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# **SOUTHEAST ASIAN AFFAIRS 1987**

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*SOUTHEAST ASIAN AFFAIRS 1987*  
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## FOREWORD

*Southeast Asian Affairs 1987*, like its thirteen 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 1987* 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 1986 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 1986 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 1987* 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

Institute of Southeast Asian Studies

January 1987

## INTRODUCTION

The year 1986 was eventful for Southeast Asia, although more in political than economic terms. The present volume attempts to capture the highlights of the past year's events, both within the individual countries and in the region as a whole, and to put them in their proper context.

Politically, 1986 was an exciting year. This was demonstrated by the elections in Thailand and Malaysia but above all by the dramatic events of February in the Philippines. This last event can be seen as a landmark in the democratization of Southeast Asian polities. At the beginning of the year few analysts would have been able to predict the radical transformation of the Philippine polity given Ferdinand Marcos' apparent control both over the political machinery of the state and over the Armed Forces. However, the outburst of popular anger over the blatant rigging of presidential election results, the defection of important segments of the military and the withdrawal of American support to the Marcos regime led to what can be considered the most radical regime-transformation in Southeast Asia since the collapse of the American-supported South Vietnamese regime in 1975. While the Aquino government, during its first year in office, continued to be plagued by a host of problems, including the communist and Muslim insurgencies, these should not detract from the historic importance of the "people power" revolution as a major milestone in the political development of the Philippines, indeed of the region as a whole.

Thailand and Malaysia also witnessed major political events in 1986. In the latter case, despite a growing trend towards ethnic polarization, national elections re-affirmed a basically healthy political tradition tailored to Malaysia's delicate ethnic and socio-economic balance. In Thailand's case, national elections, Prime Minister Prem's return to power despite the rather thinly veneered opposition of General Arthit, and the latter's removal from his position as army chief, all seemed to augur well for the evolution of a more evenly balanced civilian-military relationship which could in the long run have the potential of establishing a tradition of civilian supremacy.

During the year under review, Indonesia was gearing up for the parliamentary elections of 1987. In this context, Nahdatul Ulama's withdrawal from the Muslim-based PPP was an obvious forerunner of the poor electoral performance of the party in the elections of April 1987. The ruling GOLKAR's dominance within the political system was never in doubt, but the acceleration of the pace of generational change within the highest ranks of the Indonesian Armed Forces seemed to portend subtle shifts in the civilian-military relationship in the polity during the next decade.

Generational change was also the major theme in the politics of Vietnam, particularly towards the end of the year. The Sixth Congress of the ruling Workers' Party held in December put its stamp of approval on some of the changes in personnel at the top rungs of both the party and the government. However, this seemed to be the start of a process of leadership change rather than its culmination. On the other hand, in Singapore this process appeared to be reaching its culmination with the new generation of leaders demonstrating their competence as well as their confidence in managing affairs of state under the eye of Prime Minister Lee Kuan Yew.

Compared to the political developments of the past year, economic activity in the region seemed fairly unexciting. With little sign of improvement in commodity prices, the Indonesian and Malaysian economies continued to be in recession. National élites seemed

to be worried about the long-term effects of economic recessionary tendencies on the political stability of their respective countries. This was particularly the case with Malaysia, both because of its more open political system and because the political legitimacy of UMNO, the dominant partner in the ruling coalition, rests in large measure on its ability to distribute a larger share of the economic cake to the *bumiputras*. A shrinking economic cake has, however, made this endeavour extremely difficult, if not impossible, at least in the short run.

Thailand's respectable growth rate of over 4 per cent was the only major silver lining in the relatively dark clouds surrounding the market economies of Southeast Asia in 1986. This was the result of an export boom, principally in manufactured products, supported by currency changes and falling oil prices. While economic decline in the Philippines seems to have been arrested, primarily as a result of the change in regime, it is still too early to venture a guess about its long-term economic future. Singapore's economy seemed to have turned the corner and higher growth can be reasonably expected in 1987 compared with the 1.9 per cent achieved in 1986.

International political relations in Southeast Asia in 1986 continued to be dominated by the Kampuchean issue with little chance of a resolution in sight. Although Gorbachev's Vladivostok speech initially raised hopes among ASEAN leaders of a more flexible Soviet line on the issue and, consequently, of a softening of the Vietnamese position, this did not materialize thereby further hardening attitudes on all sides. Even the Indonesians, who had demonstrated the greatest degree of empathy within ASEAN for Hanoi's stance on Kampuchea, appeared to have come to the conclusion that Vietnam's posture on the issue was too inflexible for them to attempt to change, even modestly, the ASEAN consensus on the conflict. The stalemate is expected to continue into the foreseeable future.

This volume has attempted to come to grips with many of the issues and problems outlined above. Most of these are continuing themes in the field of political and economic development in Southeast Asia and some of them are bound to recur in subsequent volumes of *Southeast Asian Affairs*. In this sense the current volume will be of interest not merely as a catalogue of developments for the year under review but as a reference work as well.

Mohammed Ayoob  
Editor  
*Southeast Asian Affairs 1987*