

e-ASEAN and Regional Integration in South East Asia

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INTRODUCTION

As a relatively new feature of the digital revolution in the Association of Southeast Asian Nations (ASEAN), e-ASEAN was initiated by the ASEAN economic ministers in September 1999 and endorsed by ASEAN leaders at their summit in Manila in November the same year, when the e-ASEAN Task Force was also set up (ASEAN Secretariat, 2003). At the Fourth ASEAN Informal Summit in Singapore in November 2000, a Framework Agreement was signed to serve as the legal foundation for the e-ASEAN initiative. To ensure success, the Senior Economic Officials Meeting (SEOM) was tasked to supervise, coordinate, and review the implementation of the e-ASEAN Framework Agreement. As stipulated in the e-ASEAN Framework Agreement, the SEOM reports to the ASEAN Economic Ministers (AEM) and assists the AEM in all matters concerning this Agreement (ASEAN, 2000, Article 13).

While there is no lack of literature discussing trade liberalisation and transborder cooperation in the ASEAN region, the impact of new information and communications technologies (ICTs) on the development of regionalism, and *vice versa*, remains a rather neglected area of study (Dai, 2003). The purpose of this article is to investigate the implications of the e-ASEAN initiative for regional cooperation and integration in South East Asia in the information age. In particular, the key challenges to achieving the objectives of the e-ASEAN initiative will be analysed.

BACKGROUND

It is widely perceived that new ICTs can significantly advance transnational co-operation and regional integration in both economic and political terms (Bangemann et al. 1994; European Commission, 2000). Transnational flows of communication are synonymous to the decline in the importance of national, geographical, and institutional boundaries (Castells, 1996). The launch of the European Information Society in the early 1990s serves as an example of public policy based on the notion that new ICTs

can be a positive factor to regional integration (Dai, 2000; Federal Europe, 1995).

Generally speaking, e-ASEAN is “to develop a broad-based and comprehensive action plan including physical, legal, logistical, social and economic infrastructure needed to promote an ASEAN e-space, as part of an ASEAN positioning and branding strategy” (ASEAN Secretariat, 2003). Internally, the e-ASEAN initiative is to use ICTs “to speed up economic integration of the group” and, externally, to “help them compete better in the global economy” (Ng & Nurbanum, 2002, p. 39).

The promotion of regional economic growth and acceleration of regional peace and stability have been the key objectives of ASEAN since its establishment in 1967. In today’s globally competitive world, ASEAN officials argue, “regionalism has to take on a larger meaning and scope than market integration alone” (ASEAN Secretary-General, 2000). It is perceived vital that, in close cooperation, ASEAN members endeavour “to acquire the technological prowess without which the ASEAN nations cannot hope to move forward economically” (ASEAN Secretary-General, 2000). A key question to be asked is whether or not the global communications revolution can be advantageous to regional integration in South East Asia.

E-ASEAN AND REGIONAL COOPERATION: CRITICAL ISSUES

Intra-regional cooperation among member states is manifested in the aims of e-ASEAN Framework Agreement: (1) co-operation to develop, strengthen and enhance the competitiveness of the ICT sector in ASEAN; (2) co-operation to reduce the digital divide within individual ASEAN member states and amongst ASEAN member states; (3) co-operation between the public and private sectors in realising e-ASEAN; and (4) the liberalisation of trade in ICT products, ICT services and investments to support the e-ASEAN initiative (ASEAN, 2000, Article 1).

In order to achieve their objectives, ASEAN countries are committed to undertaking the following measures through the e-ASEAN initiative (ASEAN, 2000, Article 2):

- Facilitating the establishment of the ASEAN Information Infrastructure
- Facilitating the growth of electronic commerce in ASEAN
- Promoting and facilitating the liberalisation of trade in ICT products, ICT services, and of investments in support of the e-ASEAN initiative
- Promoting and facilitating investments in the production of ICT products and the provision of ICT services
- Developing an e-society in ASEAN and capacity building to reduce the digital divide within individual ASEAN Member States and amongst ASEAN Member States
- Promoting the use of ICT applications in the delivery of government services (e-government)
- Enabling advanced member states to assist the lagging member states to undertake capacity building

The signing of the e-ASEAN Framework Agreement has generated much enthusiasm within the public and private sectors across the ASEAN region. This is in part manifested in the large number of transnational ICT projects established in response to the launch of e-ASEAN involving project partners from different member states. Of a total of 40 ICT projects, 22 are within the field of e-commerce and the rest address the new and specialised market areas such as e-society, Information Infrastructure and e-governance (Dai, 2003). The dominance of e-commerce projects, in terms of the number of projects, serves as an indication that commercial organisations in the private sector are convinced of the potential opportunities to be afforded by e-ASEAN for promoting transnational e-commerce activities.

To make e-ASEAN a success, ASEAN countries would have to address a number of important issues. Among others, the existence of an intra-regional digital divide, national differences in the provision and application of cyberlaws and the competitive relationship between some ASEAN member states are the focal points of public debate.

Digital Inequality in ASEAN

Access to ICTs in ASEAN remains significantly uneven. Data presented in Table 1 shows a general trend in ASEAN: the region is clearly divided into countries moving along the fast lanes of the information superhighway and those crawling along the slow lanes. Singapore, Malaysia, and Brunei are the three ASEAN countries that are far ahead of the other member states in terms of penetration rate of main telephone lines, mobile phones, PCs (personal computers), and, last but not least, the Internet.

In 2000, when main telephone line and mobile phone penetration rate reached 484 and 684 per 1000 people (or 48.4% and 68.4%) respectively in Singapore, the corresponding rates for Myanmar were 6 and 0 per 1000 people and 8 and 2 for Laos. Commenting on the present situation of the telecommunications industry in Myanmar, the CIA (Central Intelligence Agency) believes the sector “barely meets minimum requirements for local and intercity service for business and government” (CIA, 2005a).

Concerning the Internet sector, the contrast between the advanced and the lagging countries in ASEAN adds another dimension of the intra-regional digital divide: while 30% of Singaporeans and just under 16% of Malaysians were Internet users in 2000, the proportion of Internet

Table 1. Access to ICTs in ASEAN, 2000 (Source: Based on figures from World Bank [2002], CIA [2005b] and Dai [2003]).

Country	Telephone mainlines per 1000 people*	Mobile phones per 1000 people*	PCs per 1000 people*	Internet users (% of population)*	GDP per capita, PPP in US\$**
Brunei	245	289	70.1	8.82	18,600
Cambodia	2	10	1.1	0.05	1,900
Indonesia	31	17	9.9	0.95	3,200
Laos	8	2	2.6	0.11	1,700
Malaysia	199	213	103.1	15.88	9,000
Myanmar	6	0	1.1	0.01	1,800
Philippines	40	84	19.3	2.65	4,600
Singapore	484	684	483.1	30.00	23,700
Thailand	92	50	24.3	3.79	7,400
Vietnam	32	10	8.8	0.25	2,500

*Notes: * Adapted from World Bank (2002) and Dai (2003); ** All GDP figures are Estimated Purchasing Power Parity (PPP) of 2003, except for Brunei, for which the PPP figure is for 2002.*

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