junta which had led the coup of February 1991 had to leave the political scene in disgrace. It will be more difficult for the military to intervene in politics again, at least for some time. Indonesia held its parliamentary elections but they had no significant impact on the politics of the country.

Developments in the ten countries of Southeast Asia are covered in the country reviews in this volume. In addition, there are five special theme articles related to specific countries. Two of them are on topical issues: the Khmer Rouge, because of the critical importance they have assumed in the present Cambodian situation, and issues relating to the proposal to introduce Islamic *hudud* laws in the Malaysian state of Kelantan. Two others focus specifically on the economies of the Philippines and Singapore. The last, on the Vietnamese military, was chosen because not much seems to have been published on this important subject recently.

Daljit Singh
Editor

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