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SOUTHEAST ASIAN AFFAIRS 1980

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SOUTHEAST ASIAN AFFAIRS 1980

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Established as an autonomous organization by an act of the Parliament of the Republic of Singapore in May 1968, the Institute of Southeast Asian Studies is a regional research centre for scholars and other specialists concerned with modern Southeast Asia. The Institute's research interest is focused on the many-faceted problems of development and social change in Southeast Asia.

The Institute is governed by a twenty-four-member Board of Trustees comprising representatives from the University of Singapore and Nanyang University, appointees from the Government, as well as representatives from a broad range of professional and civic organizations and groups. A ten-man Executive Committee oversees day-to-day operations; it is chaired by the Director, the Institute's chief academic and administrative officer.

FOREWORD

Southeast Asian Affairs 1980, like its six predecessors, is a review of significant developments and trends in Southeast Asia, with special emphasis on the ASEAN countries. Readable and easily understood, the publication aims at giving the enquiring reader a broad grasp of major political, economic, social and strategic developments within the region.

The contents of *Southeast Asian Affairs 1980* fall into two broad categories. There are those of a background nature, which attempt to review and where necessary comment upon and explain significant developments during 1979 in the individual countries of Southeast Asia and in the region generally. Then there are the articles of more specialized current interest. These are not necessarily focused on events in 1979 alone. They deal with topical problems of concern to those who desire to know more about the region and its affairs than is possible from background articles. Readers may also be interested to know that from this volume onwards, the emphasis will be on background papers, including regional surveys. These, however, will continue to be supplemented by topical articles of the type described above.

To the best of our knowledge, *Southeast Asian Affairs* is the only publication of its kind wholly devoted to Southeast Asia. It is, perhaps, also unique in that, unlike many other annuals, its discussion of issues is from the vantage point of the area, most of the contributors being in and of the region. Moreover, though scholarly in their approach and analyses, the authors have been encouraged to aim at accuracy and readability, and to handle their subjects in a direct manner. Footnotes and bibliographical and other references have been generally dispensed with and a conscious effort made to avoid too ponderous a style. If *Southeast Asian Affairs 1980* helps to generate and enliven interest in, and a better understanding of, the affairs of the region, then its purpose would have been well served.

I would also like to take this opportunity to thank the authors and the members of the Editorial Committee, as well as all others who have, in one way or another, helped to make this publication possible. While encouraging all points of view, needless to say, the individual authors are exclusively responsible for the facts and opinions expressed in their respective contributions, and their interpretations do not necessarily reflect the views and policies of the Institute itself or its supporters.

Kernal S. Sandhu
Director

Institute of Southeast Asian Studies

15 January 1980

CONTENTS

FOREWORD	v
INTRODUCTION	ix
THE REGION	
Southeast Asia in 1979: A Political Overview <i>J. A. C. Mackie</i>	3
Review of Southeast Asian Economies, 1979 <i>Cheong Kee Cheok</i>	17
Current Australian-ASEAN Relations <i>Robyn Janet Lim</i>	37
The Soviet-Vietnamese Treaty: A Giant Step Forward <i>Lau Teik Soon</i>	54
The Sino-Vietnamese War of 1979: Only the First Round? <i>Masashi Nishihara</i>	66
Contemporary Islamic Developments in ASEAN <i>Sharon Siddique</i>	78
BURMA	
Burma 1979: Socialism with Foreign Aid and Strict Neutrality <i>Aung Kin</i>	93
INDONESIA	
Indonesia in 1979: Controlled Discontent <i>Leo Suryadinata</i>	121
The Devaluation and Structural Change in Indonesia <i>Peter McCawley</i>	145
KAMPUCHEA	
Multipolarity and Cambodia's Crisis of Survival: A Preliminary Perspective on 1979 <i>Roger Kershaw</i>	161
LAOS	
Laos: The Vietnamese Connection <i>Martin Stuart-Fox</i>	191

MALAYSIA

- Malaysia in 1979: Restructuring the Economy, Realigning Political Forces**
Laurence K.L. Staw 213
- The Kedah UMNO-PAS Power Struggle: Its Origins and Development**
Mahadzir bin Mohamad Khir 228

PHILIPPINES

- The Philippines in 1979: Towards Political Change**
M Rajaretnam 241
- Prospects for Normalization in the Philippines**
MacArthur F. Corsino 259

SINGAPORE

- Singapore: Bold Internal Decisions, Emphatic External Outlook**
Lim Joo-Jock 273
- The Singapore Experience: Cultural Development in the Global Village**
Koh Tai Ann 292

THAILAND

- Thailand in 1979: A Year of Relative Stability**
Vichitvong na Pombhejara 311

VIETNAM

- Into the Third Indochina War**
Huynh Kim Khanh 327
- Vietnam, ASEAN and the Indochina Refugee Crisis**
Frank Frost 347

INTRODUCTION

As last year, the Southeast Asian political scene in 1979 continued to be dominated by the conflict in Indochina and its ramifications for the region.

The conflict between Vietnam and Kampuchea which resulted in the Vietnamese invasion and the setting up of the Vietnamese-backed Heng Samrin régime towards the end of 1978 did not bring stability to the region, because the People's Republic of China (PRC) soon invaded Vietnam "to teach Hanoi a lesson." Political and socio-economic change and conflict in Indochina generated the exodus of ethnic Chinese, ethnic Vietnamese and Kampucheans, creating new problems for the countries of the Association of Southeast Asian Nations (ASEAN). Jamie Mackie's political overview of the region examines these complicated events and their developments in 1979 as well as the political conditions in each Southeast Asian country, while Cheong Kee Cheok's paper reviews the economic performance of Southeast Asian states, with special reference to the five ASEAN members.

The Indochinese crisis can be viewed as a conflict between the major powers utilizing small states as convenient tools to achieve their respective goals. Lau Teik Soon's paper considers the Soviet-Vietnamese Treaty as a giant step forward for the Russian camp in achieving a major foreign policy objective, that is, to strengthen its Asian Collective Security System to contain the influence of the PRC and the U.S. Masashi Nishihara's article, on the other hand, focuses on the recent Sino-Vietnamese war, analysing its origins, development and prospects. In the paper, he notes that the war originated from the historical rivalry between these two nations, and that the "co-operative relations" between them is an exception rather than a rule. He also argues that the war "is likely to remain a serious factor of instability in the regional balance of power."

Besides the relations of ASEAN states with countries in the north, this volume also deals with ASEAN relations with its southern neighbours. For instance, Robyn Janet Lim surveys Australian-ASEAN relations in 1979 and identifies major issues and problems, including the Indochina crisis, refugees, and the International Civil Aviation Policy (ICAP). She points out that ASEAN leaders often misunderstand their Australian counterparts and calls for more mutual understanding, although she cautions "heightened understanding does not necessarily make for smoother relations."

Islam is another factor linking the ASEAN States with the outside world. With the rise of Islamic fundamentalism in the Middle East, Muslims in Southeast Asia have also been affected. A large Muslim population in the ASEAN states is a factor in the political stability of the region. Sharon Siddique's article reviews the contemporary situation of Islam in five ASEAN states and discusses the problems faced both by the governments where Muslims form the majorities as well as those where Muslims are in the minority. Indeed, the Islamic factor could become increasingly important in the years to come.

Burma also has its Muslim minority problems, but other issues appear more serious. Like other developing countries, the Burmese Government has problems in the

economic sector. Due to scarcity of resources, the Burmese Government decided to develop its "socialist economy" with foreign aid. Aung Kin's paper surveys this aspect in considerable detail. It also touches on Burmese foreign policy including Burmese withdrawal from the nonaligned movement.

Three papers in this volume probe into developments in the three Indochinese states, namely, Vietnam, Kampuchea and Laos. Huynh Kim Khanh examines Vietnam's relations with its neighbours, focusing on Kampuchea and China while Roger Kershaw gives a detailed background survey and analysis of Kampuchean* domestic politics and reinternationalization of conflict in Indochina. Kershaw concludes that "the extent to which Cambodia retained some autonomy in various spheres from now on" may depend on the readiness of "Westernized Cambodians abroad ... to trust in Vietnam's assurances, and participate in reconstruction under a hegemony which they have feared so long and struggled so uncompromisingly to prevent". Martin Stuart-Fox's background survey on Laos, another Indochinese state presently dominated by the pro-Vietnam leadership, also deals with its relations with Vietnam and its eventual subordination to Vietnamese force.

One of the legacies of this Indochinese crisis is the problem of refugees. Many Kampucheans have fled to Thailand while many ethnic Chinese and Vietnamese have become "boat people" roaming the South China Sea. Many have arrived in ASEAN countries. Frank Frost gives a detailed treatment of the Vietnamese "policies" towards refugees and its impact on ASEAN countries. He maintains that the fundamental causes of the outflow remain unsolved, that is, "continuation of severe economic and political problems in Vietnam and Laos, the continuing tension in Sino-Vietnamese relations and the possibility of a further Chinese 'punitive' attack and the uncertainty of the situation in Kampuchea"

The ASEAN country directly affected by the Indochinese turmoil is Thailand which has had to solve a serious refugee problem as well as to strike a balance in its relations with super and regional powers. Vichitvong na Pombhejara's article reviews the situation in his country within the last twelve months, assessing the achievements and shortcomings of the Kriangsak Government. He concludes that, despite various problems, Kriangsak succeeded in maintaining Thai political stability.

The Indochinese conflict resulting in the presence of refugees has increased the burden of ASEAN states as well as has created ethnic tensions in some states where there is the "ethnic Chinese problem". Ironically, it has also tended to make ASEAN countries more co-ordinated in their foreign relations. ASEAN has been able officially to present a common stand towards Vietnam and Kampuchea. But the fact remains that there are differences in ASEAN perceptions of the problem, due to the different geographical positions and varying ethnic composition in each member state. Indonesia still conceives of Vietnam as a potential buffer state to contain China's southward movement.

Indonesia in 1979 was faced by political, social and economic problems which caused the emergence of rather widespread discontent. However, the discontent was still under control, but the sources of discontent were by no means removed. Leo Suryadinata's overview paper discusses these problems in considerable detail and identifies forthcoming challenges. One of the challenges is in the field of economy. Peter McCawley assesses the devaluation of the rupiah in November 1978 and its impact on the Indonesian economy, arguing that the government faces the challenge to restore "the stability which had almost been achieved at the end of 1978 when the devaluation abruptly jolted the Indonesian economy and left it facing in an unexpected direction".

*** Editor's Note:**

The spelling of Kampuchea has been consistent throughout this volume except in Kershaw's article which deviates from this practice for reasons given in his article.

Introduction

The Marcos Government has also been beset with many internal problems. M. Rajaretnam reviews the performance of the government and records its successes and failure. Identifying enormous political and economic problems, he argues that the Marcos Administration has failed to cope with most of these and this in turn had undermined political stability in the country. He foresees that the Philippines is moving towards significant political change. MacArthur Corsino, on the other hand, examines the problems and prospects of normalization in the Philippines, arguing that martial law will not be lifted and Marcos is likely to be confronted with more discontent unless he can broaden the support of the élites and redress the poor economic condition of the country.

Malaysia has been dominated by a different kind of problem which has a strong ethnic overtone. Although the government in 1979 gave a creditable performance, the internal power struggle and ethnic disagreement persisted. While Laurence Siaw's paper deals positively with most of these issues, he also argues that the time has come to examine the economic performance of the nonbumiputra communities. Mahadzir bin Mohamad Khir's article, also on Malaysia, examines in historical perspective one of the crucial issues in Malay politics, the Kedah UMNO-PAS power struggle. He indicates the importance of Kedah in Malay politics and UMNO's determination to maintain this stronghold.

Singapore's problem is of a different kind. The government is faced with restructuring the economy and with educational reform. Lim Joo-Jock details these aspects in his overview paper, maintaining that 1979 could be "a landmark in the political, economic and cultural development of Singapore". Singapore's political stability and economic miracle are well known but its cultural development is seldom investigated. Koh Tai Ann examines Singapore's cultural policies and assesses Singapore's development in this aspect, arguing that cultural development in Singapore does not measure up to the development in other fields. She also suggests alternative policies on cultural development in this island republic.

A point has to be made, at this juncture, on the format of *Southeast Asian Affairs 1980* which has undergone minor changes. Previously, the volume used to include more topical articles for the country section. However, this volume has reduced the number of country topical articles in order to concentrate on background papers both on the region and on individual countries. In fact, the main characteristic of *Southeast Asian Affairs* has been its emphasis on background papers which have been supplemented by topical articles of contemporary interest. The Editorial Committee feels that *Southeast Asian Affairs* will render its readers better service by providing longer and, hence, more detailed background papers.

As usual, on behalf of the Editorial Committee, I would like to thank all the authors for their contributions and their co-operation. To friends of the Institute of Southeast Asian Studies, I would also like to take this opportunity to express my appreciation for their assistance in one way or another in the publication of this volume.

15 January 1980

Leo Suryadinata
Editor
Southeast Asian Affairs 1980
Editorial Committee