CRISIS AND CONSENSUS:
AMERICA AND ASEAN IN A NEW GLOBAL CONTEXT

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No crisis is uniformly global. The suffering and the opportunity that a “global” crisis entails are always unevenly distributed across countries, and unevenly across the population inside any one country. That said, one can nevertheless argue that we—not the old royal “we” but, more presumptuously, the new global “we”—are in January 2009 experiencing the latest of four dramatic changes that major parts of the world have undergone over the last twenty years.

In 1989, of course, the Berlin Wall was breached, ending the Cold War, followed by the implosion of Lenin’s Soviet dystopia two years later. Nor did the 1989 massacre of pro-reform demonstrators in Tiananmen Square revive a command economy in China. Instead it kept the polity shut so that Deng’s economy could continue to open.

Although the economic failure of communism contributed to the demise of the USSR, the events that Fukuyama misrecognized as “the end of history” were thoroughly political in nature. Roughly the same could be said of the rise of radical Islamism and its symbolic embodiment in the American shorthand for 11 September, “9/11”—as if the year in question, 2001, went without saying. Admittedly, Soviet stagnation hastened the supposed “end of history,” and Muslim poverty helped incubate the acts of spectacular carnage that triggered the so-called “war on terror.” Yet neither of these watersheds was mainly economic. Both were decidedly political.

This was not true of the Asian Financial Crisis that broke out in 1997 (henceforth, for convenience, AFC1997), nor of the American Financial Crisis that began ten years later

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1 A rough first draft of this paper was presented at a panel on “Reflections on the U.S. and ASEAN” on 9 January 2009 at an international conference on “Refreshing Thai-U.S. Relations.” The conference was held in Hua Hin, Thailand, on 8-9 January 2009 and co-sponsored by Chulalongkorn University’s American Studies Program, Institute of Security and International Studies, and Faculty of Political Science. This edited, expanded, and updated version of the paper has benefited from helpful comments by Robert Fitts. Opinions expressed herein remain my own, however, as do whatever errors and infelicities survive his advice.
and turned into a Global Economic Crisis in 2008 (GEC2008). These storms did have political repercussions, including Suharto’s resignation and Obama’s election, respectively. But the first maelstrom was hardly comparable in political impact to the terminations of states and regimes that ended the Cold War, and as of early 2009 neither was the second.

The italics are necessary because, although Asia recovered from AFC1997 with its political structure basically intact (notwithstanding the rapid democratization of Indonesia), in January 2009 one could only guess at the breadth, severity, and duration of GEC2008, not to mention the political changes this fourth and latest crisis could bring.

At what I take to be an acceptable risk of oversimplification, the impacts of these four watersheds—the Cold War’s end in 1989, AFC1997 eight years later, 9/11 in 2001, and now the ongoing GEC2008—may be interpreted as follows.

**Crisis and Consensus: From 11/9 to 9/11**

Metonymously iconic of the first of these crises was, of course, the Berlin Wall’s breaching on 9 November 1989—“11/9” in month-first American terms.

That was the year when economist John Williamson identified what he called a loose “Washington Consensus” (or “WC”) to the effect that dangerously indebted developing economies should commit themselves to market-conforming reforms. The unraveling of the Soviet bloc and the concomitant discrediting of command economies and police states corroborated both of the two foundational ideas underlying what I would like to call the “Simplified and Expanded Washington Consensus” (or “SEWC”). Those ideas were *market capitalism* and *liberal democracy*, conceived not merely as separately desirable but also as mutually enhancing, and, in the SEWC’s most ambitious version, mutually entailing: the belief that capitalism engenders democracy, which encourages capitalism, which invigorates democracy, and so on in a virtuous spiral.2

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2 The qualifiers in this “Simplified and Expanded Washington Consensus” (SEWC) are meant to distinguish it from the original meaning and subsequent glossing of the “Washington Consensus” (WC), which Williamson had coined with express reference to the Latin American debt crisis of the 1980s. (See John Williamson, “What Washington Means by Policy Reform,” in Williamson, ed., *Latin American Adjustment: How Much Has Happened?* [Washington, DC: Institute of International Economics, 1989], pp. 5-20, [http://www.iie.com/publications/papers/paper.cfm?researchid=486](http://www.iie.com/publications/papers/paper.cfm?researchid=486).) This original WC was not the anti-Keynesian instance of free-market fundamentalism that its critics soon took it to be—or, more precisely, caricatured it to become. For in popular if not also scholarly discourse, the WC evolved into an instance of extremism (an ultra-liberal faith in maximally free markets) and imperialism (the evangelical imposition of that faith through conditional assistance by the US government, the IMF, and the World Bank—all headquartered in Washington—on the leaders of developing economies in crisis).

My coinage—an SEWC rather than a WC—is “simplified” because it emphasizes only seven of the ten policy recommendations that, for Williamson, defined the WC: (1) deregulate the economy; (2) reduce barriers to imports; (3) reduce barriers to incoming foreign direct investment; (4) privatize state enterprises; (5) reduce government spending as needed to ensure fiscal discipline; (6) protect property rights; and (7) allow moderately positive but still largely market-driven interest rates to help orient the economy outward through exports. The other three pieces of policy advice in Williamson’s account of the WC were: maintain competitive exchange rates to encourage exports; widen the tax base while keeping marginal rates modest (i.e., not too progressive); and spend less of the government’s budget on subsidies, but more on education, health, and infrastructure. The latter three measures, omitted from the SEWC, are by no means incompatible with “market capitalism,” but they illustrate faith in markets somewhat less clearly than do the previous seven. The SEWC is “expanded” from Williamson’s wholly economic formulation to include, alongside market capitalism, an explicitly political construct: liberal democracy.
Subsequently and successively, the second, third, and fourth of these crises undermined this SEWC, albeit in different ways and to varying degrees.

The second emergency, the Asian Financial Crisis that struck Thailand in July 1997 and quickly spread to some other Asian countries, showed that the market-capitalist virtue of economic openness could be a vice insofar as it rendered one’s economy vulnerable to sudden changes in the flux of global capital.

Thailand suffered greatly from AFC1997, and the relative indifference with which the Clinton administration initially greeted the calamity added insult to injury. In November 1997 Clinton himself downplayed the crisis, already four months old, as a mere “glitch in the road.” But the “glitch” was damaging enough for Thailand and Indonesia to ask the IMF for help. For Thailand, a $17 billion emergency rescue plan was drawn up, largely financed by Japan. The Clinton administration agreed to the idea, but chose not to contribute. Indonesia subsequently received commitments of assistance totaling $43 billion.

One could debate the extent to which in Thailand and Indonesia the IMF, ostensibly part of the solution to the crisis, became part of the problem. Compelling nevertheless was the contrast between the suffering undergone by these economies and the relative resilience of Malaysia. Kuala Lumpur weathered AFC1997 without the conditional advice of the Fund, whose emissaries pressed upon Bangkok and Jakarta a set of austerities more or less in keeping with the pro-market and anti-statist elements featured in Williamson’s WC. In thus selectively damaging certain Asian economies, AFC1997 diminished the appeal of the economic face of the SEWC.

Now fast forward to the third crisis: 9/11 in 2001. The jihadist attacks themselves did not discredit democracy. But what did over time, in the eyes of much of the world, discredit American democracy were the cascading responses that the hijackers triggered on the part of the Bush administration—responses that appeared in practice to subvert democratic principles.

Pursuit of a worldwide “war on terror” made Bush’s democracy seem belligerent. Reinforcement of the already evident appetite of the administration for unilateral action overseas made Bush’s democracy seem arrogant. Tolerance for torture and abuse in Guantanamo made Bush’s democracy seem callous. Rhetoric on behalf of the elimination of tyranny throughout the world made Bush’s democracy seem blindly ideological if not evangelical—and hypocritical insofar as all of these impressions of aggression, hubris, and brutality contradicted American democracy’s vaunted


commitments to the rule of law, to consultation and accountability, and to human rights. Most important of all in sharpening these contradictions was the ill considered, prematurely justified, and neocon-groupthink-driven invasion of Iraq in 2003 and the ensuing occupation and war that was still ongoing six years later, in 2009, despite Bush’s decision to augment additional US forces.

In contrast to the economic fallout from AFC1997, the aftermath of 9/11 was decidedly toxic to the political side of the Simplified and Expanded Washington Consensus: It undermined global confidence in Bush’s Washington, and in Washington’s democracy under Bush.

The Present Crisis: Toward a Post-Washington Dissensus?

The fourth and current American Financial Crisis began ten years to the month after its 1997 Asian predecessor. Unlike that predecessor, however, AFC2007 in September 2008 triggered an undeniably Global Economic Crisis. As of early 2009, the sheer scale of GEC2008 threatened to inflict more damage on the economic face of the SEWC than AFC2007 had delivered a decade before.

Just as the crisis triggered by 9/11 had discredited the Bush administration’s practice of democracy more than democratic principles themselves, so did GEC2008 tarnish the regulation-averse practice of capitalism by the Bush administration more than capitalism’s root principles, including the utility and productivity of markets. That said, however, looking forward from January 2009, one could surmise that the wider, deeper, and more long-lasting this already global ordeal becomes, other things being equal, the greater the temptation among national and transnational elites to modify market capitalism along somewhat more statist lines.

The dramatic expansion of the state’s role in the economy resulting from the spate of bailouts and related deficit spending to resuscitate demand has already begun to point many economies in such a direction. In much of East Asia this further extension of the state into the economy is being funded from accumulated foreign-exchange reserves, whereas American deficit spending relies upon large-scale borrowing. The long-term impact on market capitalism as a policy paradigm in these two parts of the world will depend in part on whether this difference makes it easier or harder to unwind the massive public debts incurred in response to GEC2008. A resuscitation of statist capitalism in parts of East Asia, if it occurs, may be sustained not only by perceptions of vulnerability to free-market forces. It may also reflect path dependence: the tendency for emergency measures to remain in place even after the danger that justified them has receded or been overcome.

The SEWC is not doomed. I am not arguing that/l the cumulative effect of these three crises—AFC1997, 9/11, and GEC2008—will be to replace market capitalism and liberal democracy with state capitalism and illiberal democracy, let alone state socialism and outright autocracy. Nor am I comfortable predicting a more plausible combination of, say, market capitalism with illiberal democracy—the “China model,” if you will. The

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5 The US credit crunch began in July 2007; global stock markets started crashing in September 2008. The roots of these events, of course, went farther back in time.
cover of the January-February 2009 issue of Foreign Affairs announces both “The Rise of the Chinese Model” and “The Myth of the Autocratic Revival.” As an old-fashioned Americanism would have it, “You pays your money and you takes your choice.”

French President Nicolas Sarkozy has already buried free-market ideology—“Le laisser-faire, c’est fini”—and vowed to “refonder le capitalisme.” More to my point is the polite comment that Chinese Vice-Premier Wang Qishan is said to have said at a recent bilateral summit with the US: “The teachers now have some problems.” I would simply add that those problems are not purely a matter of policy in an unreflectively stopgap or ad hoc sense. They are likely to have at least some longer-lived and more paradigmatic implications as well.

**Multipolarity? Structure and Content**

Before moving on to Southeast Asia, I want to question two aspects of the “W” in SEWC, by which I mean the American provenance of this simplified and expanded consensus—its home address in Washington DC. The first aspect concerns structure; the second involves content.

On structure: To what extent and in what ways will the post-Cold War format of unipolarity give way to a more polycentric mapping of the influence of states in world affairs?

If American economic recovery, when it occurs, precedes the recovery of most other economies, American consumer demand could revalidate the export orientation of East Asian states and, with it, the familiar logic of Asians saving so Americans can spend. This scenario could simultaneously limit the extent of change in policies and paradigms and the extent to which the US will become merely *primus inter pares* in global policy arenas.

A possible shift toward multipolarity will also be slowed, at least initially, by the popularity of President Obama around the world, as contrasted with the widespread unpopularity of his predecessor. However, such a honeymoon period, in which American leadership receives the benefit of the doubt, will not last long if it is not confirmed by the contents and results of the new administration’s policies.

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The implications of multipolarity for the “W” in the SEWC are unclear. Yet of all the possible scenarios, the least likely to arise in my view is a truly and structurally global consensus to replace “Washington” by “World.”

On content: The improbability of a “World Consensus” does not imply a renascence of the originally American character of the SEWC as a matter of substantive policy advice. A somewhat more likely outcome would be the growth, however uneven and sporadic, of roughly three policy clusters. The first of these would comprise leaders, governments, and public intellectuals who illustrate and advocate the familiar “American” (or “Anglo-Saxon”) amalgam of market capitalism with liberal democracy. A second set would represent a more statist sort of capitalism alongside a less liberal sort of democracy. A third group would embody a starker combination of outright state capitalism with downright anti-liberal autocracy. Without actually allocating particular governments to particular groups, one might suggest, for example, that the second and third clusters are likely to include members of the Shanghai Cooperation Organization.

Such a loosely tripolar outcome is, however, only slightly more probable than either a worldwide consensus or a uniquely “Washingtonian” one. More likely, it seems to me, is a conceptual disarray in which different models are offered and different policies are pursued, not on behalf of any one distinctive and would-be universal ideology, but in the name of a catch-all pragmatism that claims to favor success in practice over consistency in theory. If such a pattern does in fact emerge, one can expect the US, despite having been the most ideological major country on earth since the Cold War, to be only a partial exception to this rule of pseudo-pragmatic and quasi-coherent disarray.

There is already evidence that Obama’s administration will shy away from identifying itself unambiguously as a champion of first-cluster values and policies. The new US government has already deemphasized its predecessor’s original insistence on deregulation and democratization as virtual articles of policy faith. Indeed, a shift of that sort on the economic side of SEWC was already set in motion by President George W. Bush’s eleventh-hour conversion to hyper-Keynesian remedies such as the Troubled Assets Relief Program, and their intensification in Obama’s Economic Recovery Plan.

As for SEWC’s political face, in the light of the rhetoric once favored by President Bush, it is striking that Hillary Clinton, on her very first day as Secretary of State, identified the pillars of American foreign policy as “defense, diplomacy, and development” without mentioning a fourth “d”—democratization. And this despite the fact that her department includes a Bureau of Democracy, Human Rights, and Labor whose web page maintains that “promoting freedom and democracy and protecting human rights around the world are central to U.S. foreign policy”; that “the United States uses a wide range of tools to

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9 Clinton is reported to have said to the assembled staff of the State Department: “There are three legs to the stool of American foreign policy: defense, diplomacy, and development. And we [in the State Department] are responsible for two of the three legs. And we will make clear, as we go forward, that diplomacy and development are essential tools in achieving the long-term objectives of the United States. And I will do all that I can, working with you, to make it abundantly clear that robust diplomacy and effective development are the best long-term tools for securing America's future.” As quoted by MSNBC in “Clinton’s First Day on the Job,” http://firstread.msnbc.msn.com/archive/2009/01/22/1756729.aspx.
advance a freedom agenda, including bilateral diplomacy, multilateral engagement, foreign assistance, reporting and public outreach, and economic sanctions”; and that the Bureau “leads the U.S. efforts to promote democracy, protect human rights and international religious freedom, and advance labor rights globally.”

It will be interesting to see whether and how a “post-Washington dissensus,” to the extent one does develop, will involve Southeast Asia. Worth watching in this respect will be the relative coherence and popularity of an ostensibly “pragmatic” Singaporean effort to distinguish good governance from liberal democracy. Noteworthy, too, across the Malacca Strait, is the temptation, already evident in official circles in Jakarta, for Indonesia to represent itself abroad as a stable and successful marriage of better governance with reasonably liberal democracy, although the administration of President Susilo Bambang Yudhoyono would shun the term “liberal” because of its Westernizing implications.

Which brings me, at last, to Southeast Asia.

**Beyond Chimerica: Options for ASEAN**

Despite hosting more than half a billion people, Southeast Asia is not geopolitically central to world affairs in non-crisis times. Nor is it the epicenter of the current crisis. The US is both.

One option, not only for ASEAN but for the rest of the non-American world, is simply to stand by and wish the Americans well: to hope that the US$ 825 billion plan for recovery and reinvestment proposed by Obama in January 2009—on top of the massive US federal bailouts, takeovers, and subsidies already completed, anticipated, or underway—will revive the American economy enough to restore the symbiotic imbalance between Asian savers and American spenders, allowing good times to return.

This role for ASEAN may seem, on its face, absurdly passive. Nevertheless, as I have already argued, the world’s good will toward Obama and its ill opinion of Bush could, initially at least, on the rebound, legitimize American leadership and stewardship over the global economy. Less charitable observers may reinforce the US role for a different reason: that since the Americans got us into this mess to begin with, let them now get the rest of us out.

The difficulty with a leave-it-to-Uncle Sam scenario is that the Global Economic Crisis has already impacted enough of the world severely enough to demand proactive responses on the part of Southeast Asian and other governments whose own performance legitimacy might otherwise be at risk. So the question is not whether but how Asian and other non-US actors should and will be involved both in making and executing policies to

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weather GEC2008 and, if possible, lay multilateral groundwork for future financial and economic stability.

What China does and does not do in this context will prove critical, of course. Niall Ferguson has argued that “Chimerica,” defined as bilateral cooperation “between the big saver and the big spender,” will be the key to overcoming GEC2008:

In essence, we need the Chinese to be supportive of U.S. monetary easing and fiscal stimulus by doing more of the same themselves. There needs to be agreement on a gradual reduction of the Chimerican imbalance via increased U.S. exports and increased Chinese imports. The alternative—a sudden reduction of the imbalance via lower U.S. imports and lower Chinese exports—would be horrible. There also needs to be an agreement to avoid a rout in the dollar market and the bond market, which is what will happen if the Chinese stop buying U.S. government bonds, the amount of which is now set to increase massively.

The alternative to such a Chimerican deal is for the Chinese to turn inward, devoting their energies to “market socialism in one country,” increasing the domestic consumption of Chinese products and turning away from trade as the engine of growth.12

Fair enough. But a throwback to Chinese autarky is hardly the sole alternative to a “Chimerican deal.” Other scenarios, involving additional actors, are also possible and, from differing standpoints, defensible. Nor are these scenarios mutually exclusive. Bilateral Sino-American efforts to avoid a hard landing for their interlinked economies need not and should not preclude other approaches.

Standards for choosing, adapting, or inventing formats for alleviating if not resolving GEC2008 should be problem-based. This advice seems too obvious to bother restating. But all too often, when it comes to comparing formats, the question of representation—who is and is not invited to the table—supersedes and even sidelines questions of efficacy—what needs to be done and what is the likely best way of doing it. Representational diplomacy all too readily foregoes an analysis of actual or prospective problems and corresponding priorities whose specific nature should influence the design and selection of appropriate bi-, pluri-, or multilateral policymaking (or national-policy-influencing) venues and participants.

Representation and efficacy are not antonyms. Yet the history of ASEAN shows how adding members to an organization can decrease its problem-solving capacity. If Myanmar (Burma) had never been allowed in, to cite an obvious example, ASEAN today would be less constrained in its options for dealing with the problems posed by the junta.

Conversely, the relative success of the Chiang Mai Initiative (CMI) can be attributed in part to the flexibility that allows for selective representation among the thirteen members of ASEAN Plus Three. The poorest members of ASEAN are in no position to take part in bilateral currency swaps, yet their disadvantage in that regard has not been allowed to

prevent East Asia’s more prosperous economies from going ahead to negotiate such arrangements among themselves. (The greater willingness of Southeast Asian leaders to apply an “ASEAN Minus X” formula to economic cooperation than to political projects both illustrates the utility of such logic on economic matters and argues for expanding its usage on questions of traditional and non-traditional security.)

CMI is an instance of flexible, problem-focused cooperation. The Initiative was brought into being in the wake of the 1997 Asian Financial Crisis partly as a proactive expression of ASEAN’s frustration at the initial indifference of the US, among other Western countries, toward Southeast Asia’s ordeal. Why shouldn’t the fallout from the American Financial Crisis of 2007 similarly trigger a proactive response on ASEAN’s part now? Why should ASEAN wait for American domestic economic remedies to work, or for “Chimerica” to rebalance Sino-American transactions, when it could to take the initiative itself, perhaps building on the CMI, to further engage the most powerful East Asian economies in measures for near-term recovery and longer-term stability?

Too Preoccupied to Act? Thailand and the ASEAN Consensus

Since the coup that overthrew the elected if controversial government of Thaksin Shinawatra in 2006, Thailand has been preoccupied with its own domestic political instability. Nevertheless, as the pivot in the transition of ASEAN’s chairs from midyear-to-midyear to calendar year tenures, Thailand will end 2009 having served in that position for a year and a half—a uniquely long time. If the chair customarily puts its stamp on the Association, it follows that, other things being equal, Thailand should have a greater—or at least a longer—chance to influence ASEAN than preceding or succeeding chairs have had or will have.

Other things are not equal. Domestic political uncertainty and unrest have not only sidelined foreign policy in the attention span of Thai leaders. Internal insecurity has forced the Thai government to postpone and relocate, not once but twice, the 14th ASEAN summit that it was due to host as ASEAN’s chair in 2008-09. It is easy to infer from these embarrassments a vacuum in the leadership of the Association that will last until 1 January 2010 when it will be Vietnam’s turn to chair.13

As of late January 2009, the summit was set to run from 27 February to 1 March in the Thai seaside resort town of Hua Hin south of Bangkok. But it was not clear whether or how the government of Prime Minister Abhisit Vejjajiva, formed only in mid-December 2008, would seize its opportunity to shape ASEAN’s response to the repercussions of the Global Economic Crisis in Southeast Asia.

With or without Thai leadership, the challenge to ASEAN will remain: Should the Association develop a distinctive regional diagnosis of GEC2008’s impact, regional remedies for its alleviation and future prevention, and regional priorities for their implementation by ASEAN? Or should the Association follow the path of lesser resistance and leave such responses up to its diverse and diversely affected member

13 As of 24 January 2009, a mere month before the 14th summit was scheduled to begin, the Thai foreign ministry’s web page on the subject (http://www.14thaseansummit.org/programme_01.php) still comprised only these words: “To be updated.”
states—notwithstanding the risk of, for example, competitive devaluations to boost export shares?

Or should ASEAN adopt a purely defensive stance: striving to protect its ambitious plans to establish an ASEAN Economic Community by 2015, including the “free” movement of goods, services, capital, and labor throughout the region, against barriers erected by member states hoping to shelter their own economies from the global storm? Or should ASEAN concentrate on gaining a seat at the global table where measures to counter GEC2008 will be decided, keeping in mind that, unlike the EU, ASEAN is not among the G20 states scheduled to meet and act on the crisis in April 2009?

These options are neither exhaustive nor exclusive, but they illustrate the ongoing policy challenge to ASEAN—an organization already burdened by an “ASEAN Way” that facilitates talk but inhibits action.

Shifting the focus from Track I to Tracks II and III, one could also ask whether the Institute of Security and International Studies at Chulalongkorn University, perhaps with the rest of the ASEAN-ISIS network, will draft problem-and-policy-focused recommendations to ASEAN regarding these options for responding to GEC2008? Does the first “S” in “ISIS” include economic security? If ISIS Thailand, or the larger think-tank network to which it belongs, does tender such advice, what might its contents be? One could also ask why, among the 76 regional entities listed in Annex 2 of the ASEAN Charter as being “associated with ASEAN,” ASEAN-ISIS is the only one devoted to public policy research? Has the time come for ASEAN to develop its own version of an OECD?15

Certainly the time has come for a serious and transparent evaluation of ASEAN’s prior performance, including its record in solving, ignoring, or merely discussing the problems afflicting the region. The Charter and its ratification should not become an excuse for arguing that the limits of what ASEAN can(not) and should (not) do are already set in stone. Neither should an assessment of its actual policymaking and policy-implementing record start with the presumption that the Association should necessarily do more, or even that it should continue to do what it is now doing.

Institutions, as they age, take on lives of their own. This is not self-evidently a good thing. An organization that should be justifying its existence on the basis of challenges met and problems solved should not wind up behaving as an end in itself. Its claim to regional leadership should be warranted by actual circumstances and its responses to them, not simply assumed as a prerogative of its mere existence. It is easier and more fashionable nowadays to assert that ASEAN should become “people-centered” as a matter of outreach—better public relations—than as a question of accountability. The

14 For the details, see the “Strategic Schedule for ASEAN Economic Community” at http://www.aseansec.org/21161.pdf.

15 In my occupationally self-serving view, “to promote South-East Asian studies” is the least achieved of the seven “aims and purposes of the Association” that were specified in its formative Bangkok Declaration more than two decades ago. For the other six, see http://www.aseansec.org/1212.htm. Amazingly, to my admittedly limited knowledge, ASEAN has never tried to evaluate its relative success or failure in meeting these seven goals.
issue of ASEAN’s accountability to the peoples beneath the regimes that (mis)rule Southeast Asia implies harder choices regarding the challenge to democratize the organization itself.

**Regional Leadership: Clinging to the Driver’s Seat?**

Twice in its Charter ASEAN insists on being the locomotive in relations with its foreign partners. Article 1.15 states as one of the very purposes of the organization “to maintain [its] centrality and proactive role” in such relations. In the language of Art. 41.3, “ASEAN shall be the primary driving force in regional arrangements that it initiates and [shall] maintain its centrality in regional cooperation and community building.”

The fear of being eclipsed by larger partners is understandable. But ASEAN’s insistence on occupying the “driver’s seat” sounds to me more like an assumed entitlement than a contingent decision based on researching an actual problem involving outsiders and choosing the format within which that problem has the best chance of being resolved. Who drives should depend on the car, the road, the destination, and the entity best equipped to handle the first two in order to reach the third.

It is time for an impartial, rigorous, and comprehensive analysis of the benefits, but also the costs, including the opportunity costs, of ASEAN’s seemingly unconditional claim to occupy the “driver’s seat” of regional vehicles such as the ASEAN Regional Forum, ASEAN Plus Three, and the East Asia Summit (EAS). And by benefits I refer not to the enhancement of ASEAN’s own institutional self-regard, but to actual policy outcomes—problems solved, or at any rate alleviated, rather than postponed, ignored, or worsened.

In view of the acute security problems that beset Northeast Asia, for example, should ASEAN encourage or discourage the eventual incubation of an Association of Northeast Asian Nations that it would not steer? Why, or why not? An organization that is more than forty years old should by now have developed the self-confidence to initiate such a review, and Thailand’s chairmanship might be a good occasion to propose it, perhaps in the larger context of assessing the relative (in)efficacy of all of the frameworks to which the Association has given rise.

These are not academic questions—not in the wake of the pioneering stand-alone summit, attended *only* by the heads of government of Japan, South Korea, and China, that was held in Dazaifu, Fukuoka, Japan, on 13 December 2008.17 At that meeting the three governments agreed to hold further stand-alone summits annually and to promote functional cooperation among themselves across a range of topics and sectors. In Dazaifu, ASEAN was nowhere in sight. In light of the range and severity of the issues that have long divided these three countries, ASEAN should not regret being absence. The Association should, on the contrary, welcome the advent of a framework in which the affected parties are trying to resolve their own conflicts by themselves.

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I have stressed the need for ASEAN to address problems that need regional solutions. Perhaps, however, ASEAN should really be solving only one problem: the weakness—some might say the near-absence—of regional identity in popular consciousness on the ground in Southeast Asia.

That argument, however, begs a key question: Identity of what sort, and for what purpose? If an ASEAN Community precludes any action with which even a single member state objects, the resulting solidarity may in the end serve merely to disguise—or, worse, to excuse—paralysis on policy matters. That seems too steep a price to pay for regional identity. Why should ordinary Southeast Asians be proud of and identify themselves with ASEAN if it does not address the problems they face?

**Researching Consensus: Myanmar and Beyond**

Never mind the “Washington Consensus.” What about the “ASEAN Consensus”? Again, there is an opportunity at this critical juncture in the Association’s history for independent and systematic policy-outcome-focused research by Southeast Asians to evaluate the costs and benefits of consensus ASEAN-style. Could this be another job for ASEAN-ISIS? Or am I overloading my already busy and burdened colleagues in that network?18

Consensus can imply either of two different norms whose implications also differ. The need for *unanimity* empowers a minority to disagree, impeding action. The norm of *solidarity* encourages that same minority to acquiesce, enabling action.19

How has ASEAN’s consensus played out over the years, across various issues, in this respect? Has consensus interpreted as unanimity slowed ASEAN down to what its least willing or able member is willing to permit? Or has consensus as solidarity induced such members to agree to actions that they might not otherwise have been willing to accept? Obviously, both, but in what proportions, on which issues, when, how, and why? And what of a third norm, *selectivity*, or “ASEAN Minus X,” whereby all agree that some may move forward without the others? What has ASEAN’s record of policy outcomes been in that regard?

ISIS in Thailand could take the lead in organizing and executing such a program of policy research, especially as concerns the checkered history of ASEAN’s action, and lack of action, regarding Myanmar. Thailand was once the Association’s “frontline state” facing Vietnam in Cambodia. It is today, arguably, a “frontline state” of sorts facing Than Shwe’s regime in Myanmar. No other member of ASEAN has a greater stake in resolving the problem of Myanmar than does Thailand. Is it reasonable to expect that Thailand’s latest leaders will reconsider Thaksin’s policies toward Myanmar? Or not?

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18 One thing I certainly am doing in this paper is ignoring the ideas and advice already tendered by these colleagues. See, to cite but one instance, Simon SC Tay, Jesus P. Estanislao, and Hadi Soesastro, eds, *Reinventing ASEAN* (Singapore: ISEAS, 2001).

Even if Thailand continues to cooperate with and thereby strengthen the regime in Naypyidaw, there is no reason why ASEAN or ASEAN-ISIS or ISIS Thailand or a group of independent Southeast Asian analysts could not proceed systematically to study ASEAN’s “Myanmar problem” and make policy recommendations to the Thai government, to other Southeast Asian governments, and to the ASEAN summit—if not the one at the end of February 2009 then the subsequent one that Thailand is also expected to host, probably in October.

I know that in focusing this last suggestion on Myanmar I may sound like a typically idealistic-naïve American democrat beating a dead horse. I remember the reply of one ASEAN foreign minister when I asked what could be done: “Wait till Than Shwe dies.”

I also know that some in ASEAN have been inclined to pass the problem off as the responsibility of the UN. And maybe there really is nothing that can be done, by anyone, to remedy the egregious political and human-rights situation there.

But Surin Pitsuwan’s humanitarian diplomacy and the corresponding demarche in the wake of Cyclone Nargis have created a situation on the ground inside Myanmar that, even if it is less than fully opportune, at least differs from conditions prior to that catastrophe. Arguments are being increasingly made in Western capitals that the old and fruitless policy of isolation must be reconsidered and replaced with a policy of humanitarian and socioeconomic engagement that could reap incremental benefits over time.

“Elections” will likely be held as planned in Myanmar in 2010. Why couldn’t ASEAN, or individual ASEAN members under the “Minus X” formula, at least ask to observe them? Looking farther down the road, why shouldn’t ASEAN have a good governance unit that advises members on matters of public administration construed to include the administration of credible elections?

ASEAN and its secretary-general, Thailand’s leading public intellectual cum diplomat, could win a Nobel Peace Prize for solving the Myanmar problem. Why not try? Simply waiting for Myanmar to turn into a version of Zimbabwe will do no credit to the Association, either in the eyes of foreign democrats or, more importantly, in the eyes of Southeast Asian ones.

Whether Myanmar is a time bomb or not, ASEAN’s own clock is ticking. If Thailand cannot or does not foster an initiative to ameliorate conditions inside ASEAN’s most controversial member state in 2009, the window of opportunity to do so will almost certainly close on 1 January 2010 when Vietnam, labeled “Not Free” in Freedom House’s latest ranking, sits down in the ASEAN chair. Hanoi has consistently defended Naypyidaw from criticism, probably in part because Vietnam’s authoritarian leaders know that someone who lives in a glass house should not lob stones at the house next door. Also discouraging are the scheduled incumbencies of “Not Free” Brunei in 2011 and “Not Free” Cambodia in 2012, before the sole “Free” Southeast Asian country by Freedom House standards, Indonesia, chairs ASEAN in 2013.

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20 There is, of course, no assurance that his replacement would be an improvement.

Obama’s Inclinations: Multilateral Diplomacy?

Whether ASEAN’s future policies prove innovative or not, can we expect such creativity from the new Obama administration in the United States? On this score I would speculate that the new American government could differ from its predecessor in at least two respects: being more open to multilateral diplomacy and less open to democracy promotion.

When it comes to the economic face of the SEWC and the American response to GEC2008, the multilateralism so abhorred by the first administration of George W. Bush (2001-05) will regain sympathy in Washington, at least on a case-by-case basis. As of January 2009 it appeared likely that President Obama would attend the second summit of the G20 in London in April intended to follow up on the recommendations of the first one held in Washington in November 2008. Also likely was the prospect of knowing by mid-2009 the extent of the new US administration’s willingness to accept some (probably modest) level of international regulation in the service of global financial stability, in contrast to the resistance to such regulation expressed by the Bush administration at the first G20 summit in Washington.

Compared with multilateral cooperation to speed and secure economic recovery, multilateralism specifically on behalf of freer trade is a different and more controversial matter. Freer trade will be a much tougher sell to President Obama’s Democratic Party constituency than it was to President Bush’s Republican one.

If GEC2008 is still mainly a crisis of clogged finance for the US, and if it is already a crisis of shrinking commerce for Southeast Asia—Singapore expected its trade-dependent economy to lose two percent of GDP in 2009, its worst downturn in nearly half a century— the likely diminishing of Washington’s appetite for freer-trade deals that could “cost American jobs” could prove especially unwelcome to ASEAN. Nor can one be optimistic about the long-languishing Doha Round, due not only to signs of economic nationalism and free-trade fatigue in the US but because of protectionist leanings on the part of India and some other Asian countries as well.

China will, of course, loom large in American economic diplomacy under Obama. In this context, one might argue that American pressure on Beijing to strengthen its currency will prove popular in Southeast Asia. Yet any measure that reduces China’s exports will hurt the many Southeast Asian firms that export components of those exports to China for processing and reshipment to the US and other developed economies. It will be interesting to see, as initiatives in regional and global economic diplomacy unfold, whether the US or China emerges with the better reputation in Southeast Asia for having helped to resolve GEC2008, or at least to cushion its effects.

On the regional-security front—the SEWC’s political face—the East Asia Summit will not rank high on Obama’s list of things to worry about in 2009. Nevertheless, his

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22 As reported in John Burton, “Singapore Fears 2% Negative Growth in 2009,” Financial Times, 3-4 January 2009, p. 3. Singapore’s political economy is, of course, strikingly atypical of the rest of Southeast Asia.
advisers are likely to recommend at some point that the US sign the ASEAN Treaty of Amity and Cooperation (TAC), perhaps with reservations comparable to the ones noted by Australia when it acceded to TAC. Signing TAC is of course one condition of membership in the EAS. Needless to add, in the light of TAC’s emphasis on sovereignty and non-interference, an ASEAN initiative on Myanmar would make it easier for the US to endorse the Treaty, not to mention the separate and more difficult question of Congressional ratification.

**Obama’s Inclinations: Democracy Promotion?**

As illustrated by Secretary Clinton’s remarks at the State Department, Obama’s administration will not reaffirm the unqualified rhetoric of a “freedom agenda” that so marked the vocabulary of his predecessor. Nor will Obama pursue the idea of a “League of Democracies” advanced during the presidential campaign by his opponent John McCain.23

Neither, however, will the new government in Washington renounce liberal democracy and human rights as objectives of American foreign policy. It cannot do so if it is to retain credibility with its own constituency, whose ethical-liberal wing is already somewhat disappointed with Obama for moving, in their view, too far toward the political center.

Although the “League of Democracies” is a non-starter, we should recall that the “Community of Democracies” was basically invented by Madeleine Albright in 2000 during her tenure as secretary of state in the second Clinton administration. Given her close relationship with Hillary Clinton, Albright is likely to have at least some informal influence in Clinton’s State Department. Obama’s enthusiasts and potential advisers include a friend and colleague of mine, Larry Diamond, who is well known as an advocate of making democratization a priority for US foreign policy.24 Back in 2002, another friend and colleague, Michael McFaul, urged the US to pursue a “liberty doctrine.”25 McFaul advised candidate Obama on Russian policy in 2008, and was likely to do so as a member of the National Security Council starting in 2009.26

23 Nor, I might add, is the notion of an “Arc of Freedom” that the Japanese government once floated likely to survive.


25 Michael McFaul, “The Liberty Doctrine,” *Policy Review*, April-May 2002, http://www.hoover.org/publications/policyreview/3460626.html. I can’t speak on behalf of Mike and I haven’t consulted him in drafting this paper, so I may be wrong, but I would guess that in light of the policies of the Bush administration, he would today at least modify the support for the “Liberty Doctrine” that he expressed seven years ago.

Despite the ups and downs of accountable governance in Thailand and the Philippines, traditionally these were the Southeast Asian countries most often thought to be democratic. More recently, however, Thai and Philippine political conditions have caused more consternation than admiration, especially when compared to the relative success and stability of democracy in Indonesia.

In January 2009 one could only guess at the visibility of Indonesia on the foreign-policy horizons of Obama’s presidency. Already worth noting, however, were the years he spent as a child growing up in Jakarta and, more importantly, the oft-cited descriptions of Indonesia as the fourth most populous country, with more Muslims than any other, and the largest Muslim-majority democracy, as opposed to the virtual lack of democracy elsewhere in the “Muslim world”—a phrase never used in an inaugural address by an American president until Obama included it in his own remarks on 20 January 2009.\(^{27}\) Important, too, is the plausibility of a decent rapport between Presidents Obama and Yudhoyono, who were, as of January 2009, scheduled to meet at the G20 in London in April, not to mention the prospect of Obama’s visiting Indonesia. No Indonesian president before Yudhoyono has had more references to America in his curriculum vitae, and both men are policy intellectuals who not only tolerate but entertain dissenting views.

Early in his presidential campaign, Obama said that within the first hundred days of his administration he would travel to a “major Islamic forum” to give a speech that would “define our struggle.” By that he meant: “I will make clear that we are not at war with Islam, that we will stand with those who are willing to stand up for their future, and that we need their effort to defeat the prophets of hate and violence.”\(^{28}\)

Could that venue be Indonesia? It could. Especially if the new management in Washington is less closely identified with Israel than its predecessor was, an Obama visit to Muslim-majority Indonesia could be a public relations agent’s dream come true, notwithstanding the chance of at least some street demonstrations by harder-line Islamist groups. An Australian observer has even advised making Indonesia the new president’s very first foreign destination.\(^{29}\) Alternatively, Obama could visit Indonesia en route to or from the APEC Economic Leaders Meeting to be held in neighboring Singapore on 14-15 November 2009.

As for Indonesian foreign policy, I have noted the leadership vacuum that Thailand’s domestic political preoccupations have opened inside ASEAN. Will Indonesia move to take advantage of this opportunity to reassert its influence within Southeast Asia? Or will Jakarta turn increasingly away from ASEAN as its natural foreign-policy field?


As of January 2009 Yudhoyono’s presidency was likely to be renewed for a second five-year term in elections set for later that year. Were he to win again, and if austerity measures to counter the effects of GEC2008 did not trigger major domestic unrest, Indonesia appeared likely to enjoy enough continuity and stability to sustain a more venturesome foreign policy, within ASEAN or beyond. In the latter, more global context, one could imagine Jakarta trying to derive some advantage from its uniquely favorable religio-political status in the eyes of Western and other democratically minded foreign observers—notwithstanding the persistence inside Indonesia of widespread corruption and some signs of official acquiescence in religious intolerance.

Another aspect of that favorable status in American eyes is Indonesia’s record of relative success in combating radical Islamist violence, compared with the failure of the other large developing democracy, India, to do so. One factor in that accomplishment has been the quiet cooperation Jakarta has enjoyed with Washington on counter-terrorism issues, including American support for Special Detachment 88, an elite anti-terrorist unit within the Indonesia military. The sensitivity of this bilateral linkage between the two governments among nationalist and harder-line Islamist Indonesians, however, limits the extent to which Yudhoyono and Obama could, at a joint press conference in Jakarta, take public pride in a shared anti-jihadi campaign.

Paradigm Change? More Nudging than Shifting

This paper has explored the possibility that American and other elites could in future retreat, however modestly, from the Simplified and Expanded Washington Consensus. Although in early 2009 the end of the Global Economic Crisis was nowhere yet in sight, responses to it were in my view more likely to elicit patching than revamping. Variously “pragmatic” approaches seemed likely to supersede, or even obviate, a sweeping reconsideration of economic and political models and their foreign-policy implications. In the near term, in any case, the US and other governments around the world were less apt to fashion a new global consensus than they were to focus on practicalities at home: domestic measures for domestic recovery and against domestic unrest.

Eventually, however, the dust would settle and the American-influenced intellectual architecture of a post-crisis world would become visible. It was hard for me in early 2009 to picture that future world as congenial to an unqualified reaffirmation of the economic and political content of the SEWC.

As for the structure of that world-to-come, it was also hard for me to envisage a simple return to American primacy and, with it, a recurrence of Washington’s willingness to go it alone. For the next several years at least, global politics are not likely to be, in famed baseball manager Yogi Berra’s phrase, “déjà vu all over again.” Baseball is a slow game that a lone Yankee hero could enliven with a solo blow. Obama’s preferred sport is basketball, where urgent teamwork matters more.

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