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ASEAN in 2017
Regional Integration in an Age of Uncertainty

Ahmad Rizky M. Umar, Dedi Dinarto, Dio Herdiawan Tobing, and Shane Preuss
ASEAN in 2017: Regional Integration in an Age of Uncertainty

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FOREWORD

In the past two decades, The Association of Southeast Asian Nations (ASEAN) has undergone significant institutional development as its role within regional and global politics becomes ever more important. It is increasingly evident that policymakers, the epistemic community, business actors, and even non-government organizations are paying greater attention to the regional body.

Within academia, these developments are evidenced by the growing body of research and study on ASEAN-related issues. In addition to research conducted by research centers throughout ASEAN member countries, ASEAN studies have become prevalent in research centers throughout the world, from North America to Australia, China, Europe and Japan. These studies focus on wide-ranging issues, including political-security, economy, and socio-cultural issues.

However, in the last two years, ASEAN has experienced uncertainty, with political tension growing among member countries. This uncertainty originates, not only from the complexity of domestic political turbulences, but also from political tensions driven by the presence of external great powers, such as China and the United States.

Against this backdrop, this Outlook, published by ASEAN Studies Centre (ASC), Faculty of Social and Political Sciences, Universitas Gadjah Mada, aims to provide analysis and insights on three central topics in ASEAN studies, namely political-security, economics, and socio-cultural. In addition this, this Outlook will also propose an alternative approach to understand regional integration, by outlining a concept of
‘social integration.’

As a Director of ASEAN Studies Centre, Faculty of Social and Political Sciences, Universitas Gadjah Mada, I would like to congratulate all authors for providing critical analysis on the dynamics of ASEAN community. I wish that this Outlook will not only aid analysts, researchers, and students focused on the study of ASEAN-related issues, but will also inform policymakers in the related fields.

Yogyakarta, March 2017

Dr. Dafri Agussalim, MA
Director
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EXECUTIVE SUMMARY

• ASEAN will face several major challenges in 2017: Phillippine’s chairmanship in ASEAN under Rodrigo Duterte’s tenureship, the on-going crisis in the South China Sea, the ongoing integration of labor markets alongside developments in economic cooperation, and the unresolved Rohingya crisis in the Rakhine state of Myanmar.

• The Phillippines will hold chairmanship in ASEAN in 2017. Rodrigo Duterte was elected President of Phillippines in 2016 and will be the Chair of ASEAN in 2017. His foreign policy will be pivotal to the future of ASEAN amid the growing US-Sino rivalry in the region.

• Amid growing Sino-US rivalry under President Xi and President Trump the crisis in South China Sea is unlikely to be resolved in the short term. As relationships with these two major powers varies among ASEAN members this rivalry may also threaten ASEAN’s stability if member states, become divided on their responses to the crisis. Maintaining ASEAN unity and a common platform to respond to the crisis is crucial for the ASEAN Political Security Community.

• Uneven development in ASEAN, particularly between ASEAN-6 Region (Indonesia, Malaysia, Singapore, Thailand, Brunei, and Phillippines) and the Indochinese region (Myanmar, Laos, Vietnam, and Cambodia) has seen the emergence of low-skilled labour migration
in order to meet the needs of migrants as well as the economic and development needs of members states. However, in the long run, narrowing these development gaps should be a priority for the ASEAN Economic Community.

- The unresolved situation of the Rohingya in Myanmar has led to further violence and unrest in the Rakhine State. To date ASEAN has failed to engage sufficiently with the problem. However, by combining political and diplomatic approaches with social and cultural approaches, ASEAN can address the crisis through constructive engagement with Myanmar government. Such action is necessary to the development of the ASEAN Social and Cultural Community.

- Embracing the idea of “social Integration,” could be considered an alternative narrative for ASEAN Integration in 2017 and beyond. This approach incorporates social and economic rights, and focuses on resolving uneven development in the region.
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Introduction: The Future of ASEAN Integration

Ahmad Rizky M. Umar, Dedi Dinarto, Dio Herdiawan Tobing, and Shane Preuss

The official establishment of the ASEAN Community on 31 December 2015 was the result of recent developments in Southeast Asian Integration. This significant achievement followed the Kuala Lumpur Declaration which formally established the ASEAN Community and was furthered by the signing the ASEAN Vision 2015-2025. This vision outlines several important goals for the future of ASEAN integration, including the development of a complex and sophisticated institutional design.

The ASEAN Community has been in a long time in the making. At the ASEAN Summit in 2003 members agreed to plans to begin the process of developing the regional community and 2015 was set as the year by which the ASEAN Community would be formally established. This process requires ASEAN to undergo a transformation from a state-led regional organisation to a ‘people-oriented’ regional community (Collins, 2008; Severino, 2008; Nesadurai, 2009). The ASEAN Vision 2015-2025, reaffirmed this goal and placed the notion of a ‘people-oriented’ and ‘people-centred’ ASEAN at the heart of future plans for regional integration.

The attainment of this goal, however, raise a numbers of questions. The most pertinent being - is ASEAN ready to transform its structure and institutions? Furthermore, in order to become a ‘people-oriented’ and ‘people-centred’ organization, how can ASEAN include wider range of stakeholders within its decision-making process’ and resolve
resolve the development gaps between the ASEAN-5, Brunei, and CLMV area?

In this Outlook, we discuss several key developments in ASEAN integration, which are likely to unfold in the coming year. In response we offer policy recommendations aimed at helping ASEAN pursue the goal of regional integration and a ‘people centred’ ASEAN in 2017. In addition, we propose the idea of social integration, as a conceptual framework with which to approach and resolve the obstacles ASEAN will face in 2017 and beyond.

We argue that ASEAN needs to expand its concept of integration, to include issues of rights and uneven development, as well as inter-cultural exchanges between the countries. These topics are often overlooked in the trade-based models of regionalism, which place greater emphasis on economic integration. While economic integration remains important to the region, we argue that ASEAN can strengthen its economic pillar through an increased focus on social cohesiveness, a central feature of the ASEAN Social-Cultural Community blueprint.

Lessons from European Union
There are opportunities for ASEAN to learn from recent debates over the crises within the European Union (EU), in particular those surrounding Brexit. Although the institutional design of ASEAN integration is not a simple copy of the EU, ASEAN has adopted several elements of the EU’s path to integration. This includes establishing three fundamental pillars, which underpin the organisation, as a economic, political security, and social cultural community.

It is evident, however, that ASEAN decision making and the maintainence of its day-to-day activities, continues to be dominated by a strong state presence, albeit with some space for non-state actors (such as civil society organisations or
private sector actors) to engage these processes. Furthermore, despite the commitment of ASEAN member states to advance regional cooperation and integration by, for example, removing trade barriers, overall ASEAN’s decision-making process is still heavily dominated by state representatives and their respective interests.

Resolving disputes within international institutions is essential to establishing and maintaining order. “Brexit” has shown that The failure to do so, especially when there are competing interests between states, threatens the stability of of regional institutions.

ASEAN can learn from recent EU crises in two ways. *Firstly,* ASEAN needs to create strong and democratic ‘institutional ties’. This could be achieved by improving ASEAN’s constitutional basis, which binds its members through democratic rules and procedures.

*Secondly,* strong and democratic regional institutions are not sufficient to ensure the stability of the regional body. These institutions must have the legitimate support of the public. Legitimacy must come, not only from ruling elites and diplomatic representatives, but also from grass-root communities. Brexit revealed the legitimacy gap between the EU and the British people. ASEAN should learn from this situation by working to ensure that its regional institutions are truly ‘people-centred’ and ‘people-oriented,’ and are able to engage with and represent the wide range of interests and concerns of the region’s populace.

Given their different institutional background and historical origins ASEAN will not follow the same path to regional integration as the EU, However, ASEAN can draw on lessons from the EU experience, both positive and negative, in order to improve its own process of regional integration. Addressing
these issues requires the endevour and intellectual innovations of all ASEAN researchers so that the regions leaders may work to ensure that the crisis affecting the EU is not repeated in ASEAN.

The Presentation of Outlook
This Outlook attempts to outline some of the key challenges for ASEAN integration. It adresses three specific issues. The first, and the most obvious issue is the geopolitical crisis in the South China Sea, driven by competing territorial claims. The issue is compounded by the lack of sufficient intra-regional dispute resolution mechanisms and the presence of extra regional actors, such as China and the United States. As will be discussed in this Outlook, new momentum to resolve this crisis may come from Phillippine’s chairmanship in ASEAN this year, which will place President Rodrigo Duterte at the centre of regional politics.

The second issue concerns uneven development among the regions members. While ASEAN is not, presently, vulnerable to financial crisis, it does face large development gaps between the ‘ASEAN-6’ (Indonesia, Malaysia, Singapore, Thailand, Brunei and Philippines) and their Indochinese counterparts (Myanmar, Vietnam, Laos, and Cambodia). In addition, macroeconomic indicators have shown uneven trends in GDP growth among these countries. This uneven development has led to increasing levels of low-skilled labour migration within the region. As discusese in this Outlook, the situation presents both opportunities and challenges for furthering regional integration and addressing the needs of both members states and migrant workers.

The third issue, which is often overlooked in debates about ASEAN integration, is the issue of citizenship and Human Rights. While ASEAN has established an institutional framework for Human Rights via several regional institutions,
including, the ASEAN Intergovernmental Commission on Human Rights (AICHR) and the ASEAN Commission on Women and Children), a number of serious problems remain unresolved. This Outlook will discuss, specifically, the persecution of the Rohingya in Myanmar. The issue remains one of the worst examples of a social-cultural problem in ASEAN and must be addressed.

In additional to these policy discussions, this Outlook also presents the concept of social integration, as theoretical approach to inform ASEAN's development in 2017 and beyond. A major challenge for ASEAN's future success lies in the capacity of its institutions to cope with social and cultural changes brought on by increasing regional connectivity. From this perspective, it is essential to examine the importance and centrality of ASEAN’s Social and Cultural Community, which advocates for an ‘ASEAN single identity.’ This identity requires a ‘multi-cultural understanding’ of Southeast Asia, and highlights the importance of placing the regions people at the centre of ASEAN integration.
In 2016, there was a declining trend of ASEAN efforts to create neutrality and stability in the South China Sea. ASEAN for the first time failed to take a position towards the case of South China Sea. Vientiane’s ASEAN chairmanship was viewed with pessimism when it came to the issue of the South China Sea. Some of the reasons originated from Laos’ landlocked geographical conditions, which allows it to disregard the security of the sea as crucial and coherent for economic interests, and the lavish influence of China over Laos through the latest cooperation scheme, namely the Mohan-Boten Economic Cooperation Zone.

Moreover, a shift in foreign policy orientation of the pro-US Filipino being pro-China booms significant effect on the status quo political stability. It is also supported by the alignments of Malaysia to China through the signing of the economic cooperation agreement at the end of 2016. In fact, the situation is getting worst followed by the act of reconnaissance by the United States and Japan in the South China Sea. A series of these events remains a question about the future of the South China Sea, particularly under the leadership of the Philippines. By being pro-Chinese, could Duterte maintain the role of ASEAN to create neutrality and stability in the South China Sea against Chinese hegemonic power?

This section assesses how the shift of Duterte’s foreign policy has affected the status-quo regional stability, how Duterte look out on the importance of maritime security, and to what
extent Duterte could utilize ASEAN to ensure stability of the on-going crisis in South China Sea.

**Duterte and Shifting Foreign Policy**
The way Duterte swinging its foreign policy against the United States placed significant boom effect for global politics as well as regional stability. The status quo, of which the United States had the Philippines to extend its political grip in the region, turned into a new regional security architecture advancing China’s hegemonic prowess in the region. In this sense, several circumstances should be considered in order to look how Duterte affirms to take such reverse foreign policy orientation.

After Duterte was elected as president, he came up with an idea to upheld the importance of nationalism and the supremacy of rule of law (Esguerra, 2017). Since he took office around 6,000 people have been killed because of their association with drugs network in Philippines (Nachtwey, 2016). This extrajudicial act illustrates that Duterte has put high focus on national security issue. Subsequently, the act of drugs war attracted the United States under Obama’s office to condemn extrajudicial killings which against the principle of human rights. The condemnation was then responded by clear stance from Duterte that the United States will not be an ally of the Philippines, pushing all of the US naval to return home.

The return of US Navy’s ships and growing tension on bilateral relations provide an opportunity for China to strengthen its control gradually in the region. Since the United States moved its back away from the Philippines, China puts high effort to politically control Southeast Asia’s waters by strengthening its bilateral cooperation with the Philippines. Duterte, who control the highest throne of bureaucracy, invites China to closely work together by patrolling the South China Sea to combat kidnappings. Amidst the political tension in Benham Rise issue raised by the Philippines’ Department of National
Defense (DND), in which China’s vessel do irregular patrol outside the navigation route. At this point, the presence of United States is practically replaced by China, where the Philippines may sway its foreign policy towards China.

**Duterte and ASEAN: Towards a New Engagement?**

To date, Duterte remains unclear on what he will do in his ASEAN’s tenureship. During his keynote speech at the SMX Convention Center, Duterte outlined the direction ASEAN would pursue under his chairmanship with the following main topics: (1) place people at the core; (2) work for regional peace and stability; and (3) pursue maritime security (Lim, 2017). In this sense, there is an opportunity to discuss about the future of South China Sea where Duterte puts maritime security as an important topic to be assessed within multilateral arrangement.

However, it remains difficult to see whether Duterte has clear outline on what will be done in term of maritime security. On the one hand, there is no any significant initiative from the Philippines to pursue further approach towards maritime security, particularly on the issue of South China Sea. It seems that the focus on maritime security is only to get back to the importance of South China Sea, make it into an annual agenda of ASEAN Ministerial Meeting without any solution.

On the other hand, the Philippines is unlikely to use their legal victory for settling down the conflict because there is no really useful benefit, and likely to repair its economic relationship towards China (Placido, 2017). It perceives that even though they cannot engage in war, their position will remain hostile if China’s activity might affect Philippines’ interest (Mogato, 2017). This illustrates Philippines’ position which highly leans on China’s shoulder amidst the decreased diplomatic relation
with the United States. In other words, it remains difficult to see Philippines playing important role under ASEAN framework due to the Duterte’s nationalist approach, of which its foreign policy is accommodating China’s economic interest. will engage with the Philippines through cooperative approach, as follows:

It bodes well for China contributing to the regional development through advancing the One Belt and One Road initiative, always bearing the Philippines in mind as one of the most important hubs along the 21st Century Maritime Silk Road. It also expects to reap early harvest in China-Philippine cooperation in terms of infrastructure development, connectivity and people-to-people exchanges.

Therefore, the issue of South China will no longer get stuck in a logic of high politics which sounds complicated for the regional interest. The new approach under Philippines will open opportunities for cooperation in the South China Sea in the aspect of both infrastructure and connectivity. However, this initiative depends much on how Duterte will take advantage of ASEAN as a multilateral arrangements to attract China into the cooperative framework, thus benefiting the ASEAN member states and reduce tension between claimant parties.

Policy Recommendations
Although Duterte’s leadership in the 50th of ASEAN remains unclear, there might be several ways to be considered as a strategic approach towards current circumstances.

1. ASEAN under Philippines should engage more with China
The first approach that ASEAN could take is by engaging more towards China as a possible and plausible neighbor to be aligned into more cooperative framework. According to the Former Director of Vietnam’s National Border
to the Former Director of Vietnam’s National Border Committee Tran Cong Truc, ASEAN under the Philippines should not put a hardline towards China while having more meetings and talks to engage each other’s point of view. Through this engagement, ASEAN member states may be beneficial of so-called China’s assertiveness by providing space to work together instead of conflicting each other.

2. ASEAN should be adaptive and fluid
The recent development of ASEAN centrality puts important entry for this second approach, of which ASEAN should be more adaptive and fluid to the global politics constellation. The setback of the United States should not be seen as a circumstance where China will win its hegemony in the region. Conversely, it puts greater chance for ASEAN to reconsider China as a source of better development for regional interest. Former Indonesia’s Foreign Minister Marty Natalegawa puts his opinion that ASEAN should promote an adaptive and fluid regional stability architecture, of which the Philippines’ should not promote an either-or proposition instead of placing the regional interest as primary.

3. ASEAN should reconsider its core principles and values
The last solution might be possible coming out from the former ASEAN’s Secretary-General, Mr Ong Keng Yong, who provides the argument of reconsidering consensus-building approach. ASEAN could make an innovative mechanism, of which the ASEAN’s appropriate and timely response is required to the regional development. The message is much simpler, “We do not need to consider 10 of 10 voice to agree on certain measure. Let’s see whether 8 of 10 voice is enough to decide a solution on certain problem.”
A key component of the ASEAN economic community is the free movement of skilled-labour. Skilled-labour movement in ASEAN is facilitated through Mutual Recognition Agreements (MRAs), which recognize accreditations, skills and experience across ASEAN. To date, progress has been modest. MRA’s exist for six professions, Engineering, Nursing, Architecture, Medicine, Dentistry, Tourism with framework agreements for Surveying and Accountancy. While these agreements signal the beginnings of further integration, these professions represent only 1.5% of the regions workforce (Vineles, 2017). While ASEAN is comprised of developed states such as Singapore, developing countries and least developed countries still dominate the region. Consequently, 87% of all intra-ASEAN migrants are low-skilled workers (Sugiyarto & Agunias, 2014).

The vast heterogeneity of economic development between member states in ASEAN sets it apart from regional bodies such as the EU. This heterogeneity has often been identified as an obstacle for greater economic integration. However, this article proposes, there is scope for ASEAN to leverage economic disparities between countries to develop strategies for development, which address the various needs of the region’s economically diverse states. This can be achieved by developing a low-skilled labor migration scheme. Such a scheme can address both labour shortfalls in labour receiving countries as well as providing employment opportunities for workers from labour sending countries, whose work abroad provides economic benefits to their home countries in the
form of remittences.

The burgeoning low-skilled labour migration scheme in the Greater Mekong Sub-region provides some insights as to how an ASEAN wide framework could be developed. Thailand has become a major destination for low-skilled migration in the Greater Mekong Sub-region (GMS) and has signed MOUs with three labor sending countries, Laos, Cambodia, and Myanmar. While these MOU’s are similar, this article will discuss these agreements with particular reference to the Thailand-Cambodia MOU, and aim to draw-out relevent lessons, which can be learned for developing an ASEAN based low-skilled labour migration scheme.

Low-skilled Labour migration in the Greater Mekong Sub-region
Rapid economic growth in Thailand has led to demand for low-skilled labor with shortages emerging in jobs and sectors which have become undesirable to Thai workers (ILO, 2015). Thailand became a net receiving country in the early 1990s with migrants travelling from Myanmar, Laos PDR, Cambodia, Vietnam and Yunnan province in China.

Low-skilled workers seek employment across borders because of a lack of employment opportunities and low wages. In Cambodia, where 50% of the population is under the age of 20 (Burnett, 2015), 250,000–300,000 young people enter the labour market each year; a number far higher than can be absorbed into the domestic labour force (ILO, 2015). Migration is therefore necessary and inevitable as the country seeks to transition out of Least Developed Country status.

The majority of low-skilled labour migrants entering Thailand have used ‘irregular’ pathways. Of the 3.8 million migrant workers in Thailand in 2013, approximately 3 million were
‘irregular’ (Chea, 2014). Owing to their status outside categories of ‘legality’, such migrants face obstacles in accessing economic and social rights, are subject to criminalization and deportation by the host state and vulnerable to illegal activities such as exploitation, extortion, trafficking and other human rights abuses.

The Thai Government has, however, slowly attempted to legalize ‘irregular’ low-skilled migrants. Under the 1978 Alien Worker Act low-skilled migrants were prohibited from entering Thailand, meaning all low-skilled migrants could not obtain ‘regular’ status. However, the Thai government has progressively acknowledged the substantial flow of irregular migrants entering the country and the need for low-skilled labour migrants to fill labour shortfalls. Beginning in the early 1990s the Thai government utilized a series of ad hoc amnesty and registration programmes to control and account for these migrants.

Memorandums of Understandings – meeting development needs through low-skilled labour migration

The Thai government has since sought to strengthen its national policies through Memorandums of Understanding (MOU) agreements with the major sending countries in GMS: Cambodia, Laos and Myanmar. The MOU’s provide a mechanism to regulate migration and meet labour demands by opening a ‘legal’ migration pathway for low-skilled workers. It allows for the attainment of a two year-work permit, which can be renewed to a maximum of four years. While the primary intention of the MOU is to establish a legal migration pathway for low-skilled workers, the partner governments also cooperate on regularization drives to ‘legalize’ undocumented migrants in Thailand. These drives provide amnesty to irregular migrants and allows them to apply for the two-year
work permit.

Both sending and receiving countries derive economic benefits from low-skilled labour migration. Thai industries continue to experience substantial labor shortfalls. The Thai economy has already absorbed over 3 million migrant workers and the unemployment rate remains around 1% (ILO, 2015). It is estimated that the fishing industry requires an additional 50,000 workers, while 2.9 million more could be accommodated in construction. Labor shortfalls in domestic work are also expected to increase as the Thai population ages and more women enter the work force (ILO, 2015). Thailand’s working-age population is expected to decline by 150,000 workers each year and this demographic shift is expected to affect many sectors across the country (ILO, 2015).

The Cambodia government has taken the initiative to maximize economic benefits afforded by ‘regular’ migration. The Cambodian Labour Migration Policy and Action Plan 2015-2018 acknowledges the “development potential of migration for Cambodia” and prioritizes improving remittances. Remittances are already a crucial part of Cambodia’s economy. In 2011, the World Bank estimated that remittances from Cambodian migrants amounted to US$354 million, while foreign direct investment in the same year was US$800 million and foreign aid US$700 million (Tunon & Rim, 2013). 40% of Cambodian labour migrants in Thailand reported that remittances were the main source of income for their families back home (Tunon & Rim, 2013). Remittances also increased average annual household income from US$639 to US$1,019 for land owning families and from US$604 to US$1,098 for landless families (Deelen & Vasuprasat, 2010).

Regularizing migration also provides opportunities to lower the costs of sending remittances. Currently, the majority of
Cambodia workers in Thailand rely on informal channels to transfer remittances, which incur substantial costs, such as the use of private agents. The Action Plan outlines the intention to negotiate with labour receiving countries to facilitate migrant worker access to financial institutions and to insert a clause into MOUs to encourage employers to deposit salaries into bank accounts instead of paying cash.

Regularizing labor migration can also increase remittances by improving labor protections. The Labor rights protected under the MOU are intended to ensure fair and decent work for migrants as well as access to Thailand’s minimum wage of 300THB (US$10) a day (ILO, 2013).

There are, however, a number of shortfalls in the current strategy, and many pressing areas for improvement. The cost and time associated with regular migration remains far too high for the majority of low-skilled Cambodian workers. The cost amounts to approximately $700 USD and several months for processing, while it costs approximately $100 USD and several days to be smuggled across the border (Vutha, 2011). As of June 2014, 90,757 Cambodians had migrated to Thailand with a work permit obtained through MOU processes, accounting for less than 10% of low-skilled migrants (Tunon & Khleang, 2013). Registration drives in Thailand, however, have been far more effective. A registration window in 2016 saw 338,141 Cambodians provided with work permits (MMN, 2016). Registration in country does not, however, address the dangers of irregular migration, such as trafficking, exploitation and abuse. There is scope here for the Cambodia government to learn from experienced labour sending countries in the region, such as the Philippines, Indonesia and Thailand, which benefit from specialized government departments and ministries dedicated to the registration of migrants and the management of overseas employment.
The Thai government is also yet to develop a suitable method for assessing labour market needs. The formal quota system, informed by discussions between the Thai and Cambodian Ministries of Labour, also remains largely superfluous given the lack of workers migrating through regular channels (ILO, 2015). Improving the implementation of the scheme in these areas, will lead to improved outcomes, for both migrants and the countries concerned.

**Policy Recommendations**

Despite these challenges, there is evidence that such an agreement could serve as a framework for developing an ASEAN low-skilled labour migration scheme. While such a strategy is dependent on the inequalities between countries, and thus cannot serve as a long-term solution for promoting equality between states, it may serve as a short term, and pragmatic strategy to encourage growth and meet the specific development needs of the heterogenous states within ASEAN.

Outlined below are several policy recommendations, which can inform the development of an ASEAN wide low-skilled labour migration scheme:

1. **Identify sectors and industries with labor shortfalls in ASEAN’s labour receiving countries.**

   In regards to low-skilled labor migration, ASEAN States can roughly be divided into two categories; Labour sending countries, namely, the Philippines, Cambodia, Burma, Laos, Vietnam and Indonesia, and Labour receiving, Singapore, Brunei, Malaysia and Thailand. A framework should be developed, wherein labour receiving countries identify the extent of labour shortfalls in specific industries and negotiate with labour sending countries to establish migration quotas, which meet these needs.

   While temporary migration schemes for low-skilled workers already exist within ASEAN receiving states, a
regional framework for cooperation between sending and receiving states is yet to be developed. Such a framework would help ensure countries within the region are able to meet their respective development needs through the establishment of an efficient and coordinated pathway for legal migration. This allows receiving states to manage their migration intake and border control, while ensuring migrants do not need to resort to potentially dangerous illegal pathways and are guaranteed labor and economic rights and protections. This will also improve migrant access to fair wages and access to financial institutions to facilitate the cheap and efficient transfer of remittances. Regularising labour migration and ensuring a minimum wage and decent workplace standards, will not only aid migrants, but will help prevent local workers being cut out of their domestic labour market due to competition with migrants working for low wages and in poor working conditions.

2. Develop an integrated regional framework for ensuring affordable, and safe, migration between labor sending and receiving countries.
The framework identified above will only work if regular migration is affordable for low-skilled labor migrants. If this is not achieved the pattern of irregular migration, already prevalent in the region, will continue. Sharing of best practices between experienced labor-sending countries, such as Indonesia, the Philippines and Thailand, with less-experienced countries, such as Cambodia, Loas PDR, and Myanmar will be important. Registration drives should also been implemented throughout the region so that migrants, who have already, or are still forced to resort to irregular means of migration, can gain access to legal status in their host country.
3. **Lower the costs of sending remittances by improving low-skilled worker access to financial institutions in their host state**

Regularizing low-skilled labour migration will afford opportunities to improve mechanisms for sending remittances. Agreements should be reached between labour receiving and sending countries to facilitate migrant worker access to financial institutions. This process can be improved by encouraging employers to deposit salaries into bank accounts instead of paying cash.

4. **Facilitate integration policies for temporary low-skilled migrants within their host countries in the spirit of ASEAN community**

Both sending and receiving States are likely to prefer a system of temporary migration. Temporary migration and repatriation is favored by sending states because it helps ensure migrants maintain a connection with their country of origin, thus encouraging migrants to maintain remittance flows. For labour receiving countries, temporary migration provides a mechanism for government’s to meet shortfalls in low-skilled labour, without incurring the political and social implications and burdens of integrating migrants into society.

However, temporary status can have negative impacts on the lives of migrants. For example, while temporary migrants are not expected to bring their children the IOM estimates that in 2012, 377,000 children in Thailand belonged to migrant families, of which 150,000, were born in Thailand (Haguet, 2012).

While all children are permitted to attend school there has been limited efforts to facilitate the integration of migrant children who face ostracization and also have
no access to long-term residence or citizenship (Curry 2014,74). A lack of integration also affects the ability of migrant workers to defend their rights. For example, while migrants in Thailand allowed to join labor unions, communication and language hurdles prevent many from doing so (Chea 2014,50). Thailand’s Labour Relations Act (1975) also restricts non-Thais from forming labor unions or serving as union officials.

In the spirit of ASEAN community and the principle of a ‘people centred ASEAN’, the development of programs and policies to assist with the integration of low-skilled, temporary, migrants in their host states should be taken into consideration.
Social Focus: Myanmar, Rohingya, and The Future of Refugee Diplomacy in Southeast Asia

Dio Herdiawan Tobing

The Rohingya refugee crisis in Myanmar has persisted for over a decade. The Rohingya, an ethnic minority, suffers from violence, discrimination and various other states sponsored abuses. These human rights violations are so severe, they are regarded as crimes against humanity by the international community, including both inter-governmental and non-governmental organizations (HRW, 2013).

Academic literature has been vocal on ASEAN’s weaknesses to address human rights issue, however, 2016 has witnessed progress on Rohingya crisis in Myanmar. Since 1991, ASEAN has chosen to utilize “constructive engagement” to deal with the humanitarian crisis in Myanmar. This is a non-confrontational approach in dispute settlement, which places emphasis on quite diplomacy and constructive changes without public harassment (International IDEA, 2001). This strategy was utilized to foster democratization in Myanmar, and, continues to be used in ASEAN engagements with Myanmar.

Constructive engagement does not, however, generate instant results. Instead, it affords gradual progress on problem-solving. Consequently, we have not seen significant results in Myanmar since constructive engagement was introduced in 1991, and, unfortunately, ASEAN and its members often only utilize constructive engagement at side events.
A Shift on Myanmar’s Strict policy on the Rohingya

While the period from 1991-2016 yielded unremarkable results this trend began to change in late-2016. After years of systemic discrimination, most notably in 1978, 1992, 2001, 2009, and 2012 (Zawacki, 2013), and Indonesia’s continued utilization of ASEAN’ constructive engagement with the Myanmar government, the current Myanmar administration has yet to facilitate an initial panel discussion and investigation into recent problems in the Rakhine state. (Lewis, 2016). The fact-finding panel, did not, however, explicitly mention Rohingya as the target of discussion, instead it has been tasked to focus on the “complex and delicate issues in the Rakhine state.” This choice of language following Aung San Suu Kyi’s warning to the international community to refrain from referring to the persecuted ethnic minority as “Rohingya”, out of concern for further inflaming ethnic tensions in the region (DW.com, 2016).

The establishment of the panel demonstrates an alteration in Myanmar’s strict policy toward the Rohingya, as the government had previously refused to acknowledge the Rakhine massacre as their responsibility. The decision has also affected Myanmar’s behavior within ASEAN, as Suu Kyi demanded “constructive-support” from Myanmar’s regional neighbors to resolve the crisis at the Inter-Parliamentary Assembly of ASEAN (Gerin, 2016).

While the Myanmar government has become more open to receiving international criticism and discussion on the Rohingya crisis, credibility issues surround the special panel formed by Suu Kyi. A predominant issues lies with the panels leadership. Myint Swe, a former army general acted as the Chair for the panel. This raises concerns as the military has been responsible for acts of violence against the Rohingya
(Samad, 2016). Though Myanmar has become more open, ASEAN’s role is still limited in the context that human rights-related violence is taboo to be raised in public sphere. The fundamental principle of ‘the ASEAN Way’, that of non-interference of internal affairs, restricts the capacity of ASEAN member states to voice public criticism of other members. In response to this restriction, Myanmar initiated ASEAN Ministers’ retreat in Yangon, to discuss these issues. However, the initiation is yet to alleviate human rights violation in Rakhine state.

**Does Myanmar’s Engagement in Rohingya Alleviate the Problem?**

The progress made by ASEAN has not touched the core issue in Myanmar’s domestic conflict. While, significant progress has been made at the international and regional level, violence persists. For some, the blame for the situation in Myanmar can be laid at the 969 movement, as the Buddhist group’s message of anti-Muslim hatred and Islamophobia has been supported by monks, government officials, and large amounts of the general population. Scholars like Dr. Muang Zarni, regard the 969 Movement as neo-Nazi, due to its intention to wipe out all the Muslims in Myanmar (Zarni, 2013).

However, even though the 969 movement has ignited anti-Muslim sentiment in Myanmar, the underlying hatred did not derive from the 969 movement. Hatred against Muslims in Myanmar has been institutionalized within society in Rakhine. Thus, ‘institutionalized racism’ becomes the main reason of the communal violence. What needs to be addressed in order to establish ‘peace’ in Myanmar society. Reconciliation is needed among the Buddhist-Muslim communities.

What remains to be a question to address ‘institutionalized racism’ towards Muslims in Rakhine state is how such racism
emerged in the Burmese community. It is imperative to look at the transition from Burmese 1947 constitution where full rights for Muslims were enshrined, to the creation of 1982 Citizenship law which denied Rohingya citizenship. Evidently, amid the shift of regulation at this period, the blame of Muslim sentiment should be directed to the military regime in 1962, which infused the view to equate Muslims with colonial rule. The 1962 military regime associated Muslims with the exploitation of Burma by foreigners. Buddhism was made as Burma’s national state religion where then Muslims were not permitted to run for public office, join the army, and work as civil servants. Consequently, the 1982 law was enacted.

The 1982 Citizenship law was formed to protect ‘Buddhist nationalism’, meaning that there is a fear of losing traditional superiority. Chair of the New National Democracy party, Thein Nyunt, declared that the citizenship law was intended to protect the Burmese race, by not allowing those with mixed blood to partake in political decision-making process (Green, 2013). It is perceptible the emergence of Buddhist nationalism in Myanmar derived by the sense of insecurity. Even though the military regime has collapsed, the perception of Muslims brought by the military still persist. The ‘institutionalized racism’ infused by the Military regime is the core problem that must be demolished in the society.

Policy Recommendations
Human rights is not the only problem causing the massacre in Rakhine massacre, but multiculturalism. The inability of Myanmar government and society to adjust towards multicultural society, caused the emergence of what so-called as ethnic cleansing in Rakhine state. Since using ‘human rights’ approach in Myanmar and ASEAN is quite taboo, it is time for ASEAN and its members to utilize ‘socio-cultural’ approach to deal with the massacre in Rakhine as follows;
1. Make use of ASEAN’s strategic measure to reduce barriers in multicultural societies.
If ASEAN is to use human rights and security-related approach to overcome Rakhine massacre, there is a tendency refusal from Myanmar government and its domestic societies for the degree of issue sensitivity. Therefore, using ‘socio-cultural’ approach is another way out. One tend to see himself more superior than the other is the best way to describe the situation in Myanmar. Therefore, it is needed to raise awareness of the domestic society that one country is not comprised of limited society. It is needed to foster inter-ethnic or inter-religious groups cooperation in the society to reduce barriers between domestic groups.

2. Promoting multi-stakeholder and community-based approaches
If ASEAN members’ assistance in eradicating communal violence in Rakhine state is viewed inappropriate, slow, or even breaching ASEAN’s non-interference principle, ASEAN must engage with other stakeholders, especially those who are based in Myanmar. This is to reduce rejection from the domestic society on the attempt to reconcile both ethnic groups and promote inter-ethnic cooperation. The approach should take into account; the idea of ethnic-cooperation is arising within the community and not imposed forcibly from external parties.

3. ASEAN must keep on engaging with Myanmar through its members
Progress is a progress, no matter how small it is. Although it is extremely difficult even for Myanmar to change its policy, last year, the government finally decided to turn their blinded eye over Rohingya and start to acknowledge it as their problem. A small change indeed, however,
it must be appreciated as for over than two decades Myanmar refused to recognize the massacre as a part of their problem. To seek for another progress, ASEAN and its members must not regard the little progress as if nothing happens. ASEAN governments should continue encouraging Myanmar through their constructive engagements to boost up the progress.
Future Prospect: Rethinking Social Integration in ASEAN

Ahmad Rizky M. Umar

Recent debates over ASEAN integration was usually dominated by political-security or economic perspectives. Since the formation of the idea of ASEAN society in December 2015, it is common to associate ASEAN Community with economic issues such as free flow of goods and services, small and medium enterprises, or labour migration. In political and security issues, discussions about ASEAN has been slightly extended to interstate conflicts and conflict and territorial disputes, most recently the crisis in South China Sea.

However, this neglects social and cultural issues, which are put aside at the expense of economic and political issues. Perhaps one could argue that ASEAN did not give sufficient attention on the issue of social integration. However, as previously discussed in this Outlook, there are several problems that needs to be addressed in a different way from the usual debates over ASEAN integration.

Consider, for example, the case of Rohingya. The human rights issue was left undone in the ASEAN level, as they put too much focus on the state as the main actor. The Rohingya case is not simply about the violation of human rights –in fact, the roots and historical origins of the problems are actually complex. It relates to the historical origins of Burmese state-formation, authoritarian legacy, and even postcolonial dilemma. It seems to be more complicated when in 2015 waves of Rohingya refugees to neighbouring countries sparks an international refugee crisis.

Having discussed notable issues of ASEAN integration in the
previous part, this section will discuss the possibility to put forward the idea of “social integration” to resolve some social and cultural problems that will be faced by ASEAN in the future. This section will start to propose a shift from economic and political integration to social and cultural integration in debates over ASEAN integration, which will be followed by searching a common ground of ASEAN “social integration” in the blueprint of ASEAN Social and Cultural Community.

The Idea of Social Integration
The main argument in this section proposes that ASEAN should not put aside social integration issues at the expense of economic and political issues. From this vantage point, we argue that three core problems remains vibrant on ASEAN’s institutional design and furthermore how the people of ASEAN perceive the integration issues.

The first problem relates to ‘state-centrism’, which perceives ASEAN merely as arena for interstate cooperation. The primacy of realism in the study of ASEAN (see, for example, Leifer, 1989, Emmers, 2009) contributes to maintain such this view. Whilst this perspective might be relevant in the Cold War, this perspective however failed in explaining new phenomenon such as the rising activity of civil and youth movement, and the networking of the citizens in regional level. Throughout the decade, there has been an emergence of civil society networks in Southeast Asia that attempts to challenge the primacy of diplomatic authorities in ASEAN through establishing advocacy channels in ASEAN, most importantly through the several ASEAN Intergovernmental Commissions.

The second problem, as a consequence of ASEAN’s state-centric nature, is the neglected role of the non-state actor in the politics of regionalism. As Andrew Hurrell (2007) has rightly pointed out, it is quite common for ASEAN researchers to regard ASEAN generally in terms of ‘diplomatic culture’,
which tries to keep the stability and peace in the region through inter-state cooperation. These strands of approach do not consider non-state actors as an important role in the establishment of ‘diplomatic culture’.

This problem is further complicated by the division of ASEAN integration into three different pillars – politics, economy, and social-culture— that operate with different logic and assumption. This is not the case. The monetary crisis in South East Asia in 1997-1998 has clearly showed that the political crisis was in fact intertwined with economic crises, which was affected by both domestic and international factors. It therefore poses the need to understand ASEAN in a more comprehensive manner.

The third problem, as will be identified in the next section, relates to the neglected “social purpose” of ASEAN integration from the current debates over the future of regionalism. By separating ASEAN into pillars, “social community” is considered as only a part of ASEAN Community. It thus put the question of “social purpose” aside in any debate about ASEAN that occurs among academics and policymakers. As Bastian Van Apeldoorn and Sandy Hager (2010) has forcefully argued, every formulation of regional and international institution always has a social purpose that is embedded within its institutional design. European Union, as example, was formed with purpose of institutionalizing the ideas of advanced liberalism that is managed under the setting of “single market” in a supranational political system.

The Social Purpose of ASEAN

The previous discussion over the future of ASEAN integration has led us to consider, in more detail, the social purpose of ASEAN. The ASEAN Vision 2015 – 2025, which was signed in Kuala Lumpur in 2015 and formally established the further steps for regional integration has clearly emphasized the
purpose of any cooperation in ASEAN by regarding two key principles of ASEAN regional integration: “people-oriented” and “people-centered”.

The two principles constitute the social purpose of ASEAN in terms of social, economic, and political rights. However, the vision of ASEAN did not explain people-oriented and people-centered into details. Who is the ‘people’? By what means could the “people-oriented” and “people-centered” be manifested in ASEAN institutional design?

The new blueprint of ASEAN Social and Cultural Community associates the term “people-oriented” and “people-centred” in terms of human development, which was adopted from the UN model. This concept assumes that development in ASEAN should be able to fulfill basic rights, especially economic and social rights of the individual.

If we use this argument to explain the social purpose of ASEAN, we will find that there are many paradoxes that appears in the implementation in ASEAN that needs to be addressed by ASEAN to meet its social purpose. Several cases exemplify this paradox. The case of Rohingnya, for example, shows the displacement of particular social group in Myanmar that neglect their social, economic, and even political rights. There are also several case of land grabbing and agrarian disputes, especially the establishment of dam in Mekong river that involved four countries in Indochina and Thailand, which shows the lack of Human Rights-based approach to development that is essential in ASEAN Social and Cultural Community. Racism toward the Chinese minority in Indonesia, to mention other case, reflects the fact that the social purpose of ASEAN is not fully understood by every element in ASEAN countries.

Highlighting these paradoxes thus lead us to argue that beyond 2017 we need to develop ASEAN not only as a matter of state-
related business, but also as a part of broader discourse of citizenship. We could begin with understanding the citizens of ASEAN member states as a part of our community that encompasses different cultural and social background. It necessitates the institutional transformation for ASEAN to be incorporated to be more democratic and sensitive to different identity, ethnic, or religion. The failure in establishing this social and cultural dimension of integration will leads ASEAN to further crisis in the future.
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