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Southeast Asia

Pillars of Aid
Promote Comprehensive Cooperation toward ASEAN Integration

The Southeast Asian region consists of 11 countries: 10 member states of the Association of Southeast Asian Nations (ASEAN) and Timor-Leste, which achieved independence in 2002. ASEAN, which was formed in 1967 with the aims of achieving economic growth and regional peace, is made up of six original members—Indonesia, the Philippines, Malaysia, Singapore, and Thailand, which are the founding signatories, and Brunei Darussalam, which joined in 1984—

and four new members—Viet Nam, Cambodia, Laos, and Myanmar, which joined later. While the original members of ASEAN have reached a certain level of development, the new members are behind in development. Thus, the correction of regional disparities and the development of regional economies are important tasks.

ASEAN signed the ASEAN Free Trade Area (AFTA) to promote regional market integration in 1992. As a result, the goal of setting the regional tax rate at 5% or lower was achieved earlier than expected in 2002. ASEAN Vision 2020, which was adopted in 1997 included a resolution to build an ASEAN Community by 2020. In 2003, it was agreed that the Community would be built based on the three communities in politics and security, economy, and society and culture as pillars. In 2004, the examination of an ASEAN charter was decided, further promoting ASEAN integration.

Japan specifies a focus on Asia as one of the three pillars of its postwar diplomacy. Southeast Asia has had a close relationship with Japan since ancient times in terms of politics, economy, and culture. In terms of economy including trade and investment, Southeast Asia is one of Japan’s most important interdependent partners, and the importance of the region has been increasing in the politics and security area, including sea lanes.

Japan has provided ¥12 trillion in support since 1956, placing Southeast Asia as the priority region in its ODA. JICA’s technical cooperation provided for the region accounts for 30% of its total aid value and is being implemented according to the degree of development of individual countries, thus contributing to the development of the countries as well as the whole region.

JICA currently identifies three priority issues in its assistance for ASEAN: (1) support for regional integration (centered on cooperation for strengthening international competitiveness and correcting the inter-regional disparities); (2) assistance for poverty reduction based on the perspective of human security; and (3) response to cross-border issues. Various types of assistance are being provided while responding to South-South cooperation.

Current State of Development

Movements for institutionalizing regional economic integration have been accelerating in Southeast Asia; for example, the ASEAN plus three (Japan, China and Republic of Korea) framework after 1997, the East Asia Summit held in 2005, and an increase in conclusions of bilateral free trade agreements. In response, ASEAN has actively shifted toward regional integration, including consideration of an ASEAN charter, building an ASEAN Community by 2020, and adopting an East Asian Community initiative, among others.

As for Millennium Development Goals (MDGs), some indicators have been achieved at this point such as poverty reduction in Thailand and Viet Nam, thus showing steady progress toward the achievement of goals by 2015. On the other hand, other indicators including the infant death rate in Cambodia, poverty in Laos, and primary education in Myanmar have worsened. Some areas show slow progress such as primary education in Indonesia and the Philippines, thus calling for continuous efforts.

Development issues in Southeast Asia spread over many fields including poverty, health and hygiene, environment, energy and food security, IT, and regional security in addition to economic integration and system reforms in relation to currency and finance. A particularly serious factor that may impede ASEAN integration is the disparities in income and development between the six original members of ASEAN and the four new members. Indicators such as the absolute poverty standards, maternal death rates, and GDGs of the new members and Timor-Leste are significantly worse than those of the original members and the human development indicators (HDI) are below 100th among the world’s 177 countries. Among the four new members, the international competitiveness of Cambodia, Laos and Myanmar, but not Viet Nam, is weak in general, and there is a concern that the economic disparities may widen with the upcoming regional trade
liberalization. There are also some countries such as Indonesia and the Philippines that have serious poverty issues in some areas, which have become a factor for instability in the region.

Other regional issues cross borders including nontraditional security problems such as terrorism, piracy and cross-border crimes, avian flu and other newly emerged infectious diseases, and environmental problems, all of which are serious threats to the political and social stability that is the basis for economic growth.

In response to these issues in the ASEAN region, based on the East Asian Community initiative announced by Prime Minister Koizumi in 2002, Japan-ASEAN Tokyo Declaration and the Japan-ASEAN Plan of Action adopted at Japan-ASEAN Commemorative Summit in 2003, JICA has announced the following three priority aid areas: (1) regional integration; (2) strengthening international competitiveness; and (3) cross-border issues. As the poverty issue still persists in the countries of the region, JICA also places importance on the solution of poverty from the perspective of human security.

**Addressing Priority Issues in JICA Programs**

**Strengthening International Competitiveness and Support for Regional Integration**

Japan’s ODA has been actively supporting the development of economic infrastructure that forms the basis for economic growth, playing a major role in the establishment of infrastructure for economic growth mainly in the original member states of ASEAN. The most important task for the future is to further facilitate regionwide sustainable economic growth and to coordinate and promote interregional and cross-border economic activities.

Currently the population of ASEAN plus Japan, China, and the Republic of Korea is approximately two billion. Though the intraregional trade share based on the regional trade agreements is approximately 15%, it exceeds 50% as the actual economic activities, showing a high integration level similar to EU and North American Free Trade Agreement (NAFTA). Stability in Southeast Asia leading to sustainable economic growth and promotion of economic partnership between Japan and Southeast Asia, which is one of the most politically and economically important regions for Japan, have a great significance for Japan.

For example, JICA’s cooperation emphasizes support for regional integration centered on assistance for strengthening international competitiveness and assistance for correcting regional disparities.

In more developed countries such as Thailand and Malaysia, JICA provides intellectual assistance such as policy support, institution-building, and human resources development in order to strengthen international competitiveness. For example, in the Institutional Capacity Building on Infrastructure Finance in Malaysia, cooperation for institution-building and human resources development with an aim to improve risk management and analysis skills in finance was extended to Bank Pembangunan Dan Infrastruktur Malaysia Berhad (BPIMB), which is a Malaysian governmental financial institution, based on a proposal from the private sector. As a result, the financing capacity of BPIMB improved and the project was highly praised by Malaysia.

In Indonesia, the Philippines, and Viet Nam, comprehensive assistance has been provided for the development of economic and social infrastructure, policy-making and institution-building, and human resources development. In these countries, promoting sustainable growth led by the private sector is one of the priority issues. To that end, intellectual assistance such as establishment of policies and institutions related to trade and investment and the development of human resources as well as infrastructure development, maintenance, and management.

In this regard, JICA has provided cooperation for training and human resources development in trade in Indonesia and the Philippines. For example, in Indonesia, assistance was provided for strengthening the functions of the trade promotion authority to promote center established at several local cities so that the centers can provide trade-related training, market information, and trade promotion services to small and medium-sized enterprises in local areas.

For the new ASEAN members, development of laws that are the basis for national security and development of human resources who are involved in legal enforcement are prominent issues in addition to Mekong region development and promotion of good governance, economy, and industrial promotion. In response, JICA has supported Viet Nam and Cambodia in formulating draft laws and developing legal professionals. For example, in Cambodia, cooperation for drafting civil laws and codes of civil procedure was provided and the establishment of a training school for lawyers were supported in the Legal and Judicial Cooperation for the Bar Association of the Kingdom of Cambodia. In the project, Japanese experts provided assistance for developing curriculum to foster lawyers and improving instructors’ teaching skills, and as a result, a system to produce 50 to 60 new lawyers annually was developed. The Project for Improvement of Training on Civil Law in Cambodia is the Royal School for Judges and Prosecutors of the Royal Academy for Judicial Professions has also been implemented to foster not only lawyers but also judges and prosecutors, providing comprehensive support for the development of three legal professionals.

**Cooperation for Poverty Reduction**

Southeast Asia shows steady economic growth as a whole, whereas problems such as income disparities as compared to developed countries and disparities within the region or each country have become pronounced. The new ASEAN members in particular have a large poverty group consisting of the socially vulnerable and minority ethnic groups, calling for solutions as a region.

In order to solve these problems, JICA identifies cooperation for poverty reduction based on the perspective of human security as the second priority issue, and addresses (1) rural development and community development (agriculture and rural development, regional health, good governance, safety net, employ-
Response to Cross-border Issues ............................................ JICA’s third priority task is to respond to cross-border issues. JICA addresses various issues extending throughout ASEAN such as (1) measures against terrorism and piracy; (2) peacebuilding and reconstruction in the M indanao, A sia, M yanmar border area, etc.; (3) environmental conservation; (4) rehabilitation and reconstruction from the earthquake and tsunami disaster, and disaster prevention including building tsunami early warning systems; (5) infectious disease control (HIV/AIDS, avian flu, SARS, etc.); and (6) drug control.

For example, for measures against terrorism and piracy, JICA has provided the Training Course on Maritime Law Enforcement targeting 10 A sian countries for the last five years. The training course incorporates overnight on-board training on Japan Coast Guard patrol boat and international law lectures, contributing to the acquisition of knowledge and skills regarding maritime safety and maritime crime investigation as well as the establishment of a regional network. Other cooperation plans include support for immigration control, aviation security, and customs from the viewpoint of counter-terrorism.

As for rehabilitation and reconstruction from earthquakes and tsunami disaster and disaster prevention, Japan has implemented consistent cooperation in disaster prevention in accordance with each phase of the disaster, which was specified in the Initiative for Disaster Reduction through ODA, which JICA announced at the UN World Conference on Disaster Reduction in 2005. Specifically, such cooperation includes: (1) integration of disaster prevention into development policies; (2) rapid and appropriate assistance in the immediate aftermath of disaster; and (3) cooperation that extends from reconstruction to sustainable development.

JICA continues sustainable reconstruction assistance for the disaster caused by the Great Sumatra Earthquake and Indian Ocean Tsunami that occurred in December 2004. As part of the assistance, experts in cadastral repair were dispatched to Indonesia to help repair land patents damaged by the tsunami. One third of the documents have been repaired, and technical transfer for local people to complete the repair work is underway. Also being repaired is the human-waste treatment plant that has a capacity to treat the waste produced by 100,000 people, which is twice as much as the pre-disaster capacity. As a result, hygiene and the environment in the affected areas have improved. In addition, direct assistance for securing victims’ incomes and rehabilitating communities has been provided in the form of 12 community reconstruction projects through the local NGOs, including provision of materials and equipment for building fishing boats; assistance for livestock raising; vegetable cultivation, sewing, and petty cooking; establishment of micro finance; and mental care for PTSD (post traumatic stress disorder) and trauma.

Response to South-South Cooperation ................................ The original ASEAN members have been working to transfer the knowledge and know-how gained from Japan to other Southeast Asian countries as well as to Africa and the Middle East. JICA implements various projects in the forms of training and dispatch of experts jointly with individual countries with the aim of spreading outcomes of JICA activities through this technical cooperation from a southern country to another southern country (South-South cooperation). South-South cooperation excels in that a developing country can transfer know-how they developed after receiving it from Japan to another developing country and that both developing countries teach and learn from each other, leading to the development of both countries.

Currently training participants are received in Singapore, Thailand, and Malaysia under this system, and in fiscal 2005, 58 training courses were provided in seven countries in the region. For example, training in the fields necessary for industrial development (productivity improvement, ICT technology utilization, entrepreneur cultivation, etc.) are provided for Cambodia and Laos jointly with JICA.

There are cases where technicians and experts are dispatched from Southeast Asia to other regions as JICA experts and are working actively. For example, based on the experience and...
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Tackling Piracy Control in the Malacca Strait

Malacca Strait as marine artery

The Malacca Strait, which has the world's largest amount of sea vessel traffic, is a marine artery connecting Asia, the Middle East, and Europe. Japan is the most frequent user of the Malacca Strait, and 80% of the petroleum imported to Japan is transported via the strait, which serves as an important lifeline for Asian countries, including Japan.

At the same time, this area is prone to rampant piracy. The pirate attack on the Japanese tugboat Ildaten in March 2005 is still fresh in our memory. According to the International Maritime Bureau of the International Chamber of Commerce headquartered in the UK, nearly half of all cases of piracy and armed robbery in the world occur in the Southeast Asian waters, including the Malacca Strait. It has been recently pointed out that these may not be merely piracy incidents but could possibly be considered terrorism.

Dispatch experts to MMEA

However, Malaysia, which administers the Malacca Strait, had no unified organization like the Japanese Coast Guard in charge of all maritime incidents and accidents. A number of government agencies had to deal with piracy, smuggling, and illegal operations within each jurisdiction. The Malaysian government, considering that control to be inefficient and ineffective, officially established the Malaysian Maritime Enforcement Agency (MMEA), a maritime security agency modeled after the Japan Coast Guard, in 2005. The agency started operations in November 2005.

In parallel with this action, JICA has been dispatching experts to the Malaysian government since July 2004, providing technical cooperation for the organizational development and operation of MMEA.

MMEA was launched to provide security for the Malacca Strait in cooperation with Japan. It reminds us of the Japan Coast Guard, which was established following the advice of the US Coast Guard in 1948, three years after the end of World War II. From now on, MMEA will serve as the base for maritime security in Southeast Asia, thus contributing to maritime security in Southeast Asian waters while coordinating with its neighboring countries.

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