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SOUTHEAST ASIAN AFFAIRS 1983

**INSTITUTE OF SOUTHEAST ASIAN STUDIES
GOWER**

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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-two-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 1983, like its nine 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 1983* 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 1982 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 1982 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. 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 1983* 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 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

15 January 1983

Institute of Southeast Asian Studies

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INTRODUCTION

Southeast Asia in 1983 did not witness any extraordinary development or undergo significant changes, with the exception of the impact of the general global economic slowdown on the individual countries and the region as a whole. As in previous years, Kampuchea remained a focal issue for most of the countries in the area. Although the government of Heng Samrin continued its rule in that country, an event of some significance was the formation of the Coalition Government of Democratic Kampuchea (CGDK) in mid-1982, with Prince Norodom Sihanouk as the President. While not leading to any breakthrough in the deadlocked situation over Kampuchea, the formation of the CGDK did ensure that it retained the U.N. seat for Democratic Kampuchea at the annual general meeting in October. The coalition appears to have given greater credibility to the various resistance movements with the added support they were attracting from ASEAN, China and the West. Indeed, for ASEAN, Kampuchea continued to be of central concern. Most of the ASEAN countries' external political activities including those at the annual ASEAN Foreign Ministers' Meeting, at the U.N. and in bilateral negotiations, were directed towards reaching a settlement on the issue.

As for the individual countries of the region, the parties in power continued to hold the reins of government. In fact, in the case of Malaysia and Indonesia, the ruling parties were returned with an even larger majority than before.

Maintenance of security and political stability continued to preoccupy the Southeast Asian countries, not only internally but also externally. Three of the leaders — President Marcos, President Soeharto and Prime Minister Lee Kuan Yew were in the United States at different times during the year to express their concern to American leaders for the need for a continued United States presence in the area. The increase in defence expenditure in Japan as well as the United States' insistence that Japan assume a greater defence role were also matters of concern to Southeast Asian leaders. The election of the new Prime Minister of Japan, Yasuhiro Nakasone, reportedly more "hawkish" than his predecessors, did little to allay apprehensions on Japan's perceived role in the area.

Economically, the region began to feel the effects of global recession, the fall in primary commodity prices and the uncertainty of the oil market. The major export-oriented economies, including ASEAN, had lower growth rates. However, ASEAN's average growth rate of 4% was much better than those of nearly all the industrialized countries. At the same time, the region did not experience high inflation or serious unemployment. Although each country underwent some difficulties, the ASEAN members seem to have weathered 1982 with careful management of their economies.

It was also in relation to the perceived recession that some countries such as Singapore embarked on an emphasis on skill-training and productivity, while Malaysia promoted its "Look East" policy to maximize the benefits of its economic relations from both the traditional Western partners as well as the Eastern countries of Japan and Korea.

Most of these events and issues are reviewed in *Southeast Asian Affairs 1983*. As is usual in this series of annual reviews, each writer presents what he/she feels were the major developments of the year. This is in keeping with the general spirit of the volume, in that a conscious effort is made to encourage comment and views on the year's events and the trends that appear to be emerging in the region. The contributors, experienced observers of local and regional politics and economics, have been allowed to explore the significant

issues from their own particular perspectives. The Editorial Committee has thus not imposed any set pattern in the analyses of events, although the usual care has been exercised to ensure quality and a fair choice of articles. Donald Weatherbee provides a comprehensive review of developments in the region in his "Southeast Asia in 1982: Marking Time". He not only looks at issues affecting the region (for example, ASEAN co-operation and the issue of Kampuchea), but also gives a concise yet detailed account of the political and economic aspects of each country (except Brunei and Burma). J. Estanislao and A. Aquino provide a more detailed analysis of the major economies of the region in their paper "Economic overview of ASEAN". Another paper dealing with ASEAN economies is "Latin American Trade Relations with the ASEAN Countries" by Francisco Orrego Vicuña and Juan Reutter R. As Latin America has been neglected in ASEAN's external economic relations, the two Chilean writers discuss some of the possibilities of exploring this particular case of South-South trade. On the external political dimension, Russell Fifield, who has often written on this region, offers an insight into the Reagan Administration and Southeast Asia.

The country papers present a variety of views on the individual countries. These, in most cases, are written by Southeast Asians (except in the case of Indochina). Timothy Ong, for instance, discusses some of the internal and external issues Brunei faces. The two papers on Burma, with Aung Kin providing the general overview and Robert Taylor discussing the external relations, provide an understanding of that country about which little has been written. Ahmad Habir and H.W. Arndt, writing on Indonesia, cover most of the essential economic as well as political trends in the country.

Sophia Quinn-Judge gives a summary of some of the main political and economic problems within Kampuchea in 1982, while Jacques Bekaert presents a more detailed account of the people and events behind the formation of the Coalition Government, and wonders if 1982 was "The Year of the Nationalists". Based on his experience while stationed in Laos, Robert Cooper offers an interesting "insider's" view, while Carlyle Thayer discusses the events in Vietnam, focusing on the Fifth Party Congress, the country's major event for 1982.

Writing on Singapore, Chiew Seen Kong looks at some of the socio-economic and political issues, including the emphasis on productivity and computerization. Still on "human" issues, Evelyn Wong explores industrial relations in Singapore.

Malaysia, the Philippines and Thailand are the focus of one paper each. P. Thambipillai discusses issues in Malaysian politics, namely the elections, party politics and foreign relations. Estrella Solidum looks at some of the problems affecting President Marcos' New Republic, especially political stability, while Withaya Sucharithanarugse, writing on Thailand, aptly titled his paper "The Year of Living in Anxiety".

Southeast Asian Affairs 1983 does not claim to provide the general or specialist reader all he/she expects or should know about the region; nevertheless it has strived to offer as meaningful a coverage as possible.

Pushpa Thambipillai
Editor
Southeast Asian Affairs 1983