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SOUTHEAST ASIAN AFFAIRS 1981

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SOUTHEAST ASIAN AFFAIRS 1981

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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 National University of Singapore, 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 1981, like its seven 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 1981* 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 1980 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 1980 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 since the last volume, the emphasis has been on background papers, including regional surveys. These, however, have been 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 tables have been kept to a minimum and a conscious effort has been made to avoid too ponderous a style. If *Southeast Asian Affairs 1981* 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 the Institute encourages 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 1981

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INTRODUCTION

The second half of the 1970s was a period of rapid changes for Southeast Asia. The communist victory in Indochina in 1975, which heralded the patterns of political realignment in the region, as well as sources of new conflict, finally jelled by the beginning of 1980. Responding to these challenges from within and without Southeast Asia, ASEAN as a group became revitalized and strengthened its economic and political cooperation. Narongchai Akrasanee in his economic overview on ASEAN casts light upon this trend of development and the progress made since 1976. However, despite the desire of all the ASEAN partners to increase the level of economic cooperation, some of the mechanisms for such cooperation are still lacking. Narongchai also discusses the economy of each ASEAN state in 1980, commenting with some detail on its growth and structure, problems and prospects. Generally, he is optimistic that the economies of the ASEAN states are quite vibrant and that they have much greater prospects than those of other developing countries.

In contrast to Narongchai's concern for economic development, J. M. Chandran in his article examines ASEAN responses to the external and internal security threats with special reference to the events of 1980. He maintains that the problem of Kampuchea still poses one of the most fundamental challenges to ASEAN's unity. For the moment the unity is maintained and can be exemplified by the common stand towards Kampuchea/Vietnam. However, important differences within ASEAN remain unresolved. He concludes by commenting on the American and Japanese-sponsored Pacific Community which has economic and political implications for the region. These considerations deter ASEAN states from responding positively to this proposal.

Chia Siow Yue's paper also focuses upon the Pacific Community. She examines the characteristics of the Pacific Basin countries and the rationale for such an "organization". She also discusses the problems involved in establishing this community and its implications for ASEAN. Owing to diverse economic and political conditions of potential members and different perceptions about the objectives and organizational frameworks, she argues that "for the present, a consultative forum is all the Pacific Community can hope to be".

The Pacific Community is also touched upon in Willard Elsbree's paper, but the problem is placed in the larger context of Japanese-ASEAN relations. Japanese-ASEAN relations, however, largely emphasized economic rather than political and cultural cooperation. Elsbree in his paper points out that although some progress has been made in the area of Japanese political and cultural relations with ASEAN states, basic problems which inhibit further progress remain.

In trying to improve relations with ASEAN, Japan has been responsive to ASEAN's stand on the Kampuchean issue. Hans Indorf and Astri Suhrke in their joint paper also focus on ASEAN responses to the Indochina crisis. Unlike J. M. Chandran, who views these largely in strategic and diplomatic terms, Indorf and Suhrke treat the responses of ASEAN States individually as well as collectively. Arguing that the Vietnamese were skilfully dividing ASEAN, they believe that the Kampuchean issue has challenged ASEAN's solidarity. For the present, "efforts to bargain with Vietnam from a position of strength have led to a situation where ASEAN solidarity is formally and vehemently declared, and divergent diplomatic initiatives are downplayed as internal squabbles within the ASEAN family."

Despite some differences in ASEAN's view on the Indochina crisis, all the ASEAN states acknowledge that it is an important factor in the stability of Southeast Asia. Particularly there is fear of the expansion of major power rivalry and a renewed communist offensive in the region. Ng Shui Meng in her background paper on Vietnam examines the Vietnamese political and economic behaviour over the last twelve months, contending that Vietnam is still beset with serious social and economic problems. She also looks into the effects of political and economic isolation and their implications with regard to Vietnam's relations with neighbouring Kampuchea and Laos, as well as with the Soviet Union and China.

Laos is the focus of Murray Hiebert's paper. He depicts, in detail, recent political and economic developments in Laos, especially the attempts at improving the underdeveloped Laotian economy. He also examines the intensification of relations between Vietnam and Laos following the Sino-Vietnamese conflict, and particularly after the more recent deterioration of relations with Thailand. Sino-Vietnamese relations have undoubtedly a great impact upon communist parties in mainland Southeast Asia. Ben Kiernan probes into the origins of the Khmer Communist Party and its development up to Heng Samrin's takeover of Kampuchea. He identifies the evolution of two factions in the party: the more recent Pol Pot faction whose xenophobic ideology divorces it from the earlier Vietnamese-dominated communist movement and pushes it closer towards the People's Republic of China (PRC), and the rival group which has strong Vietnamese links. Kiernan's historical study does not touch on last year's events, but by analysing the split in the Khmer communist movement, it helps throw light upon the recent developments in Kampuchea.

The communist movement of Thailand is another example of external influences upon indigenous social movements. The Communist Party of Thailand (CPT) has been strongly influenced by China right from the beginning. Yuangrat Wedel in her study on Thai radical thought explores the extent of the influence of Maoism in the CPT doctrine. The dominance of external influence in the CPT also explains why indigenous Thai radical thought in the movement has been stymied and why the Thai Communist Party is in disarray following the recent Sino-Vietnamese split.

In fact, communism is not the only challenge to the noncommunist ASEAN countries. Socioeconomic issues, especially the problem of equity and income distribution, pose equally great, if not greater, challenges to ASEAN Governments. David Morell and Chai-anan Samudavanija analyse major political and economic trends in Thailand, pinpointing the issue of economic inequity as a destabilizing factor in Thai politics. Leo Suryadinata also centres his discussion on why economic growth without equitable income distribution in Indonesia tends to create political instability. Njoman Suwidjana's article on the rice policy in Indonesia presents the manifestation of some of the problems associated with equitable growth. He shows how some of these policies are in fact biased in favour of "surplus" farmers rather than subsistence farmers, thereby exacerbating the income gap between the rich and the poor. Jesucita Sodusta in her article on land reform in the Philippines also deals with the failure of the Philippines, and in particular the Marcos Government, in the implementation of the land reform programme. In spite of vast government expenditure and repeated pledges to rid the country of rural poverty, the problem stubbornly persists. Similarly, on the subject of equity, Tan Loong-Hoe in his paper examines the role of the state in wealth distribution in Peninsular Malaysia. Confining himself to the Malay community, he argues that conspicuous disparity in Malay society still exists despite the government's intervention. In fact, it is possible that this disparity may have become even more serious because of the government programmes.

Political participation constitutes another challenge in some ASEAN countries, particularly in the Philippines and Indonesia. MacArthur Corsino examines closely the

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sociopolitical developments in the Philippines in 1980, placing special emphasis on the normalization process of Philippine politics. Although his paper was completed before President Marcos lifted the eight-year-old Martial Law in January 1981, Corsino maintained that even if normalization was to take place the process would be "characterized by the continued impregnability of President Marcos' own political position and the holding of his political opponents at bay". Political participation is also a challenge in Indonesia. Leo Suryadinata in his background paper identifies various political issues and the struggle for power between contending elites, especially between the military and the Islamic group. He nevertheless sees the present government as being still in control of the situation.

Political participation appears to be less problematic in Malaysia and Singapore where concerns for economic development often overshadow political issues. Zakaria Haji Ahmad in his background paper details political and economic developments in Malaysia in 1980 and argues that the government has been consolidating its power. At the same time, the mandate of the People's Action Party (PAP) of Singapore has also been renewed for another four years in the recent general elections which will enable the government to concentrate on economic restructuring. Lim Joo-Jock's paper discusses this restructuring and the linkage between foreign policy and economic development in Singapore. Seah Chee-Meow's article concentrates on one important aspect of Singapore's economic development: the much discussed and debated Mass Rapid Transit (MRT) System project. It weighs the pros and cons of the MRT, highlights the major arguments made by a British and an American team and assesses them from various perspectives.

Singapore has cordial relations with Brunei, the oil-rich country which will become independent in 1983. A. J. Crosbie reviews this country's past performance and its future. He also discusses Brunei's relationship with Brunei Shell. B. A. Hamzah, who singles out for attention the issue of the politics of oil and Brunei's independence, contends that there may be potential areas of conflict between Brunei Shell and the government. He points out that, given Brunei's position within the region, the most logical step for Brunei after independence would be to join ASEAN. Oil-rich Brunei promises to become the focus of increasing attention in the near future.

Burma, a country which has so far maintained a strongly independent nonaligned stand, has begun gradually to come out of its isolation, as evidenced by its cautious acceptance of foreign aid in order to develop some aspects of its economy. Aung Kin's background paper details Burma's recent political developments and economic performance. However, while Burma is slowly taking a more active role in foreign relations, it has been careful not to compromise its nonaligned position.

By the close of 1980, the countries of Southeast Asia, with the exception of Burma, have converged to form two fairly distinct political groupings, each with different concerns and different challenges. These groupings — the Indochinese states and ASEAN (Brunei can be considered as belonging to the ASEAN group by virtue of its cultural affinity and patterns of economic development) — interact with varying degrees of intensity. It seems that more interaction still takes place within each grouping than between groupings, and this pattern of interaction is likely to continue in the foreseeable future. Likewise, the various challenges facing ASEAN states are also expected to feature prominently in the regional landscape for some time to come.

Leo Suryadinata and
Ng Shui Meng
Editor and Associate Editor
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