

## **ASEAN Regional Institutions: Remaining Relevant amidst External Power Rivalries**

Written by Moe Thuzar

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MOE THUZAR, OCT 11 2015

At the end of 2015, the Association of Southeast Asian Nations (ASEAN) will announce the achievement of its first phase of regional integration towards an ASEAN Community. This integrated ASEAN Community aims to represent a strategic cohesion of its members' collective aspirations for political stability and regional security; integration of Southeast Asia's economies into the global economic trade and investment flows; and ensuring that the people who constitute the community are enabled and empowered to participate and contribute actively in matters pertaining to their well-being and development.

After close to five decades[1] of steadily building regional cooperation up to its present status, ASEAN is in a position to highlight its attractiveness as a region. The combined population of ASEAN members is now over 600 million, with extreme poverty rapidly receding and some 67 million households in ASEAN now considered "middle class". The region's combined GDP is US\$2.4 trillion (ranking it seventh in the world were the region a single entity), leading to assessments of ASEAN's potential as an "economic powerhouse" (Vinayak, Thompson & Tonby, 2014). This has become possible with political stability in the region, and ASEAN's ability to weather the repercussions of external shocks. Much of ASEAN's success thus far has been attributed to the visionary leadership of the Association's founding members, which laid the foundation for successive governments to continue with ASEAN's years of consolidation, expansion, and partnership-building.[2]

ASEAN today is thus in a very different state from the situation in the mid-1980s when the Cold War rivalries had divided Southeast Asia largely into communist and non-communist states. In the aftermath of the global recession, which had limited achievement in regional economic cooperation, later developments have borne out ASEAN's determination to remain relevant in the global economic arena. The pressure to change or adapt, in order to remain relevant, has been a strong motivator for the ASEAN governments to take on the challenge of adjustments and realignment of domestic and regional interests. A precursor of this can be found in the confidence-building measures which were institutionalised by the advent of the ASEAN Regional Forum (ARF), and subsequent intensification of institutional engagement with world powers and key partners in high-level strategic forums such as the East Asia Summit (EAS) established in 2005 (which the United States and Russia joined in 2011), and the expansion in 2010 of the ASEAN Defence Ministers Meeting or ADMM (established in 2006), to engage with counterparts from ASEAN's Dialogue Partners in what is now referred to as the ADMM-Plus. The direction set by the 4<sup>th</sup> ASEAN Summit chaired by Singapore in 1992 for implementing an ASEAN Free Trade Area (AFTA), and for strengthening economic relations with major external partners, provides a clear example of ASEAN's recognition of the importance to remain economically relevant. The underlying political will of ASEAN to remake a different and new environment to retain its resilience to global changes has thus paved the way towards more coherent institution-building with clear objectives for continuing the Association's relevance. ASEAN's resilience is based on its adaptability; and it has endeavoured to remain so since its establishment.

ASEAN today stands as one of the most institutionalised associations outside the European Union, but this cannot be completely equated with efficiency in all spheres of ASEAN's multi-layered processes of decision-making. Nonetheless, the extent of ASEAN's success in the regional institutions governing the conduct of its external relations can be measured in:

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- the Southeast Asia-wide interest and political investment in the Association;
- the widening circle of extra-regional countries that seek dialogue and external partnerships with ASEAN;
- the major and rising powers treating ASEAN as a viable forum for security and strategic dialogue through the ARF, the ADMM-Plus, and the East Asia Summit (EAS); and
- ASEAN continuing to be the main facilitator and convenor for regional political-security affairs.

ASEAN thus provides a central focus for dialogue – as convenor and integrator, with ASEAN procedures and the “ASEAN way” of consultation and consensus dominating the strategic and economic forums in ASEAN. The United States (US), China and Japan are among those with the most active interest in wider spaces within these forums. The competing interests of China with those of the US and Japan in the different ASEAN-led forums have led to an entrenching of unique approaches towards regional institutions where ASEAN takes a central role.

China’s rise in the economic sphere has fuelled its aspirations for great power status, which in turn has led to recent belligerent moves in the South China Sea. Japan’s quest for normalization under the current Abe administration and the focus on revitalizing Japan’s economic relations in the region, has led to a “new approach towards Southeast Asia” and a potential new ascendant role of Japan in the geopolitical scene. With the added external factor of the US ‘pivot’ or rebalancing to the region, ASEAN’s centrality has practically become a default situation for its members to protect against the region’s vulnerability to external influences. This puts into salience the nature of “dual identities” in regional cooperation (Park, 2013, pp.85-107), where national interests and regional priorities produce variances in – and, are, in turn influenced by – bilateral relations. Thus, the numerous engagements and activities under other regional/multilateral frameworks or bilateral arrangements that the ASEAN members have with multiple partners outside the region also affect how ASEAN decisions are negotiated. One example in recent years is the failure to issue the annual Joint Communiqué of the ASEAN Foreign Ministers in July 2012. This was a first ever occurrence in the history of ASEAN, and was occasioned by disagreement over the strength of language to be used in the Joint Communiqué with regard to competing territorial claims in the South China Sea by some of the ASEAN claimants and China. This instance continues to be cited as a reminder of how political realities – oftentimes stemming from national concerns – can affect regional priorities (Severino & Thuzar, 2015).

There are several factors that will affect ASEAN regional institutions going forward into the post-2015 years of community-building and continued engagement with external partners.

1. The initiation of the ARF in 1994 marked the start of a clear strategic horizon for ASEAN institutions. The establishment of the ASEAN Defence Ministers Meeting and its “Plus” mechanism with eight of the ten dialogue partners of ASEAN, has taken ASEAN beyond its institutional strategic horizon. Will ASEAN be able to hold and control the political-security agenda with other (major) players on board? The test lies in how ASEAN will continue to engage China peacefully, on both strategic and economic fronts. The South China Sea issue may yet test the region’s stand on neutrality or ASEAN consensus if tensions escalate between claimant states, affecting negotiations on the Code of Conduct (CoC) in the South China Sea. Nonetheless, the insistence on reaching an agreement among the ten ASEAN members on important strategic issues highlights ASEAN’s position regarding the South China Sea and the principles governing ASEAN’s role.
2. The transformation of ASEAN’s geo-strategic environment can be considered to be more or less complete since the expansion of ASEAN membership in the 1990s to admit first Vietnam (1995), then Laos and Myanmar (1997), and lastly Cambodia (1999) into the grouping. Timor-Leste – which became independent in 2002[3] – has since applied for membership and ASEAN has put into motion a series of processes to consider the implications of Timor-Leste’s admission into the Association (Timor-Leste’s membership is more a question of “when” rather than “if”. See Chalermphanupap, 2015, pp.9-10). ASEAN now finds itself at the nexus of its geo-strategic transformation and its economic interdependence with ascendant powers such as China.
3. The primacy of economic interdependence in today’s regional scenario dictates that economic concerns will feature highly on ASEAN’s agenda. The push to negotiate a 16-nation free trade area[4] under the Regional Comprehensive Economic Partnership (RCEP) highlights the challenge to continue ASEAN’s viability as an economic hub. The RCEP itself is a compromise devised by ASEAN to sidestep political exigencies posed

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- by competing proposals for an East Asia Free Trade Area proposed by China in 2001 and a Comprehensive Economic Partnership for East Asia countered by Japan in 2006 (which would also include Australia and New Zealand). Still, ASEAN's outward-looking nature does not preclude its members from participating in economic or other initiatives led by countries outside the region, although priority remains on the ASEAN Economic Community (AEC) as the centrepiece for ASEAN's economic integration moves. Thus, four ASEAN economies – Singapore, Brunei, Malaysia and Vietnam – are part of the Trans Pacific Partnership (TPP) negotiations led by the US. Because the TPP provisions include intellectual property rights, environmental protection, labour rights, government procurement, and other non-trade issues, some view the TPP as another means by the US to contain China (Severino & Thuzar, 2015).
4. Domestic leadership transition in almost all the founding members of ASEAN has led to a gradual fading of the influence of the founding generation, replaced by different interpretations of the “ASEAN way” of consultation and consensus, and how the grouping conducts its cooperation internally as well as with external partners. These domestic leadership transitions also parallel a widening middle class across the region whose views and voice increasingly influence the capacity for reform and changes at national level. ASEAN's aim to be an integrated region, especially in the economic sense, requires more effort to reduce the dissonance between domestic priorities and regional commitments.
  5. The US interest to strengthen its presence in the region through its engagement with ASEAN is furthered more through bilateral engagements with individual ASEAN members, albeit under the loose framework of ASEAN-US dialogue relations where ASEAN members discuss the direction of ASEAN-US cooperation on shared concerns in the political, security, and socio-economic areas. This is different from the extensive arrangements at both regional and bilateral levels that China and Japan have invested in their ASEAN partnerships.
  6. Still, the great-power game in the region will be more about Beijing and Tokyo and their efforts to seek traction in Southeast Asia for their geopolitical aspirations. While US President Barack Obama has attended more ASEAN meetings than any of his predecessors, the much-discussed US rebalancing toward Asia takes second place to its efforts to counter the Islamic State by working through a diverse coalition of nations (I observed this as a trend to continue watching in ISEAS Monitor, 2014).

ASEAN centrality remains a key goal of ASEAN policymakers. Maintaining ASEAN's relevance amidst the external power rivalries is premised upon ASEAN's regional institutions remaining resilient to influences by more powerful external factors and forces. However, the increasingly interdependent nature of bilateral and regional relations among countries highlights a complex and dynamic feedback loop of adaptations to countries' individual behavior (Thuzar, 2014). This interdependence in a globalised world/region means that ASEAN needs to be constantly vigilant to ensure that its regional processes – and the grouping itself – benefit, rather than suffer, from the interdependent competition among major and rising powers.

## Notes

[1] ASEAN will observe its 50<sup>th</sup> anniversary in 2017.

[2] The text of this paragraph is from an earlier analysis by the author in her article “Leadership and Chairmanship in ASEAN: Past, Present and Future Challenges” in a forthcoming publication on “ASEAN Foreign Policy” to be published by the Institute for Diplomacy and Foreign Relations, Malaysia.

[3] Timor-Leste declared independence from Portugal in November 1975, but became a province of Indonesia soon after in December of the same year, when Indonesian armed forces annexed it. The East Timorese voted for independence from Indonesia in a referendum organised by the United Nations Mission in East Timor in 1999. A period of instability followed, caused by clashes between pro- and anti-independence forces, and occasioning an International Force for East Timor to be deployed in September 1999. The United Nations Transitional Authority in East Timor ensured peacekeeping and administrative order until independence in May 2002.

[4] The ten ASEAN economies have entered into free trade agreements with 6 ASEAN Dialogue Partners, namely, Australia and New Zealand, India, China, Japan, and the Republic of Korea. An FTA with ASEAN forms the basis for

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these countries to be part of the negotiations for the RCEP. ASEAN and the US have signed a Trade and Investment Framework Agreement (TIFA), as a first step towards establishing a free trade agreement but no concrete signs are on the horizon.

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