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Why ASEAN matters

Gary Clyde Hufbauer Success ensures long-term importance to the US

Jayant Menon Trade: regional means, global objectives

Tan See Seng A defence of ADMM Plus

Amy E. Searight How ASEAN matters in the age of Trump ... **and more**

ASIAN REVIEW – Gareth Evans: Australia and geopolitical transition

Stephen Costello: Only Seoul can lead Korean integration

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From the Editors' Desk

In recent times we've seen the United States retreat from leading the global order and apparently reversing its pivot to Asia; the rise of China with its aggressive stance on the South China Sea and its infrastructure development 'carrot', the Belt and Road Initiative; a putative 'Quad' configuration of Indo-Pacific power around the US, India, Japan and Australia; and a hot spot in North Korea. Given all this and continued US–China rivalry for regional leadership, what role can ASEAN play? How viable is ASEAN centrality, given the diversity of its members and its new challenges?

In this *EAFQ* we examine these questions first from the outside, comparing the substance of US repositioning with its rhetoric (Hufbauer and Searight) and how Australia, like the rest of the region, must prepare itself to live in Asia without the United States. This will require being less reliant on the United States and engaging with China while strengthening relations with regional partners, such as ASEAN, and possibly the Indo-Pacific group (Evans, Milner). North Korea plays into these uncertainties (Costello).

What are the pillars of ASEAN cooperation, and the ASEAN plus cooperation mechanisms, incorporating dialogue partners but with ASEAN 'centrality'? The value of ASEAN economic integration to the multilateral trade liberalisation agenda, the challenges ahead for deeper integration beyond the border (Menon) and the importance of the momentum for both in negotiating the Regional Comprehensive Economic Partnership (RCEP) (Hufbauer) are one element. Others, such as the ASEAN Regional Forum and ASEAN Defence Ministers Meeting Plus, ensure continuation of ASEAN's balancing role. But they will both need to be strengthened and extended to deal with issues like the South China Sea (Kuik, Tan), counter-terrorism and combating intolerance (Jayakumar). To not be eclipsed, ASEAN needs to reposition significantly (Chong, Vermonte).

We examine key member-state commitment to ASEAN—with Vietnam's view of ASEAN as a buffer in great power dynamics (Huong) and Thailand seeing ASEAN's value for regional prosperity and security (Blaxland and Raymond)—and offer a caution on expectations of Indonesian leadership, given its political election cycle (Sinatra).

John Blaxland and Mari Pangestu

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COVER: Philippines President Rodrigo Duterte, left, chats with Indonesian President Joko Widodo at the presidential palace in Jakarta in September 2016. Both nations are key members of ASEAN. Picture: Darren Whiteside, Reuters. Panel picture Page 4: Chiradech Chotchuang, Shutterstock.



Taking it easy in a parking site at a rice mill in Chainat province, Thailand.

Still in the driver's seat or asleep at the wheel?

CHONG JA IAN

ASEAN's role as a platform for projecting Southeast Asia's international influence is a challenge. Much of this has to do with growing divergence in members' economic and political interests, compounded by the consequences of an increasingly ascendant China and sharpening US–China rivalry. Differing interests impede the group's effectiveness in a changing world. Given that reform of

ASEAN is unlikely, Southeast Asian states interested in maintaining an active role in shaping regional affairs may have to start looking beyond ASEAN to do so—even at the expense of ASEAN centrality.

Among ASEAN's greatest successes has been to reduce the possibility of war among its members. The mutual accommodation among members contributed to another of the group's major accomplishments: as a platform for member states to project their

common concerns and advance shared interests.

ASEAN enabled what were relatively new, developing and in some cases small states collectively to play a sort of quasi-middle power role with which more powerful actors have to contend. This was apparent in ASEAN's successful ten-year international isolation of Soviet-backed Vietnam and the Hanoi-sponsored Cambodian regime, conducted in conjunction with the

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United States and China.

ASEAN may no longer inhabit such a sweet spot.

Established at the height of the Cold War, ASEAN was entrenched around an understanding among conservative, anti-communist elites with at least some authoritarian sympathies. These elites accepted autonomy, mutual non-intervention, consensus on issues that required collective action and mutual restraint from the use of force as the basis for coordination, if not cooperation. Such commitments reduced tensions among member governments and enabled them to focus on consolidating domestic political authority, economic development and, where convenient, diplomatic cooperation.

ASEAN successfully carved out an area of steady economic growth and calm at a time when wars were raging in Indochina and China was in the throes of the Cultural Revolution. As a result external actors, including the major powers, accepted ASEAN prerogatives in Southeast Asia.

Riding on ASEAN's Cold War successes, members consolidated the group's position as East Asia's premier regional organisation—due partially to the absence of similar arrangements in Northeast Asia. Other actors, including major powers like the United States, China and Japan, were therefore willing to accept ASEAN 'centrality' and its position 'in the driver's seat' when it came to intra-regional cooperation.

These considerations characterised several ASEAN-focused cooperation initiatives in East Asia between the 1990s and 2000s. They included the ASEAN Regional Forum, ASEAN+3, the East Asian Summit and the multilateral Chiang Mai Initiative for currency swaps after the 1997–98 Asian Financial Crisis. The 1990s also

saw ASEAN expand to cover most of Southeast Asia with the incorporation of Myanmar, Laos, Cambodia and Vietnam—the grouping's former adversary.

The question for ASEAN now is whether its formula for success remains relevant. Finding common ground on pressing issues has become a growing challenge, the usual platitudes about solidarity and centrality notwithstanding. Recent efforts to manage disputes have had limited success, as demonstrated by the decades-long processes surrounding the Declaration of Conduct of Parties and the Code of Conduct over the South China Sea.

Even the handling of trade liberalisation, human trafficking, trans-boundary haze, over-fishing and large-scale human rights abuses within ASEAN have seen slow actual progress. That these issues intersect with the dynamics associated with the rise of China and US–China rivalry further complicates matters, given the potential for division stemming from Chinese and US pressure.

ASEAN's increased diversity makes the group more susceptible to stasis.



Trade wars and Asia

Expansion in the late 1990s added members who are still shifting away from socialist economic planning and isolation. The founding members have greater economic sophistication as well as stronger ties to international capital and trade networks. Political change in the 1980s and 1990s removed Cold War-era authoritarian systems in Indonesia, the Philippines and Thailand, though not in all cases permanently. Leadership transitions now absorb political energies in Brunei, Malaysia and Singapore.

These cleavages distract from shared concerns and exacerbate difficulties in forging consensus on important issues. Resistance to reform among Southeast Asian political elites associated with ASEAN encumber how the grouping works.

ASEAN and its members appear to have limited willingness and ability to make substantive adjustments to meet the new challenges. There is significant opposition even to plucking low-hanging fruit, such as helping ASEAN and its secretariat perform more effectively the tasks for which it is already responsible. Proposals for budget and personnel increases, along with organisational adjustments, run into ready resistance, even though they do not delegate more away from member governments.

Talk of a multi-speed ASEAN does not seem to have spurred the group to change. Perhaps expectations for reform are misplaced, given that they may stand outside the original objectives for the group. If even modest shifts seem too ambitious, ASEAN's contemporary and future roles are questionable.

Southeast Asian states wishing to advance a stable and predictable rules-based order may have to seek like-minded extra-regional partners, given ASEAN's limitations. States seeking

Despite a good run for half a century, ASEAN now faces the risk of redundancy because of its inability and perhaps unwillingness to address the group's own limitations

effective, 'high quality' institutions have to voluntarily accept added multilateral commitments that cover a range of issues. Whether through formal organisations or ad hoc agreements, improving coordination and lowering transaction costs over any issue area will entail compromises on autonomy and limits to parochial interests, given monitoring and enforcement needs. Such demands are unlikely to win consensus within ASEAN.

Middle- and high-income Southeast Asian states like Indonesia, Malaysia and Singapore that benefit most from these approaches may have to look for partners in developed economies nearby that share similar perspectives. Candidates include Australia, Japan, South Korea and, in some areas, Taiwan.

New regional initiatives need to be credible and independent. Avoiding the suspicion of simply being a front for either China or the United

States is crucial for any arrangement, given Beijing and Washington's inconstancies and sharpening rivalry. The United States and China will nonetheless remain key external partners for any productive alternative approaches.

Working arrangements that do not feature China or the United States are not novel in East Asia. Experience from the Five Power Defence Arrangements, the Comprehensive and Progressive Agreement for Trans-Pacific Partnership, the Trans-Pacific Strategic Economic Partnership, and even ASEAN when successful, may be instructive.

Despite a good run for half a century, ASEAN now faces the risk of redundancy because of its inability and perhaps unwillingness to address the group's own limitations. Pressing issues like US–China rivalry, economic cooperation, environmental problems and common security concerns will not wait for ASEAN and its members to get their house in order.

Unless ASEAN can prove itself more adept at handling such contemporary challenges, Southeast Asian states seeking to play an active regional role may have to supplement some of ASEAN's current responsibilities. Looking at the full range of options for dealing with shared concerns before they become overwhelming is a reasonable approach.

Some diminution of ASEAN's prominence may be worthwhile for its members if other regional platforms can help them pursue their interests more effectively. [EAFQ](#)

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Success ensures long-term importance to the US

GARY CLYDE HUFBAUER

AT THE APEC Summit in November 2017, US President Donald Trump declared ‘We are not going to let the United States be taken advantage of anymore ... I am always going to put America first’.

Considering Trump’s ‘America First’ philosophy and his disdain for past trade agreements—sentiments that were proclaimed at the Da Nang APEC summit and on numerous other occasions—it’s reasonable to conclude that ASEAN plays no role in Trump’s world view. But Trump is president for a defined term. His views on US relations with the rest of the world neither represent mainstream opinion nor define the importance of ASEAN to the United States.

ASEAN, in fact, is vitally important to the United States for several reasons.

Perhaps most importantly, ASEAN has successfully pursued good politics alongside good economics. At its inception in 1967, ASEAN was intended to put an end to guerrilla conflicts between Indonesia, Malaysia and the Philippines. Owing in large measure to ASEAN, those conflicts have long since been relegated to the history books.

Today ASEAN serves both as an economic partner with China and as a bulwark against incremental Chinese expansion. None of the ASEAN countries individually carries much heft in geopolitical contests but collectively they represent a

considerable force. The United States badly needs regional powers that can counterbalance China’s growing geopolitical footprint. The three most important powers in this respect are India, Japan and ASEAN.

ASEAN has also fostered the explosive growth of supply chains, both among its members and with outside powers, notably the United States, Japan, South Korea and Europe. No one in 1967 thought much about supply chains. Trade was dominated by natural resources on the one hand (such as oil, copper and other commodities) and finished products made by vertically integrated firms on the other (including clothing, furniture and steel).

The supply chain revolution has enabled the magic of comparative advantage to operate on a far grander scale since each component—of a good or a service—can now be produced or assembled in the best location. The revolution has greatly benefitted the United States with less expensive footwear, TVs, computers, smart phones and many other products.

ASEAN’s success has served as

ASEAN has dramatically improved the livelihoods of hundreds of millions of people

a paradigm for troubled regions elsewhere. The United States has grown weary of its erstwhile role as ‘policeman of the world’ but fortunately the need for this service is greatly diminished when neighbouring countries get along. An immensely successful regional grouping, patterned after ASEAN, is the Pacific Alliance that joins Chile, Peru, Colombia and Mexico.

Groupings in Africa are less successful. The Arab Maghreb Union is perhaps the least successful, joining only on paper the north African states from Morocco to Libya. ASEAN can pride itself on providing a model for the successful regional groups elsewhere and an aspiration for the less successful groups.

ASEAN Summit meetings, at which leaders dialogue with external powers such as China, Europe, Japan, India, Australia and the United States, make it much easier for US political leaders to hold productive meetings with their regional counterparts. The time of senior ministers is their scarcest resource. The ability of US secretaries of commerce, state, treasury and other departments to meet with all the leaders of Southeast Asia in a single week is highly valued.

Future ASEAN integration could provide a strong lure for future US presidents to reconsider membership in the renewed Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP). Three ASEAN members—Singapore, Malaysia and Vietnam—are already

Regional means and global objectives

JAYANT MENON

members of the CPTPP. Conceivably, over the next five years, the CPTPP will expand to include Indonesia, Thailand, the Philippines and perhaps one or two other ASEAN members.

Future US presidents will have to reconsider the political and economic losses resulting from the US self-inflicted exclusion from such a powerful bloc. The case for US membership will be strengthened if the Regional Comprehensive Economic Partnership is concluded between China, India, all of ASEAN Japan, Korea, Australia and New Zealand.

By enlarging trade between its members, ASEAN has significantly raised the standards of living across Southeast Asia. The United States prospers when the rest of the world prospers. The global expansion of trade and investment over the past 70 years has made an enormous contribution to the levels of wellbeing worldwide, especially in Asia.

Indeed, according to the pioneering analysis by Angus Maddison of economic growth over the very long term, the post-Second World War period has been the best in human history. As part of this advance, ASEAN has dramatically improved the livelihoods of hundreds of millions of people.

ASEAN leaders and observers should look beyond the shadow of neglect emanating from the current administration in Washington. Over the longer term, there can be no doubt as to the importance of ASEAN not only for US geopolitical goals in Asia but also for US prosperity through economic interdependence. **EAFO**

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ASSESSMENTS of ASEAN as a regional integration endeavour often fail to separate the organisation's underlying objectives from those that appear on the surface. Analysts assume, perhaps understandably, that the primary purpose of regional cooperation agreements is to increase regional integration. If this were the case, traditional measures of integration—such as shares of intra-regional trade and investment—would be the right metrics for assessing success.

On these metrics ASEAN would be judged a failure. Intra-regional trade in ASEAN has remained low and stagnant at 25 per cent for almost two decades. Barely one-fifth of foreign direct investment (FDI) flowing into ASEAN countries originates from within the region.

But should ASEAN be judged this way? What if there are broader objectives being pursued? What if regionalism is only a means towards greater ends?

ASEAN is indeed pursuing broader objectives. The implementation of the ASEAN Free Trade Area (AFTA) provides a clear example. ASEAN's original members used this agreement as a stepping stone to broader liberalisation and, in turn, to promote globalisation.

The evidence lies in the deliberate decision by original members to

offer preferential tariff rates to non-members on a 'most favoured nation' (MFN) basis. More than 90 per cent of ASEAN countries' tariff lines have a preference margin of zero, where preferential tariffs are no lower than the MFN rate. More than 70 per cent of intra-ASEAN trade is also conducted at MFN rates of zero. ASEAN rarely uses preferences because there are hardly any preferences to use.

Multilateralisation has minimised trade diversion effects and in part accounts for the stubbornly low intra-ASEAN trade shares. These low shares are a sign of success, not failure.

Most intra-ASEAN trade is supply chain-related trade in parts and components. These parts mostly travel duty free because of product-specific arrangements such as the WTO's Information Technology Agreement, or general ones such as duty drawback schemes or Special Economic Zone privileges. The decision to multilateralise the AFTA tariff reductions supported value chain-driven trade because final markets for the finished goods lie predominantly in industrial country markets outside the region.

Though multilateralisation has subdued intra-regional trade, it has promoted rapid growth in overall trade. ASEAN is the fourth largest exporting region in the world, trailing only the European Union, North America and China. Although ASEAN

accounts for just 3.3 per cent of the world's GDP, it produces more than 7 per cent of exports. Trade volume and the terms of trade matter most for welfare, not with whom trade is conducted.

If intra-ASEAN trade is to increase in the future, it should be driven by factors other than preferences. Reducing non-tariff barriers (NTBs) in a non-discriminatory manner has potential to increase trade in services. For all services and increasingly goods as well, NTBs are the primary problem.

For goods, achievements in tariff liberalisation have been offset by the rise in non-tariff impediments to trade, which increased from 1,634 to 5,975 between 2000 and 2015. This poses a new challenge for ASEAN. NTBs are not only likely to be more restrictive than lower tariffs, providing more protection to domestic producers, but they are opaque and more difficult to dismantle. In addition, NTBs are a moving target because they can take on new forms as soon as they are targeted or dismantled.

While NTBs may be more difficult to identify, track and dismantle, this does not discount the effectiveness of the multilateralisation strategies. Unlike tariffs, it is either difficult or costly to exchange concessions in NTBs in a preferential manner, given the public goods nature of a lot of the reforms required and the consequent ease of free riding. Whether it is tariffs or NTBs, the multilateralisation approach remains ASEAN's best way forward.

In the original design of the ASEAN Investment Area the bloc flirted with the idea of providing preferential treatment to investors from member countries, but it quickly abandoned the idea and reaffirmed its commitment to a non-discriminatory and open foreign investment regime, mirroring those in



An assembly worker in the vehicle production line of the Honda plant in Prachinburi, Thailand. The rapid growth of trade has made ASEAN the fourth-largest exporting region in the world.

individual member countries.

FDI inflows have flourished, even if intra-ASEAN flows remain little changed. As with trade, it is not where FDI comes from that matters but its volume and form. The massive economic transformations that the world has witnessed in ASEAN's original member countries—and continues to observe in the newer members—would not have been possible if ASEAN had chosen the preferential route.

ASEAN's success lies in its almost unique use of regionalism as a means towards a greater end—maximising the welfare of its citizenry through the pursuit of global integration. The metrics that analysts use to assess regionalism must reflect these

objectives, even if they lie below the surface. In the economic sphere, widely used indicators (such as shares of intra-regional trade and investment) not only fail to capture the real story, but point in the wrong direction.

Trade and investment, irrespective of their origin or destination, is what matters. They, not intra-regional shares, are the metrics whereby ASEAN's integration must properly be judged. **EAFO**

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Culture and values central to creating deeper partnership

PICTURE: ERIK DE CASTRO / REUTERS

ANTHONY MILNER

ASEAN is back on Australia's agenda, having been neglected in recent times. The media release for the 2017 Foreign Policy White Paper states that Australia's first foreign policy priority is to 'increase [its] efforts to ensure [Australia] remain[s] a leading partner for Southeast Asia'. This priority will be highlighted at Australian Prime Minister Malcolm Turnbull's Special Summit with ASEAN leaders this year. At a time of deep uncertainty, engaging with ASEAN is a prudent policy direction. But Australia faces at least four challenges.

First, the Australian government will struggle to maintain its priority on ASEAN. For some years Australian commentary has been preoccupied with the US–China issue, which will likely continue to monopolise foreign policy debate. The Australian government needs to explain that ASEAN is the central element in its overall Asia strategy, without implying that US–China issues are any less important. Deepening relations with ASEAN will make Australia a less lonely country and strengthen its influence in both Washington and Beijing.

Southeast Asia is the region of Asia closest to Australia and where Australia has its longest diplomatic track record. The world inevitably judges Australia by the effectiveness of its engagement with ASEAN.

Second, Australia is in some ways a less attractive partner for ASEAN



Australia Prime Minister Malcolm Turnbull arrives for the ASEAN summit in Clark, Pampanga, the Philippines, in November 2017. Deeper relations with ASEAN would make Australia 'a less lonely country'.

than it once was. Compared with the 1970s—when Australia became ASEAN's first dialogue partner—its economy is now far smaller than the ASEAN economy and its military advantage is also lessened. Australia has to compete for influence in Southeast Asia in new ways. Not only are Japan and China massive economic partners for the region but South Korea—a minor economy in the 1970s—is now more important than Australia. The diminished position of the United States, Australia's much-proclaimed ally, is a further element in this changed balance.

Third, Australia needs to recognise

and navigate differences between ASEAN and Australian policy objectives. For instance, there has long been anxiety in ASEAN about being forced to take sides in struggles between major powers. In the Cold War, a number of ASEAN countries resisted joining the US-led Southeast Asian Treaty Organisation and supported maintaining 'equidistance' between rival blocs. It is not surprising to encounter ASEAN concern about meetings between senior officials from Australia, Japan, India and the United States to discuss closer 'quadrilateral' cooperation. Such initiatives inevitably sharpen the sense of a pro-democracy

gang-up on China.

The phrase 'deputy sheriff' is often used to sum up Australia's difference from much ASEAN opinion in its strategic approach to the major powers. Time and time again this sticky descriptor crops up in Track 2 meetings such as the ASEAN–Australia–New Zealand Dialogue. Canberra needs to make it clear that its foreign policy has long been tailored to Australian rather than US interests—especially when the 2017 White Paper actually highlights the need 'to broaden and deepen our alliance cooperation'.

For many years, Australia has focused on building 'Pacific' or 'Asia Pacific' institutions with a strong US presence. In contrast, ASEAN tends to favour an 'East Asia' concept and to concentrate on building the ASEAN community itself. Former Australian prime minister Paul Keating famously clashed with then Malaysian prime minister Mahathir Mohamad in advocating the Asia Pacific Economic Cooperation forum. ASEAN firmly rejected the proposal for an Asia Pacific Community put forward by former Australian prime minister Kevin Rudd in 2008.

Today Australia's advocacy of the 'Indo-Pacific' concept is causing confusion. The White Paper's insistence that the Indo-Pacific is the region of 'primary importance to Australia' may seem a non-controversial innovation in Australia's foreign policy rhetoric, but in Southeast Asia and China the stress on the two oceans is seen to diminish the term 'Asia' and imply an anti-China mindset. Australia has reiterated its commitment to the East Asia Summit. It may be important now to insist that highlighting the 'Indo-Pacific' does not mean that Australia plans to bypass ASEAN-based institutions.

There is sensitivity about terminology, partly because it can reveal serious policy orientation. It is regrettable that official Australian statements tend to refer to 'Southeast Asia', not 'ASEAN'. Australia needs to emphasise that it is not hesitating on the project of building a strong ASEAN community. Turnbull's Special Summit with ASEAN provides the ideal opportunity to symbolise and affirm Australia's unequivocal respect for this endeavour.

A further divergence in policy of growing significance concerns China. ASEAN commentators seem less suspicious than Australians of China's policies, including the Belt and Road Initiative. Informed by centuries of experience in handling China, ASEAN favours a policy of signalling support for China-led projects and only arguing hard about the details. ASEAN analysts do not advocate a subservient approach. They seek smart accommodation, not confrontation, with China.

Australians do not reflect enough on how their liberal heritage may sharpen the sense of Australia being an outsider in many Southeast Asian eyes

In all these policy areas Australia will require a comprehensive and often subtle understanding of ASEAN perspectives. This raises the question of whether the government, media and university system still possess the level of Southeast Asia expertise achieved in the 1970s.

The fourth challenge that Australia faces with ASEAN concerns political culture. When Australian governments speak about 'work[ing] more closely with the region's major democracies', they run up against the ideological tolerance that is a hallmark of ASEAN thinking. This tolerance underpinned, for instance, ASEAN's rapid pursuit of relations with Communist Indochina after the United States' withdrawal in the 1970s.

Australians do not reflect enough on how their liberal heritage may sharpen the sense of Australia being an outsider in many Southeast Asian eyes. Hostility to liberalism has been expressed not only in Islamic circles in Southeast Asia. Political change in Thailand and the Philippines suggests a reduced commitment to liberal values, and distinguished Singapore sociologist Chua Beng Huat has drawn attention to the determined rejection of Western-style liberalism in Lee Kuan Yew's state.

A decade or so ago, Australian commentators thought they had heard the end of the 'Asian values' debate. As Australia works at being ASEAN's 'leading partner', government officials and public intellectuals may well have to engage in more serious dialogue about values and ideology. 

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National Security Advisor H.R. McMaster, left, and Secretary of State Rex Tillerson look on as President Trump talks to media at the East Asia Summit in Manila in November 2017.

How ASEAN matters in the age of Trump

AMY E. SEARIGHT

IN HIS first year in office, President Donald Trump broke sharply with many long-standing traditions in US foreign policy. Surprisingly, the attention the administration is paying to Southeast Asia has been one area of relative continuity.

Before the Obama administration, US governments failed in key moments to consistently focus on the region. Former president Bill Clinton's clinical and detached response to the Asian financial crisis in 1997–98 undermined the United States' standing among Southeast Asian countries that had been hit hard by the crisis. Former secretary of state Condoleezza Rice's decision to skip two ASEAN Regional Forum meetings in three years underscored the George W Bush administration's

preoccupation with the Middle East.

Perhaps the signature feature of Obama's pivot, or rebalance, was an attempt to transform what had long been an episodic and ad hoc focus on Southeast Asia into sustained, high-level engagement. In the space of a few months early in his presidency, the Obama administration signed ASEAN's Treaty of Amity and Cooperation, joined the East Asia Summit and appointed the first resident ambassador to ASEAN. Obama sustained his focus on Southeast Asia throughout his two terms, culminating with the historic Sunnylands summit with ASEAN leaders in 2016.

While the Obama administration's pivot placed a heavy focus on revitalising alliances in Northeast Asia, its focus on Southeast Asia and multilateralism in Asia were perhaps

most notable. The rebalance focused on forging closer economic ties through the Trans-Pacific Partnership (TPP), embracing ASEAN-centred multilateral frameworks and building stronger security ties with allies and emerging partners. These integrated lines of effort forged a compelling strategic narrative that the United States was committed to enduring leadership in the region.

In its first year the Trump administration sought to maintain the pivot's momentum—at least on the security side—while avoiding the 'rebalance' label. President Trump welcomed the leaders of Vietnam, Malaysia, Thailand and Singapore in Washington between May and October 2017. In November, the President embarked on a 12-day trip to Asia with stops in Vietnam and the Philippines to attend the APEC

summit, a US–ASEAN summit and the East Asia Summit, as well as hold bilateral meetings.

But the missing ingredient has been the lack of an economic engagement strategy. President Trump's decision to withdraw from the TPP signalled that he would embark on a very different trade policy that would be more transactional, defensive and bilaterally focused. This has created uncertainty and scepticism in a region that views economic engagement as the foundation of security.

The President's speech at the APEC summit rolled out a new framework for his administration's Asia policy under the banner of a 'free and open Indo-Pacific'. This new framing is clearly an attempt to lay the foundations for a compelling strategic narrative to rebrand the rebalance, as well as signal an alternative to China's emerging regional narrative based on Xi Jinping's 'China Dream' and Belt and Road Initiative.

But the 'free and open Indo-Pacific' vision remains well short of a strategy. It is exceedingly vague and specific policies have been slow to materialise. Despite the heavy focus on the maritime domain, Trump's speech made no mention of the South China Sea. The adjectives 'free and open' imply economic openness, yet Trump has bluntly rejected any trade arrangements without reciprocity and the elimination of trade deficits at their core. Trump's offer to negotiate bilateral trade agreements has been met with a cool response by potential partners, many of whom are focused instead on launching a 'TPP-11' without the United States.

Without a viable and compelling economic component to its Asia strategy, the Trump administration is left with focusing on Obama-era security policies, which need to evolve.

The administration needs to more clearly articulate how a network of regional security partnerships will bolster a rules-based Indo-Pacific order that can continue to deliver peace and prosperity. The slow staffing of Asia policy positions at the State and Defense Departments (including the failure to appoint an ASEAN ambassador), has compounded the difficulty of formulating, articulating and implementing Trump's regional policies.

Trump's embrace of ASEAN is perhaps surprising, given his evident disdain for multilateralism and the growing dysfunction of ASEAN itself. As ASEAN finds itself in an increasingly contested environment, it grows more divided on key issues. China has sought to divide and conquer ASEAN by putting tremendous pressure on smaller countries like Cambodia and Laos to refrain from forging ASEAN consensus on the South China Sea.

YET ASEAN remains highly relevant for advancing US strategic and diplomatic goals in the region. In part this is due to geography—ASEAN is centrally located at the crossroads of the Indo-Pacific. ASEAN-led frameworks, such as the ASEAN Regional Forum and East Asian Summit, provide a venue for the United States to work with like-minded partners to help define issues and shape regional goals and expectations.

The ability to meet with the ten member countries and the 'plus' countries at one set of meetings, both multilaterally and in bilateral discussions on the margins, creates diplomatic economies of scale. As Secretary of Defense Jim Mattis put it, 'a stable region requires us all to work together, and that is why we support

greater engagement with ASEAN. Because no single bilateral relationship can get us where we want to go.'

ASEAN's recent difficulties in maintaining unity on key issues has somewhat undercut its ability to drive the regional agenda and steer outcomes, but it continues to provide critical ballast that helps maintain stability in an increasingly contested strategic environment. ASEAN has developed and promoted norms that have shaped regional expectations of behaviour and have become embedded in an open and inclusive regional architecture.

On the economic side, ASEAN has encouraged governments to maintain relative openness to investment and commerce. In the security realm, ASEAN has promoted norms of non-coercion, mutual respect and emphasis on dialogue. These regional frameworks have been critical to promoting a rules-based order that imposes some degree of normative pressure on countries seeking to subvert collective norms, such as China's attempts to unilaterally change the status quo in the South China Sea.

Creating a compelling strategic narrative that builds confidence in US leadership will remain an uphill challenge without a credible approach on trade and economic engagement. But at least the Trump administration has demonstrated that it has learned the diplomatic advantages of 'showing up' in the region and embracing ASEAN-led summitry. In one of the weaker moments in its history, ASEAN has demonstrated its continued relevance. 

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Australia in an age of geopolitical transition

GARETH EVANS

AS THE global centre of economic gravity shifts from the Euro-Atlantic to Asia, five accompanying geopolitical shifts demand particular attention: China's rise, the United States' comparative decline, India's emergence as a major player, North Korea's acquisition of nuclear weapons and ASEAN's substantial loss of coherence.

China wants strategic space in East Asia and is no longer prepared to play second fiddle to the United States, either there or as a global rule-maker. It is parlaying its economic strength into geopolitical influence through the Belt and Road Initiative, modernising and expanding its military capability and pursuing expansionist territorial claims in the South China Sea.

Even more startling than China's

Royal Air Force Wing Commander Colin Would, left, with key staff during Exercise Bersama Shield 17 at Butterworth, Malaysia. The annual exercise is held under the Five Power Defence Arrangements. ASEAN could be 'a more effective regional security player' by working with countries like Australia..

ascent has been the speed and extent of the decline in US influence. President Trump has shown no interest in the multilateral pursuit of global public goods, the low point of which was his decision to walk away from the Paris Climate Accord, and much less commitment to the region than his predecessors.

Meanwhile, India has been matching its growing economic strength with increasing military capability and diplomatic effectiveness. While it is likely to be cautious about any quadrilateral grouping with the United States, Japan and Australia which could be seen as too overtly a China-containment enterprise, its increasing capability is not going

unnoticed by Beijing.

The most dramatic geopolitical development in the region has been the emergence of North Korea as a nuclear-armed state. Important US voices are urging a pre-emptive military strike, with potentially horrendous escalation consequences, and there is not yet sufficient consensus elsewhere that conflict can be averted (as I certainly believe possible) by a strategy of containment, deterrence and negotiation.

A less dramatic but still troubling development is the deteriorating coherence of ASEAN. Recent human rights and democracy failings among many of ASEAN's members have diminished both its internal harmony

and external credibility. And with at least two ASEAN members now acting as wholly-owned subsidiaries of Beijing, it has proved impossible to reach a consensus on any kind of substantive, collective pushback on the South China Sea issue.

I have argued for some time that an appropriate Australian policy response to the unfolding regional challenges might be characterised as ‘less United States; more self-reliance; more Asia.’ While the Australian government’s 2017 Foreign Policy White Paper, understandably, does not articulate its preferred response in nearly such stark terms, it gets intriguingly close to embracing those prescriptions.

The White Paper argues for continued US ‘engagement’ in the region, but not ‘leadership’, and that is the right call. Australia benefits too much from the our alliance to justify walking away from it. But that does not mean reflexively following Washington down every by-way. Periodically saying ‘no’ is good foreign policy for a country that values its independence and international respect.

We should be under no illusion that the United States will offer military support in any circumstance where it does not see its own immediate interests under threat. While that was the case under previous administrations, it has been thrown into much starker relief by Trump’s ‘America First’ approach. Australia, like the rest of the region, must prepare itself to live in Asia without the United States.

Part of that preparation must be more self-reliance, as Prime Minister Turnbull acknowledges in his introduction to the White Paper. Militarily, that must mean spending more on protecting our shores and maritime environment

from potentially hostile intrusion. It must also mean being more of a diplomatic free agent, unconstrained by the constant urge to look over our shoulder to Washington.

The White Paper is strong and sensible on the need to strengthen Australia’s partnerships with regional neighbours like India, Indonesia, Japan and South Korea. But in this context it overdoes the focus on ‘democracies’, and gives less attention than it should to building a closer relationship with ASEAN.

Working more closely with countries like Australia, ASEAN could be a more effective regional security player than it now is. It should not underestimate its collective military capability—in particular that of Vietnam, Indonesia, Malaysia and Singapore. If regular, combined freedom of navigation operations were mounted in contested waters in the South China Sea, China would need to think long and hard about any show of retaliatory violence.

If ASEAN is to act as a collective counterweight to China, it will likely have to modify its consensus-based decision-making style — perhaps to the extent of becoming a two-or-more speed organisation as the European Union now is. It is hard to believe that in the next few years business as usual will be an option for anyone.

For all the current tensions and uncertainties in the region, there is still good reason to be optimistic

So far as China is concerned, Australia should not become Beijing’s patsy any more than Washington’s. But as the White Paper seems to acknowledge, we should build connections at multiple levels, rather than view China as a one-dimensional economic partner, crucial for Australian prosperity but to be treated warily and confrontationally on security issues. There is particular opportunity to work with Beijing on those many global and regional public goods issues which the White Paper elsewhere properly emphasises (unusually for a Coalition government) as important areas for Australian international activity.

For all the current tensions and uncertainties in the region, there is still good reason to be optimistic about the future. There is every reason to believe, not just hope, that China will not seek to usurp America in the global order but take its place alongside it, and that it could live quite comfortably in a global and regional environment characterised by cooperative security, in which states primarily find their security with others rather than against them.

Getting there without tears will require a little more leadership than is currently on offer from the relevant powers. But the popular market for leaders who can deliver security without bellicosity remains strong across the whole region. There is not nearly as much taste anywhere for going to war this century as there was in the last. [EAFQ](#)

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Managing the superpower transition

PHILIPS J. VERMONTE

THERE is no doubt that the world has entered a period of great uncertainty. At the same time as the inevitable rise of China we are seeing the relative decline of US power. Many states are nervously seeking a new strategic balance.

The United States remains the most powerful country in the world in military terms, and it will likely be some decades before China is able to catch up. But there is no slow catch-up in economic power: China is on the fast lane to become the world's most dominant economy not only in

terms of size and geography but more importantly in terms of momentum. This rise occurs at a time when other regions—Europe and North America in particular—are struggling to re-find their way.

The economic power of China is more influential in the Asia Pacific than elsewhere. It is not hard to see why: most countries in the region are developing and are in dire need of investment and development assistance. Neither Washington nor other economic powers can hope to match Beijing's ability to provide economic assistance, especially at a time when they are struggling with

their own economic difficulties. This is why a grand proposal such as the Belt and Road Initiative is so attractive to many leaders in the region, even if it has some potential flaws.

China's economic efforts have not stopped countries in the region from closely observing its moves in the South China Sea. They question China's 'charm offensive' of investments and development assistance since it contrasts so starkly with aggressive Chinese behaviour in the contested sea. These mixed signals have caused a trust deficit between China and ASEAN nations. Instead of the Belt and Road Initiative giving rise

to ‘mutual win-win cooperation,’ it has left ASEAN nations wondering what China’s strategic intentions really are.

On the other side of the Pacific, the United States has taken a different turn under the leadership of President Donald Trump. The Trump administration killed the Trans-Pacific Partnership, withdrew from the Paris Agreement on climate change and instigated the renegotiation of the North American Free Trade Agreement. It seems eager to press the reset button on many multilateral arrangements, at one stage even going so far as to question the future of NATO. All of this points to a rewriting of US strategic engagement.

While it may be legitimate for Washington to re-orient its foreign policy, it has forced US allies and friends to prepare for a scenario in which the United States is no longer the ultimate provider of security and stability. One might argue that facts and realities are what should guide policymaking, not perception and impression, but in a period of uncertainty, perceptions—not facts—are what matter.

The perceived US withdrawal from global affairs provides space for China to assert its influence. As the resident power in Asia, China has the advantage in pursuing its interests as well as in expanding its influence: Southeast Asian countries are ‘in its backyard.’ China has been the largest trading partner for most of Southeast Asia for several years.

President Trump’s National Security Strategy (NSS) spells out that the United States sees China as seeking ‘to displace the United States in the Indo-Pacific region, expand the reaches of its state-driven economic model and re-order the region in its favour.’ Such a view on a would-be superpower from the lens of an incumbent

superpower is probably legitimate, but it will regardless not resonate well with some countries in the region. The main interest of most Southeast Asian countries is national development. To choose outright between the two superpowers is not an option for most ASEAN countries. These countries have mostly managed to navigate between the two superpowers in recent years, but the NSS is forcing the countries to navigate within very narrow bands.

The NSS is very much ‘America First’: President Trump has made it clear that some issues will top his priority list while others will be relegated to the back seat. His priorities in Asia are the de-nuclearisation of the Korean Peninsula and the reduction of the US trade deficit with many Asian countries. Issue areas that are deprioritised include action on climate change, the protection of human rights and (of

most relevance for Southeast Asian countries) maritime security.

Regional institutions will need to come forward to tackle issues now off the US agenda. Unfortunately for ASEAN, these are issues on which member countries cannot currently achieve solid agreement.

For example, the 2012 ASEAN Foreign Ministers’ Meeting in Cambodia failed for the first time to produce a joint declaration, thanks to vehement opposition by members who were considered close to China over the inclusion of South China Sea issue into the draft text of the declaration. It was only through careful ‘shuttle’ diplomacy that the then Indonesian foreign minister Marty Natalegawa eventually managed to obtain agreement from fellow member states on the Six-Point Principles on the South China Sea. More generally, ASEAN has been mostly toothless on the violation of human rights; the Rohingya issue is a case in point.

Peace and stability in Southeast Asia are anchored in a stable relationship between China and the United States. With President Trump pressing the reset button on many issues and with China’s strategic intentions unclear, Southeast Asia could be facing two belligerent superpowers. ASEAN continues to be subject to asymmetric power relations with both. In the past, these asymmetric relations have been mitigated by an ASEAN that sits confidently in the driver’s seat. If ASEAN countries cannot get their act together, they will face two superpowers champing at the bit without having a response or solution to any of the pressing strategic issues that face the region today. **EARQ**



Former Indonesian foreign minister Marty Nतालagawa, whose ‘careful shuttle diplomacy’ secured the Six-Point Principles on the South China Sea.

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South Korean President Moon Jae-in at a news conference in Seoul in November 2017. He is pursuing a pragmatic policy towards the North.

Only Seoul can lead Korean integration

STEPHEN COSTELLO

EVENTS have moved rapidly on the Korean Peninsula since the start of 2018. The speed partly reflects the failure of the previous two governments in Seoul and past three governments in Washington to seriously address North Korea.

It has been 16 years since South Korea and the United States were cooperating on a realistic plan, and ten years since South Korea was committed to one. Those plans acknowledged North Korea's

legitimate security interests and directly addressed that state's economic and political needs.

What South Korea, the United States, the United Nations (UN) and other parties received from engaging with North Korea was precious: caps on its nuclear and missile programs and the possibility of further North-South economic integration. There was never any question that such integration would favour South Korea or that it would have to eventually adhere to international norms.

These achievements, though

conditional, were the result of years of efforts by various leaders. They were based on practical steps and were grounded in the mutual interests of all parties. That is why they worked.

The United States' explicit rejection of those deals is captured in the view that 'we don't negotiate with evil, we defeat it'. It is impossible to calculate what those unilateral US decisions cost a generation in Northeast Asia. Many North and South Koreans remember this history.

North Korea's offer to attend the 2018 Winter Olympics in South

Korea has provided a small opening for a return to realism. This opening was not initiated by South Korea, although the pragmatic Moon Jae-in administration had expressed its general support for a return to engagement. Nor was it provided by the United States, which has seemed doubly committed to the optics of North Korea's capitulation since Donald Trump became president.

Embarrassingly, the opening was provided by North Korea's Kim Jong-Un. This is a revealing comment on the political environments in Washington and Seoul, and on the limited political and strategic capabilities of current leaders in the White House and Blue House. Neither was able to break a dangerous stalemate. Instead, they relied on North Korea, the weakest party, to do it for them.

Kim's manoeuvre was both shrewd and surprising. The North Korean leader could use the optics of Olympic brotherhood to strengthen his position at home, complicate US threats of military attack or chip away at sanctions. This is to be expected. Still, a weak and isolated North Korea could never drive a wedge between the United States and South Korea. Even the real disagreements between the two governments won't split the alliance.

During the Olympic truce, proponents of pressure, isolation and capitulation in the White House were up against proponents of dialogue, diplomacy and deal-making in the Blue House. The winner of this struggle will determine the next steps. But there is a chance that South Korea will manoeuvre the United States to a supporting role and begin to lead negotiations back toward working agreements. This is by no means assured, but there is no one else capable of moving things forward.

Ever since former South Korean president Kim Dae-Jung and then US president Bill Clinton exited power, leadership on the issues surrounding the Korean Peninsula has been very much up for grabs. This may partly explain why many prominent policy proposals have been unrealistic, at odds with recent diplomatic history, or based on ideological convictions. The most notable include the attraction of rapid reunification, arguments for arming South Korea and Japan with nuclear weapons, planning for North Korean collapse, the need for missile defence and arguments to justify US military strikes.

The concurrent acceptance by so many parties, including the UN, of US and South Korean refusals to engage in credible negotiations, also reflects this leadership vacuum. The result in 2017 was a free-for-all as various nations jockeyed for advantage in the absence of any realistic framework for understanding, much less addressing,

... the current impasse will not be addressed by pressure on North Korea but by a return by the United States to positions and actions that address the root causes of Pyongyang's nuclear weapons program

the challenges posed by North Korea.

Moon is the first leader in many years to break this cycle, at least in his willingness to discuss negotiations and concrete steps toward South-North engagement. But Moon's policies have also been extremely contradictory. He is open to inter-Korean talks, economic cooperation and broad assistance, yet he supports extreme sanctions. These include global diplomatic and economic isolation, an oil cut-off and bans on fish products, luxury goods and travel. He has not produced a workable road map. The Olympic engagement means he must now come up with one or concede leadership of Korean Peninsula's future to the two parties—North Korea and the United States—that are the least capable of leading.

The problem with extreme sanctions and coercion is not that they are unfair or unjustified. It is that they will not work. The premise that North Korea walked away from a working deal is false. The United States did so, despite North Korea's efforts (as well as those of South Korea, China, Russia and others) to continue the deal. Therefore, the current impasse will not be addressed by pressure on North Korea but by a return by the United States to positions and actions that address the root causes of Pyongyang's nuclear weapons program.

North Korea has legitimate security concerns and the United States is only adding to them. Moon would need to propose and clearly embrace a concrete plan to relieve North Korea's fears over sanctions, isolation and security. Such assurances would be in return for moves to cap and roll back nuclear weapons and plans to integrate North Korea into international norms. US officials say that they are supporting Moon's engagement efforts. They are not, even though

PICTURE: JAKOB POLACSEK / WORLD ECONOMIC FORUM

North–South engagement would benefit the United States in several concrete ways.

The outlines of the next deal will be similar to the 1994 Agreed Framework and the North–South agreements which began in 2000. But this time an existing nuclear weapons industry will have to be captured and then rolled back. The UN will have to suspend some of the sanctions it imposed after North Korea's first nuclear test in 2006.

To do that, mere promises from the United States and North Korea will be insufficient. Any new framework for economic engagement and security rearrangements would have to be backed by a new international coalition actively supported by the UN. The only party that could lead that coalition is Seoul.

Suspending sanctions as part of a larger initial deal with North Korea seems like a daunting and uphill battle. But it may be easier than it appears. One of the reasons for this is the United States' reduced capacity for leadership. President Trump appears uncommitted to any particular tactic since his ideology is so flexible (he simply needs to be able to say he is winning). Meanwhile his Republican partners deeply resist anything that North Korea would embrace. Today that group is trying to destroy the working deal to cap Iran's nuclear weapons program, and for the same illogical reasons. In the larger institutional picture, the Trump administration has accelerated a decades-long hollowing-out of US diplomatic capabilities.

Expectations of Washington over the next few years need to be lowered. The Trump administration has demonstrated that it has even less capacity than its two predecessors to understand the Korean theatre's broader economic and security



Kang Kyung-wha: military options 'not possible' in resolving the Korean situation.

requirements. The best way for Moon to view US postures today may be as a cry for help masquerading as toughness. Within the alliance network, his determination to relieve the United States of some of its security burden would be hard to resist.

For its part, Beijing could have presented Washington with a choice at many times during the past 16 years between either returning to sincere talks or forfeiting Chinese pressure on North Korea. Instead Chinese leaders chose to play along with US demands, knowing full well they would not work. Chinese President Xi Jinping has less leverage with Kim than his predecessors and so must now work with Moon to protect Chinese interests. The eagerness of Xi and Russian President Vladimir Putin to support inter-Korean engagement was always likely. Beijing and Moscow also supported the last policies of engagement.

If Seoul pivots to a leading role then Washington will pivot to a supporting role. As soon as President

Moon 'requested' a pause in US–South Korea military exercises, Trump gave in. Trump also quickly began to take credit for the new diplomatic direction even as his government struggled to explain its sudden about-face.

The Moon administration should digest what these developments mean. Seoul could finally begin to do the heavy lifting in spelling out a realistic roadmap with confidence-building measures and modest agreements. They could consult and notify Washington, but not ask for or expect explicit US support.

The South Korean Foreign Minister, Kang Kyung-wha, stated clearly at the World Economic Forum annual meeting in January 2018 that military options were not possible. As long as Seoul and Pyongyang are talking, military actions are even less likely than they previously were. It is possible that the thaw will continue beyond the Olympic period. Moon and Kim are already planning various visits between the North and South by artists and assorted delegations.

But lasting rapprochement will depend on whom President Moon listens to and how he prioritises North and South Korean interests. Nearing the end of February the South Korean president seems to be tying North Korea–US talks tightly to any new North Korea–South Korea talks. That is unlikely to work, and could fatally slow down the momentum for progress. Looking ahead, initial agreements will signal how long the thaw will last, leaving Seoul to face its inevitable choices. **EAFO**

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A long election season looms for Indonesia

MUHAMMAD SINATRA

THE next year and a half is set to be an eventful period for Indonesian politics. In June 2018, 171 regional areas will simultaneously take to the polls to elect new mayors, regents and governors. These provincial elections will be followed by the 2019 presidential elections.

The provincial elections will be held in 39 cities, 115 regencies and 17 provinces, some of which (namely West, East and Central Java) are among the most populous in the country. General Elections Commission data indicates that up to 160 million votes could be made.

These elections are considered an early battleground ahead of the presidential contest in 2019. The performance of each political party or coalition regionally could either make or break their standing in the national elections. All-out battles between big and small parties are therefore likely as they try to either retain control or challenge the status quo.

The 2018 regional elections are not just about national politics. Beneath

the rhetoric, voters' future livelihood will be decided by the outcomes. Some of these elections will determine the development of remote regional areas such as Maluku, North Maluku and Papua, where the population is still deprived of modern luxuries in the Western provinces.

Some regional votes will also see political contests far removed from the national scene. In the West Java gubernatorial election, for example, political celebrities will vie against former elites from the security forces. In Central Java, the Indonesian Democratic Party of Struggle has turned heads by nominating the incumbent governor, Ganjar Pranowo, whose name has been mentioned in a major e-ID corruption scandal. The Golkar party has also attracted attention by backing Nurdin Halid, a prominent member of the party elite, to run as governor of South Sulawesi, despite the baggage of a corruption conviction.

The potential outcomes and peculiarities of these contests mark the regional elections as a giant political event in its own right and one that will

keep domestic and overseas observers engaged for the remainder of 2018.

Beyond this, the 2019 general elections are dominating political discussion in Indonesia. While President Joko Widodo (Jokowi) needs to maintain political, economic and social stability during the 2018 elections, he must also act fast and firmly if he is to secure his reelection.

Current polls conducted by SMRC, Indikator and Indo Barometer show Jokowi is a clear favourite in the race. Jokowi's electability score is hovering between 45–65 per cent and a recent survey by SMRC also found that 74 per cent of respondents were either 'satisfied' or 'very satisfied' with his presidential performance so far.

But Jokowi's next term is far from guaranteed. To firm up his chances of reelection he must focus on consolidating power within his inner circle and delivering on his previous campaign promises of economic development.

Others have their eyes set on the job too. Jokowi's rival Prabowo Subianto has not ruled out the possibility of running again and is consistently

placed second to Jokowi in polls. A CSIS Indonesia survey also found Prabowo to be more popular than Jokowi among millennial netizens.

Prabowo's continued popularity is remarkable. Despite not systematically campaigning since his defeat in the 2014 election, his voter base has not dispersed. Prabowo could further boost his popularity by hitting the campaign trail during the 2018 regional elections, a strategy he used during Jakarta's 2017 gubernatorial race.

Running for president is not Prabowo's only option. He could go down former president Megawati's path by nominating a proxy to run as his party's candidate. Otherwise, he would need a popular companion on his ticket to amplify his chances of election. Both of these roles would suit Anies Baswedan, the new Governor of Jakarta. No one else has the popularity needed to run with Prabowo.

JOKOWI, on the other hand, has a plethora of potential running mates to choose from. These include Agus Harimurti Yudhoyono (son of former president Susilo Bambang Yudhoyono), the controversial yet popular Indonesian Armed Forces (TNI) former chief General Gatot Nurmantyo, the Minister of Finance, Sri Mulyani Indrawati, and even jailed former Jakarta governor Basuki Tjahaja Purnama.

Some, including Agus Yudhoyono and the chief of the pro-Jokowi Kang Islamic National Awakening Party, Muhaimin Iskandar, have already started their campaigns with tours of the country and appearances next to Jokowi at high-profile events. Observers have also interpreted Gatot's political speeches and activities as indication of his political ambition, despite his supposed neutrality under

the aegis of TNI.

Beyond the campaigning and polls, identity politics stands out as one of the most influential factors shaping the 2018 and 2019 election outcomes. Ethno-religious language has become a staple in opposition campaigns against Jokowi and his camp in the past five years and this card will likely be played by anti-Jokowi forces should he decide to run for a second term.

Identity politics was especially salient in the Jakarta gubernatorial election. This was one of the most bitter elections in post-1998 history and saw Anies Baswedan defeat then incumbent governor Basuki Tjahaja Purnama (better known as 'Ahok'). Ahok's fall from grace—despite his status as a pro-development and anti-corruption candidate—shows what a powerful political weapon identity politics has become, especially if used against minorities.

It looks as if the use of identity politics is not going anywhere for now. Some rally-goers who participated in a series of religiously-tinged demonstrations in Jakarta have established a network called Alumni 212. The network is keeping ethno-religious language in the public space and its leadership board has already proposed several of its members to run as candidates under the Gerindra–Prosperous Justice Party–National Mandate Party coalition, although this fell on deaf ears. Such hurdles will likely strengthen the group's resolve more than anything else.

Perpetuating identity politics will deepen the social chasm between the majority and minority groups in Indonesia. Recent anti-Chinese remarks on social media are one manifestation of this destabilising tolerance. Dubious discourses like *pribumi* (native Indonesian) and 'communist resurgence' are also

amplifying these sentiments.

As the 2018 regional elections loom, there may be more clashes of ideas between champions of identity politics (such as the hard-line Islamic Defenders Front) and the voice of moderation, led by Nahdlatul Ulama and Muhammadiyah.

The intense domestic focus of Indonesia's upcoming elections may have important implications for Indonesia's regional and international engagement. Campaigning demands may result in political elites channelling their attention and resources inwards, resulting in Indonesia's decreased presence internationally. In particular, an Indonesian drawback could become a serious snag to regional efforts to push the ASEAN at 50 agenda.

INDONESIA'S neighbours will need to remain vigilant to possible spillovers from Indonesia's domestic political narrative. Ethno-religious language, for example, could be picked-up by opportunistic individuals in Malaysia as a political strategy. Additionally, traditional punching bags such as Malaysia and Australia should brace against potential inflammatory rhetoric directed at them by candidates hoping to secure votes.

Indonesia's political atmosphere is set to remain highly combustible until the presidential election is settled in 2019. Those inside and outside Indonesia will need to exercise restraint so as to not turn a small spark into a giant blaze. **EAFQ**

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Power transitions threaten ASEAN's hedging role

KUIK CHENG-CHWEE

SINCE its inception in 1967, ASEAN has served as a platform for multiple gradually expanding functions for its member states and the wider Asia Pacific community. One relatively understudied function of ASEAN is its role as a platform for 'hedging' in the post-Cold War era.

In Southeast Asia, ASEAN and the ASEAN Plus multilateral mechanisms have provided an additional avenue for small- and medium-sized states to hedge against the risks associated with the rise of China. The states' converging efforts (not necessarily collective nor coordinated actions) occur alongside traditional unilateral and bilateral channels for hedging and allow them to simultaneously pursue actions that engage and constrain China at the regional level.

Engagement is the active use of multilateral and bilateral processes to forge increasingly close, comprehensive and productive ties with China. Constraint involves the contradictory action of keeping distance from and even constraining the rising power, by using the very same ASEAN-based platforms as the diplomatic, economic and strategic mechanisms for other regional powers and players to provide checks and balances on Beijing. Engagement and constraint are two sides of the hedging coin.

ASEAN-centred platforms create and cultivate the offsetting space for weaker states to keep their options open to deal with the rise of China.



PICTURE: SAMRANG PRING / REUTERS

Welders at work on a bridge in Phnom Penh, one of many projects in Cambodia supported by the Chinese government. In Southeast Asia, infrastructure development is far more than an economic issue.

This allows smaller states to avoid becoming subservient or over-dependent on their giant neighbours (the risks of engagement without constraint). They can also avoid antagonising any power or forgoing any economic gains (the risks of constraint without engagement), while mitigating the risks of entrapment and abandonment in the face of uncertainty.

This space may be shrinking. The power dynamics surrounding the South China Sea are challenging Southeast Asian cohesion and ASEAN centrality. Beijing's increasingly assertive actions at sea are not significantly constrained by any actors such as the United States or arrangements such as the Declaration of the Conduct of Parties in the

South China Sea.

The United States' growing unpredictability under the Trump administration further weakens the capacity of ASEAN Plus platforms and processes to pursue constraint. Regional scepticism intensified after President Trump's tour of Asia in November 2017, especially after his last-minute decision to skip the East Asia Summit. The Trump administration's lack of attention towards ASEAN-based regional multilateralism (alongside the other liabilities of Trump's 'America First' agenda), is undoing some of the diplomatic and strategic accomplishments of the Obama administration's 'rebalancing to Asia' policy.

This is all taking place at a time

when China's connectivity-based Belt and Road Initiative (BRI) and various Beijing-initiated multilateral mechanisms (such as the Asian Infrastructure Investment Bank) are gradually gaining momentum in Eurasia and beyond. China's expanded presence globally and Japan's corresponding infrastructure-centred foreign policy are turning connectivity cooperation into the new chessboard of Asian geopolitical competition.

As geoeconomics increasingly converges with geopolitics in Asia, the United States and other Western nations have thus far remained bystanders not effective players. This is a cause for concern. In Southeast Asia, infrastructure development is far more than an economic issue—it is a matter of political significance. Infrastructure is regarded by the ruling elites of ASEAN states as the key to governance performance and economic growth, upon which they rely to enhance or preserve their political authority.

China's trillion-dollar BRI agenda is thus a growing inducement to many Southeast Asian political elites, as shown by the increasing number, scope and scale of the negotiated and ongoing infrastructure partnerships involving China in the region. A growing inducement may not necessarily translate into growing influence, but a simultaneous increase in China's inducements and a perceived decrease in US commitment to the region may accelerate power shifts and regional transformation.

ASEAN remains a useful platform for Southeast Asian hedging precisely because of these challenges. ASEAN-based forums are the only institutional pillars of Asian architecture that are not centred on or dominated by major powers. Preserving this institutional buffer role is crucial to preserving

a stable distribution of power, a sustainable peace and a durable prosperity in Asia.

One danger of the ongoing power shift is that more and more Southeast Asian states may move closer to Beijing to benefit from China's numerous economic carrots and its growing geopolitical clout. If the trend continues, this may further threaten Southeast Asian unity and ASEAN centrality. Over time, if more ASEAN states repeatedly show a greater commitment to their big-power patron's preferences than the interests of other members of the group, ASEAN risks becoming divided, weakened and marginalised.

The growing gravitational pull of China's power is not the only concern for Southeast Asian cohesion and centrality. Other powers, importantly the United States and its allies, may forge a coalition of likeminded nations in the Indo-Pacific if their current efforts at constraint turn into containment. This would happen if such a coalition's military actions targeted China explicitly and directly. The China policies of these states would be characterised less by the current cooperation-amid-competition

The current ambiguity of neutral omni-alignment is far better than clear cut rivalry, outright confrontation or all-out tug-of-war

approach and more by all-out confrontation. This would likely divide the region and undermine ASEAN's role as a platform for hedging.

These possibilities are likely to result in regional polarisation and international instability. Any shift in regional alignments would spark reactions among the big powers, each vying to win back or further expand its own sphere of influence and deny or limit its rival's geopolitical gains. Conflict might erupt at some point, which would entrap states and undermine regional security.

Southeast Asian states' current hedging posture is far from the optimal choice for anyone. But it is the second-best option that is in the interest of everyone, including China and other powers. The current ambiguity of neutral omni-alignment is far better than clear cut rivalry, outright confrontation or all out tug-of-war.

Any power may make some immediate gains by inducing other states to side with it. But these short-term gains would be at the longer-term expense of provoking other power(s) to push back. This could create a vicious cycle of actions and reactions that distracts states from domestic governance, deepens alignment dilemmas, creates camps, exacerbates existing disputes and leads to conflicts that no state wants.

ASEAN's role as a hedging platform—despite all its limitations and shortcomings—is good for all Southeast Asian states and also good for all other powers and players.



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Prosperity and protection: ASEAN through Thai eyes

JOHN BLAXLAND AND
GREG RAYMOND

ASEAN member states have different perspectives on the significance of the grouping. As one of the founder member states, the second largest economy and a leading state within ASEAN, Thailand's view is important. A survey of 1,800 former and current Thai officials conducted from 2014–17 on Thailand's relationship with great powers demonstrates that despite Bangkok's reputation for hard realism in its foreign policy, ASEAN surprisingly seems to matter a great deal to Thailand in terms of regional security and prosperity.

Respondents considered ASEAN to be very important in terms of regional prosperity, with 72.3 per cent rating it eight or higher (very important) out of ten on the Likert scale. In terms of ASEAN's importance to security and stability, the rating was not as high but still significant, with 67.36 per cent rating it eight or higher.

In terms of prosperity, ASEAN is becoming more important in part because of the advantages associated with geography and infrastructure. Indonesian President Joko Widodo had justifiably described Indonesia as the region's maritime fulcrum. But arguably his claim applies equally—if not more strongly—to the place of ASEAN and its member states sitting astride the Indian and Pacific Oceans.

Positioned centrally among the mainland Southeast Asian states and with relatively advanced

infrastructure, Thailand benefits from closer integration with its Southeast Asian neighbours. That benefit is shared across the region as the reach of transport and infrastructure projects increases.

Not surprisingly, Thai respondents saw the advent of the ASEAN Economic Community in 2015 as a positive development. Intra-ASEAN trade is now bigger than trade with any single external partner. In Thailand's case, exports to ASEAN are bigger than exports to China, the United States, Japan or the European Union. As ASEAN's share of world gross domestic product continues to increase, this market of more than 637 million will offer opportunity to reduce reliance on external powers.

Security is multifaceted, which explains why the rating given in the Thai survey was slightly lower than that for regional prosperity. While the creation of ASEAN was never ostensibly about any form of mutual security pact, its formation always had a security dimension that was internal to ASEAN rather than external. After the US withdrawal from Vietnam and the consolidation of communist regimes in mainland Southeast Asia, Thailand decided to prioritise relations with its neighbours. For Thai policymakers, ASEAN has remained integral to Thailand's security and is perceived as almost an article of faith.

Yet this faith is not blind and Thai respondents frequently pointed out ASEAN's shortcomings. First, there is no expectation that ASEAN will present a unified front to the world

in political or foreign policy terms. A senior Thai prime ministerial adviser argued that 'if ASEAN was a nation it would be very mixed. Brunei is a monarchy, others are communist. Some are democracies, some are not. Some are Buddhist, while others are largely Muslim or Christian.' Similarly, a serving Thai military officer declared that making progress on security, humanitarian assistance or even joint task forces would take time because of the differences in politics, economies and levels of prosperity.

BALANCING the great powers is a key issue for Thailand. A former foreign minister explained that 'the creation of the ASEAN architecture' was a way 'to manage our relations with the external powers.' ASEAN now organises a wide range of meetings to help member states' relations with external powers. One officer declared: 'In ASEAN I speak with many people. They don't want the superpowers to come in and dominate. That is the concept. There are various mechanisms to balance the powers.'

Notwithstanding this ideal of great power balancing, the reality is more complicated. As another senior officer said: 'The concept of ASEAN today is okay, but the reality is that it is very complicated inside, for example in relation to the Spratly Islands: it's quite difficult [to achieve consensus] amongst ASEAN members.'

This task is complicated further by China's growing influence across the region, notably in Cambodia and Laos. Like these two countries,



Thai officers on parade. ASEAN 'has remained integral to Thailand's security and is perceived as almost an article of faith'.

Thailand is on a path of integration with the Southeast Asian mainland, including with southern China. The greater interconnectedness with China impinges on member states' perceived freedom of political and economic action.

History plays a role too. As noted by one senior intelligence official, the unity of ASEAN is 'a little bit weak and shaken' because of the past: 'Thailand, for instance, used to invade Laos and Cambodia, and Myanmar invaded Thailand. That makes achieving consensus within ASEAN all the more difficult'. As suggested by the same intelligence official, ASEAN members will need to learn how to forgive and overcome past grievances if the organisation is to become 'stronger and more united'.

Despite enduring reasons for distrust and enmity, countries involved in various ASEAN-related forums remain eager to participate—in part to keep a check on each other's intentions and initiatives. In the case

of the ASEAN Defence Ministers Plus (ADMM Plus) forum, the significant work undertaken by expert working groups feeds into the ADMM Plus summits and provides much of the detail for the practical application and development of ideas to enhance collaboration. Collaboration in this realm covers the five domains of cyber security, humanitarian assistance and disaster relief, maritime security, peace-keeping operations, and military medicine and humanitarian mine action.

PROGRESS has been slow and steady but over time these groups have generated significant outcomes, including seminars, workshops, exercises and conferences. Combined, they provide an extraordinary range of opportunities for enhanced cooperation, increased mutual understanding and familiarity with other member states.

In essence, the Thai establishment sees ASEAN as a proto-great power.

Thanks to the perpetuation of the notion of ASEAN centrality and despite its remarkable diversity, ASEAN gives comfort to its members that their otherwise relatively insignificant international roles amount to more than the sum of their parts. That sense of centrality, fragile though it is, has been perpetuated through the various forums that have ASEAN at their core. Thais argue that it remains in the interests of the member states for this centrality to continue. But in an era of growing great power contestation that may be increasingly difficult. *EAFAQ*

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A sailor aboard USS *Stethem* secures a Japan Maritime Self-Defense Force aircraft during multinational helicopter deck landing practice during the at-sea phase of the ASEAN Defense Minister's Meeting (ADMM) Plus Maritime Security and Counterterrorism Field Training Exercise 2016.

A defence of ADMM Plus

TAN SEE SENG

REGIONAL security cooperation in the Asia Pacific has historically been a frustrated enterprise. The surprise exception has been cooperation in regional defence. The formation in 2010 of the ASEAN Defence Ministers' Meeting Plus (ADMM Plus) marked a departure from the way that ASEAN and its dialogue partners previously approached security cooperation.

ADMM Plus comprises the ten ASEAN member countries and Australia, China, India, Japan, New Zealand, Russia, South Korea and the United States. ADMM Plus

efforts have progressed further and deeper than anything the region has previously experienced. While ADMM Plus was initiated as a triennial event, after meetings in 2010 and 2013 it was 'upgraded' to a biennial gathering. Some member countries reportedly favour making ADMM Plus an annual affair.

ADMM Plus has conducted a total of 12 exercises in the seven designated areas of cooperation: counterterrorism, cyber security, humanitarian assistance and disaster relief, humanitarian mine action, maritime security, military medicine, and peacekeeping. Some field exercises have been huge and complex affairs.

For example, a combined maritime security and counterterrorism exercise that took place in Brunei and Singapore in May 2016 involved a total of 3,500 personnel, 18 naval vessels, 25 aircraft and 40 special forces teams. All ADMM Plus member countries participated in shore-based activities in Brunei, exercises that simulated terrorist attacks at sea between Brunei and Singapore, and land-based exercises in north-western Singapore.

Annual leaders' retreats aimed at facilitating in-depth discussions among ministers have been conducted on a fairly regular basis. While ADMM Plus understandably garners all the media attention, the 'real work' is

left to the ASEAN Defence Senior Officials' Meeting Plus (ADSOM Plus) and affiliated working groups. ADSOM Plus contributes to setting and implementing the agendas, action plans and joint declarations of defence ministers and receives reports on various cooperative initiatives put forth by ADMM Plus members.

ADMM Plus stands out as an exception to the rule in a region where form has triumphed over substance in regional security cooperation. ADMM Plus reflects what ASEAN and its dialogue partners can achieve so long as the will is there. But as much as the achievements of ADMM Plus suggest that ASEAN and its partners could finally be getting security right, their ability to translate these successes into lasting consequences for the region remains to be seen. The prospect of participant fatigue and diminishing returns from commitments to defence cooperation are all too real, particularly if tensions over the South China Sea continue to escalate.

ADMM Plus could face a fate similar to that of the ASEAN Regional Forum (ARF) if regional and great powers refuse to exercise mutual restraint in strategic competition. For example, due to intractable differences among its member states, the ADMM Plus was forced to scrap a planned joint statement on the South China Sea at its 2015 meeting in Kuala Lumpur.

At the time the media widely but wrongly reported that the failure was reminiscent of the disunity among ASEAN states in Phnom Penh in July 2012 that resulted in ASEAN's failure to issue a mandatory joint communiqué. In contrast, all 10 ASEAN members (including the four South China Sea claimant countries, Brunei, Malaysia, the Philippines and Vietnam) jointly rejected the

inclusion of the South China Sea in the proposed ADMM Plus declaration in 2015.

ADMM Plus does not imply the existence of an ASEAN model of defence regionalism. One only need look at the fate of the ARF. After starting brightly and evoking excitement about an 'Asia Pacific way' of security cooperation, it fizzled in the heat of opposition among its members to its prospective involvement in preventive diplomacy.

The ARF's subsequent turn to non-traditional security in the late 2000s made good sense in light of its difficulties. Still, it reflected the indigent state of an institution faced with the ignominy of calls for replacement (such as those made in 2008 by former Australian prime minister Kevin Rudd and in 2009 by former Japanese prime minister Yukio Hatoyama).

Nearly two decades ago, the late Michael Leifer warned against unrealistic expectations of ASEAN-based regionalisms as peacemaking mechanisms, given their evident inability to respond meaningfully

Treating ADMM Plus as a 'peace process' or dispute settlement instrument patently saddles it with unwarranted and impractical expectations

to a number of acute problems plaguing the region. Treating ADMM Plus as a 'peace process' or dispute settlement instrument patently saddles it with unwarranted and impractical expectations. ADMM Plus is essentially an ad hoc response aimed at improving the ability of ASEAN countries to handle non-traditional security challenges. Any expectation that it can and should have a key role in conflict management in the South China Sea needs to be critically assessed against its limitations.

Yet it could prove equally premature to outright dismiss the ability of ADMM Plus to, under the right conditions, use its extant success and goodwill to improve regional security. Despite its constraints, the ADMM Plus should refrain from totally recusing itself from the South China Sea conflicts as the ARF appears to have done.

ADMM Plus countries could consider leveraging their mutual goodwill to conduct joint maritime naval exercises in the South China Sea. This is an achievable goal given that the majority of ADMM Plus members are signatories to the Code of Unplanned Encounters at Sea established at the Western Pacific Naval Symposium in 2014. ADMM Plus still has the potential to stand out from the disappointments of past ASEAN initiatives and contribute substantively to regional defence.

EAFO

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Rethinking ASEAN's approach to counter-terrorism

SHASHI JAYAKUMAR

ASEAN turned 50 on 8 August 2017 in the shadow of the Marawi insurgency in the Philippines. The prolonged siege brought home the fact that terrorism is the most intractable of ASEAN's myriad security issues. Terrorism is a matter that requires more than the group's traditional consensus—ASEAN needs unanimous assent and concrete goals to deal with the problem.

ASEAN has addressed terrorism reasonably well on paper. Early milestones include the November 2001 ASEAN Declaration on Joint Action to Counter Terrorism. Member states agreed to review and strengthen national counter-terrorism mechanisms and to deepen counter-terrorism cooperation between law enforcement agencies. But knowledgeable observers had lingering suspicions that ASEAN was subsuming terrorism under other concerns, especially transnational crime.

The key impetus for change was the Bali bombings in October 2002, carried out by Al Qaeda affiliate Jemaah Islamiyah. The cornerstone counter-terrorism agreements that followed were the legally binding 2007 ASEAN Convention on Counter-Terrorism (ACCT) and the 2009 ASEAN Comprehensive Plan of Action on Counter Terrorism (revised in 2017).

These agreements and declarations sent signals to the international community that ASEAN was capable

of concrete agreement. But observers critical of ASEAN's progress in counter-terrorism suggest that ASEAN is hindered by its consensus-seeking mode of working that privileges respect for member states' national sovereignty above all else. ASEAN is allegedly incapable of substantial decision-making on counter-terrorism and is insignificant in the international counter-terrorism architecture.

This critique is hardly surprising. Consider the sheer diversity in how member states approach threat perception. Some members, such as Indonesia and the Philippines, have been victims of attacks. Others, such as Singapore, have had near misses or face a jihadist threat but are so far comparatively unscathed. Malaysia has witnessed just one confirmed attack linked to the so-called Islamic State (IS). Vietnam, Laos and Cambodia arguably do not see the jihadist terror threat as a pressing concern and do not see multilateral counter-terrorism cooperation as a top-level priority.

Not that counter-terrorism cooperation has been absent. Much of the sharp end of counter-terrorism work is done on a bilateral basis. ASEAN member states tend to prefer these arrangements, which have historically proved to be an effective way to manage sensitive security issues. Counter-terrorism needs a level of intelligence and security cooperation to operate out of the public spotlight. This is inevitable and not confined to ASEAN.

Marawi was a genuine game-changer and ASEAN needs to adapt

accordingly. This was the first time anywhere in Southeast Asia that pro-IS elements had attempted to come out of insurgency and take a city. The multiple transnational elements were particularly noteworthy. Foreign fighters from Indonesia and Malaysia (and allegedly from further afield) were involved. Some militants appear to have entered Marawi through the porous tri-border area stretching across the Sulu–Sulawesi seas between Indonesia, Malaysia and the Philippines.

MARAWI cannot simply be considered a local issue. During the siege, some member states offered humanitarian and other assistance, including drones and urban warfare training. The agreement between Indonesia, Malaysia and the Philippines in June 2017 to launch maritime patrols with the aim of interdicting trans-border terrorism activities in the tri-border area is a notable achievement, but more will be needed as the hydra-like terror threat evolves.

In the short term, the boundaries between transnational crime and terrorism will likely blur further, particularly when it comes to financing and the use of human smuggling networks. In 2017, for example, Malaysian police arrested a cell of IS sympathisers for smuggling weapons into Malaysia from southern Thailand. Given the overlaps between transnational crime and terrorism, ASEAN should leverage Interpol's presence in the region. Interpol



A government soldier stands guard in front of damaged buildings in Marawi city in October 2017. The conflict there 'cannot simply be considered a local issue'.

concluded a three-year program in 2017 to enhance the counter-terrorism capacities of ASEAN member states. Such initiatives must be expanded.

ASEAN's next step should be to engage deeply with the issue of counter-narratives and the transmission of extremist ideas online. It is increasingly clear that after its strategic retreat in Southeast Asia, IS still has an afterlife, particularly on social media—an issue that will have cross-border implications. The opening in July 2016 of the ASEAN Regional Digital Counter-Messaging Communications Centre in Kuala Lumpur is a welcome start.

An important adjunct to these efforts would be combatting intolerance in the real and online worlds. The rise of narrow, dogmatic interpretations of religion in some parts of Southeast Asia underscores the pressing need for such an

approach. On paper, at least, the landmark ACCT provides for ASEAN to enhance intra-faith and inter-faith dialogue.

ASEAN's long-term ambition should be to address the root causes of extremist thought and activity. Peacebuilding, education and social integration all come into play. The most forward-looking sections of the ACCT are those concerned with promoting the UN's 2030 Sustainable Development Goals, tackling poverty and addressing issues of development.

ASEAN's mechanisms will need to evolve too. Combatting terrorism has in the past fallen under the remit of the ASEAN Senior Officials Meeting on Transnational Crime (SOMTC) and specifically its Working Group on Counter-Terrorism. New platforms may be needed for ASEAN states to share experiences and views

on combatting terrorism. These mechanisms should ideally involve non-governmental organisations and academic experts.

It might, for example, be useful to establish a forum jointly under the SOMTC Working Group and the Special ASEAN Ministerial Meeting on the Rise of Radicalisation and Violent Extremism. Such a forum could see government experts, academics and civil society frankly sharing ideas in an unforced setting.

A forum like this is a radical idea. But ASEAN will only take the next step forward in combatting terrorism when pressing needs, existing efforts and out-of-the-box thinking can be brought together in this way. **EAFQ**

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Vietnam's experience, a reference point for Australia

HUONG LE THU

THE accession of Vietnam, a formerly antagonistic communist neighbour, to ASEAN was the result of several major geostrategic power shifts that continue to impact on the grouping's development today.

Conflict in Vietnam in the 1960s and '70s provided the context for the genesis of ASEAN. Despite the hard feelings original member states held towards each other during the period of decolonisation and Cold War tension, Thailand, Indonesia, Malaysia, Singapore and the Philippines agreed to work together to shield themselves from the domino effect of communist expansion. ASEAN's diplomatic response to Vietnam's 1978 intervention in Cambodia remains the organisation's biggest success.

The threat of communism brought together a group of dissimilar interests and provided a reason for ASEAN to unite. When it subsided in the 1990s, Vietnam's regional integration became a necessity and the former adversary acceded to ASEAN in 1995. This marked one of the most meaningful transitions in the region's history—Southeast Asia had embraced its political and ideological diversity and overcome Cold War bipolarity.

ASEAN was a critical platform for Vietnam to break out from its diplomatic isolation, re-engage with its neighbourhood and indirectly move towards normalising its relationship with the United States. Vietnam's accession to ASEAN

entailed an adjustment in the original members' strategic thinking and additional considerations of ASEAN's economic goals. Post-war Vietnam was significantly less developed than the 'ASEAN 6'. It was grouped into the 'second tier ASEAN' group alongside newcomers Cambodia, Laos and Myanmar, for which separate arrangements were made in regards to economic integration.

Vietnam's successful transformation from an external threat into a fellow member state can be seen as the best example of a member state adopting ASEAN principles. Vietnam is now one of the most active members of the organisation. Under the pressure generated by rivalry between the US and China, Hanoi has been consistent in insisting that ASEAN play a role in dispute management.

Vietnam has also vocally supported multilateral ASEAN initiatives, such as the ASEAN Regional Forum, to uphold the rules-based order and stability of the region. The continuity of Vietnam's domestic leadership, alongside Singapore, means that its ruling elites still maintain the original vision held by the founders of ASEAN. Unlike Southeast Asian democracies such as Indonesia, the Philippines and Thailand (which have experienced power transitions that somewhat undermined their commitment to ASEAN), Vietnam's outlook on the strategic importance of the group has remained consistent.

With its hard-earned membership, ASEAN will remain one of the key pillars of Hanoi's foreign policy and

it is in Vietnam's interest to guard its continuing relevance. As an increasingly important regional actor with an outward-looking strategy, Hanoi's diplomatic footprint will be critical in determining the future development of ASEAN.

Vietnam's accession has been a mutually beneficial process: ASEAN was the bridge to Vietnam's liberalisation and connection with the world when the United States was still isolating it from global opportunities. Likewise, the inclusion of Indochinese states reinvented ASEAN into a regional grouping that included maritime and mainland Southeast Asia.

FOR half a century the region has shaped ASEAN as an institution while ASEAN has framed the conduct of regional politics. After decades of expansion, however, ASEAN is struggling to adjust to new shifts in power, particularly the rise of China. The organisation also suffers from a need to reform itself internally.

Increasing influence by China on individual member states has led to the abuse of ASEAN norms, including the principle of consensus. Growing frustration about this ineffective practice has led to internal discussion about the possibility of a new 'ASEAN-X' approach, where issues are resolved among those that are willing or are directly concerned with the problem at hand. While this idea is still in the making, it signals that the innate diversity and different priorities within ASEAN make it



Honour guards march past the ASEAN and Vietnamese flags before Vietnam's Ministry of Foreign Affairs in Hanoi. Vietnam is a vigorous member of the bloc.

increasingly hard to reach 'consensus'. The pending membership application of Timor Leste, if successful, will only lead ASEAN towards even deeper heterogeneity.

Timor Leste's pending membership may only further strain ASEAN unity. But it does offer a useful case-study for those who also contemplate joining. This takes the edge off one of the oldest arguments against Australia's joining ASEAN: that it differs too much from the group. While Australia's difference is indisputable, that is not the main show-stopper.

The main barrier, other than ASEAN 10's disinclination to be agreeable to further expansion that would completely redefine the institution, to Australian membership is not related to how unified ASEAN is but rather the lack of ASEAN leadership. Before the membership debate, Canberra should ask if it has

a vision of leadership it has to offer to ASEAN and what sort of leadership it is willing to follow

THE strategic considerations for Australia to join ASEAN differ from those that were imperative for Vietnam or the Indochinese members in the post-Cold War context. Joining ASEAN is optional for Canberra, and the rationale for Australia to consider joining the club is to better position itself in a region with a stronger China. But whether belonging to the ASEAN group can shield Australia from a more omnipresent China is an open question. Even so, this is an opportunity for Australia to lever existing ASEAN platforms such as the East Asia Summit and ASEAN Regional Forum to assert its status as the oldest and closest ASEAN dialogue partner. Unlike other key major dialogue partners whose

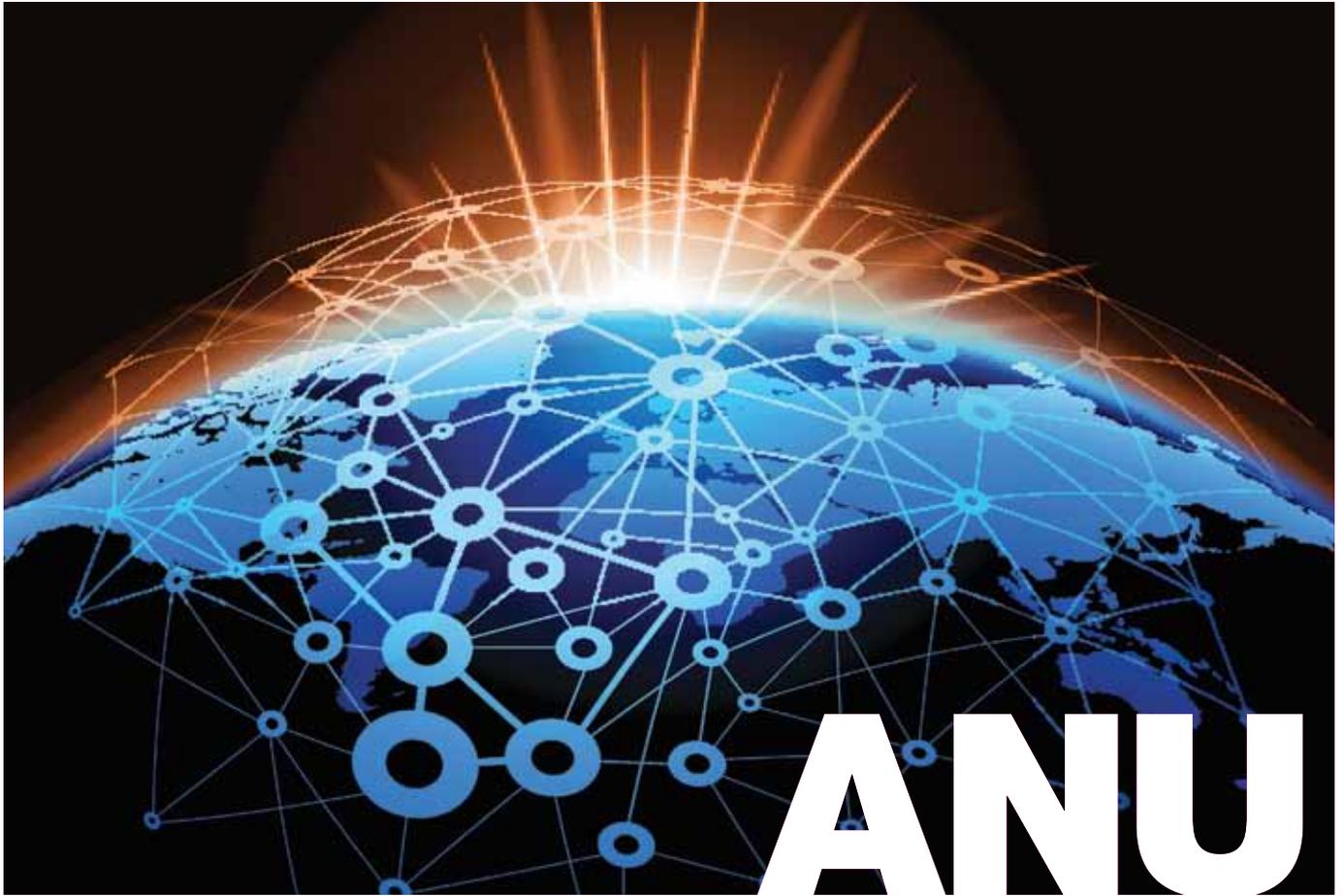
current political contexts have shifted their immediate focus away from ASEAN (such as the United States, China, Russia, India, Japan and the EU), Australia is in the position to demonstrate support for this regional institution.

A change in the strategic landscape in the late 20th century pulled Vietnam into ASEAN and transformed Vietnamese domestic politics. This success story should give Australia a reference point that ASEAN is able to adjust geopolitical needs. ASEAN membership does not necessarily give more leverage. It is a question of what Canberra wants from ASEAN and whether it has really made most of the existing frameworks of dialogue and strategic partnership. [EAFQ](#)

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