

'Finlandisation' of ASEAN?

Lee Yoong Yoong

Today, 20 July 2012

"Finlandisation" is the influence of a dominant country on the policies of its smaller neighbours. It entails a conscious decision by a smaller country to not confront its more powerful neighbour in foreign relations while maintaining national sovereignty. The term originates from Finland's decision to not challenge the Soviet Union during the Cold War, while keeping its distance from the Allied forces, all in the name of self-preservation.

When applying this within the context of ASEAN, it immediately runs counter to the notion of the grouping, which is built upon the fundamental values of mutual respect for the independence, sovereignty, equality, territorial integrity and national identity of all nations and the right of every member state to lead its national existence free from external interference or coercion, among others.

It was not until the recently concluded annual meeting of ASEAN foreign ministers in Phnom Penh that I thought "Finlandisation" might have occurred after all.

For the first time in its 45-year chronicle, the ASEAN Ministerial Meeting concluded without a consensus to issue a joint statement, specifically on the issue of the South China Sea.

This is a baffling stalemate when we consider that the South China Sea row has been repeatedly discussed in ASEAN over a significant period of time and was, in fact, mentioned in the Leaders' Statement after the Bali Summit in November last year.

Economic Connection

Among the views expressed by scholars and experts, one that struck me was that Beijing's "soft power", mainly cultivated via economic cooperation and foreign direct investment (FDI) in the newer ASEAN member states - in particular, Cambodia, Laos and Myanmar - has grown to a new high.

This is hardly rocket science. Besides its dialogue partnership framework with ASEAN, China is also linked geographically to these mainland states via the ASEAN Mekong Basin Development Cooperation and Asia Development Bank's Greater Mekong Sub-region programme.

It is a known fact that China has vested interests in financing energy and transportation projects in mainland ASEAN, such as the Singapore-Kunming Rail Link and the Asian Highway Network's North-South Corridor, thereby aiming to improve the connected economies of China, Thailand and the CLMV countries (Cambodia, Laos, Myanmar and Vietnam).

Even among the ASEAN-6, China is an emerging source of FDI and soft-loan provider.

In Singapore, for example, there are more than 3,000 Chinese companies, including

well-known ones like Huawei, Cosco and Hai'er. Many are tapping Singapore's extensive linkages to the Asia-Pacific market to set up their regional marketing and trading operations.

Within China's diplomatic strategy towards South-east Asia lies a strong economic foundation. As such, it is not rhetorical to say that some ASEAN member states can anticipate the Chinese positions and demands before they are expressed, and begin bending to a Chinese will.

Could this, then, be deemed as a variation of "Finlandisation", one that is happening in ASEAN's back yard?

This calls to mind a view validated by Mr Lee Kuan Yew, then Singapore's Minister Mentor, when he spoke at the 50th anniversary of the International Institute of Strategic Studies in 2008. He remarked that "anything discussed among the 10 members of ASEAN is made known to the Chinese embassies in Laos, Myanmar and Cambodia, and they (Beijing) would know exactly the position of each of the 10 members".

Mr Lee also noted that China would accommodate the requests of the newer ASEAN member states, from infrastructure construction to capacity-building for their officials.

Avoiding Fragmentation

In some ways, it may be said that what happened in Phnom Penh was a failure by Cambodia to distinguish between its pro-China policy and ASEAN's neutral stand on the South China Sea issue, although I do acknowledge that all nations and states will act in their best interests and, in this case, Cambodia was probably doing the same - something that ASEAN, guided by its core principles, has allowed for its member states.

Going beyond this episode, the natural question to ask is: "Can ASEAN avoid being fragmented?" Because, if it cannot, this may be the start of the end for the 45-year-old assemblage.

Perhaps, this is now the time for ASEAN to enforce the content and the articles of the ASEAN Charter to regain its international credibility.

At the same time, it must continue to demonstrate its relevance to all external powers by letting an undivided ASEAN work and maintain centrality and neutrality in East Asian regionalism.

It is not in China's or the United States' or any other superpower's interests to segregate ASEAN. A cohesive and non-aligned ASEAN is still the best driver of regionalism in this part of the world. In addition, ASEAN member states themselves must stay committed to the cause of regional integration and not weaken the collective interest as it builds towards a community come 2015.

Objectively speaking, it is rather unlikely that ASEAN, as a group, would be "Finlandised". What is more likely, however, and extremely regrettable, is to have a fragile, divided and unstable ASEAN.

Such a grouping would no longer be able to take on the central role it has performed when advancing regionalism, including trade and investment, in East Asia and, to larger extent, in the Asia-Pacific.

Lee Yoong Yoong is a Research Associate in the Economic and Business cluster in the Institute of Policy Studies. He is the editor of ASEAN Matters! Reflecting on the Association of Southeast Asian Nations.