



## ASEAN After 50 and Beyond: A Personal Perspective



**Surin Pitsuwan**

The world is now celebrating the Association of Southeast Asian Nations (ASEAN) at 50 with enthusiasm and high expectations for its continued prosperity and fulfilling its role as the fulcrum of the various parts of architecture of regional cooperation in the Asia–Pacific region. Politically and in terms of security, ASEAN has provided the wider region with a credible platform for consultations and exchanges amongst major players that have a direct interest in the stability and peace of the region once described as ‘the Balkan of Asia’. Over half of ASEAN’s 640 million people are now enjoying their ‘middle class’ status with rising purchasing power and sustainable growth with a total gross domestic product (GDP) of US\$2.5 trillion. They have participated in the production network for many industries relocated from around the world and have become lucrative markets for imported consumer goods. Their combined trade volume has

reached US\$2.6 trillion and foreign direct investment has been hovering around US\$130 billion–US\$150 billion a year. From its humble birth back in 1967, ASEAN has earned global recognition and contributed much to the cooperative evolution of the Indo–Pacific landscape.

Henry A. Kissinger observed that the Indo-Pacific region has many flashpoints and fault lines, but that there is no effective institution to manage looming crises if conflicts erupt. ASEAN is the only region-wide platform serving as a mechanism of consultation and reconciliation to avoid possible confrontations. This is precisely why power plays by major powers in this strategic landscape will inevitably play themselves out on the ASEAN stage. ASEAN’s challenge is whether it is willing or capable and ready to play that larger role.

In recent years, several factors have put much stress and imposed strains on the ASEAN platform. As such, the grouping would need to enhance capacity, streamline decision-making processes, reconfigure working processes, and adopt a new mindset of proactive engagement by moving away from the passive ‘ASEAN Way’ of the past 50 years.

Firstly, a more assertive China has undermined ASEAN’s long-held basic assumption that the grouping has always been solid on issues of external relations. In the past 2 decades, as a major ASEAN Dialogue Partner, China was courting ASEAN to gain trust and goodwill. ASEAN reciprocated with an olive branch, welcoming a peaceful rise of China. Maritime disputes with some ASEAN members were kept under wraps and economic relations developed in leaps and bounds. China now is the world’s second-largest economy and all ASEAN countries have become dependent on its market. With China having replaced the European Union, Japan, and the United States (US) as the grouping’s largest trading partner – as China has chosen to reconfigure its ties with its southern neighbours – ASEAN’s overall agenda has been frustrated, its normal practices have been altered, and its traditional solidarity has been disrupted.

Secondly, a seismic shift of emphasis in the global diplomatic landscape from multilateralism to bilateralism is challenging ASEAN and the ‘open regionalism’ approach it has practiced over the past 5 decades. ASEAN has grown from the original 5 members to all 10 countries of Southeast Asia, which has attracted attention and earned it respect from the international

community. The reason is simple: ASEAN is a multilateral entity, negotiating from a position of combined strength with one voice. It has enjoyed ‘convening power’ on strategic, political, security, trade, and other issues relevant to the regional agenda. The Trump administration has given strong signals to the international community that the rules of engagement with the US will be changed. The US preference would be for one-on-one bilateral deals, rather than for the ‘ASEAN Way’ of collective bargaining. Major powers will pick and choose when to engage with ASEAN either as a group or with each member separately. This new trend will have an impact on the grouping’s profile and bargaining power.

Thirdly is the recent anti-globalisation trend. ASEAN has benefited greatly from the waves of globalisation in the form of open trade, free flows of investment, relocation of manufacturing, effective transfer of technology, and human resource development. The ASEAN members are the star witnesses to the positive and productive gains of liberal trade rules and freer flow of capital. They have adapted and tamed the force of globalisation to their advantage. Over half of its population is now in the middle-income category, with a higher quality of life, consuming goods and services from abroad, and ASEAN Member States have become export-oriented economies. The recent phenomena of withdrawal from commitments on global trade deals, Western economies pulling back investment, rising protectionist trends, and an emphasis on ‘my country first’ are potentially damaging to the ASEAN approach of welcoming and accommodating trade and foreign investment. Foreign direct investment is likely to shrink and markets are showing signs of fatigue for foreign goods.

Fourthly, ASEAN has relied too much on foreign contributions to its own growth to the point that it has neglected development of its own science, technology, and innovation. This modality of economic development served ASEAN well with capital, management, and technology from abroad with eventual goods and services exported back to the countries of origin or the global market at large. But this could be an Achilles heel for ASEAN going forward. Except Singapore (spending around 2% of its GDP on research and development), none of the ASEAN Member States spend a significant amount on this critical area for future economic growth. All of the ASEAN Member States are at risk of being caught in the middle-income trap, as they are unable to progress to the high-income category due to their lack of a scientific and technological base.

Fifthly, the political vehicles that have brought prosperity and buoyancy to ASEAN are all in need of reform. Strong and personalised leadership bordering on authoritarianism and centralised bureaucracy are characteristics of all the ASEAN countries. Political stability and stable policies in older member states like Thailand, Indonesia, the Philippines, Malaysia, and Singapore have attracted foreign investment to help propel economic growth and industrialisation. Now that there is a higher level of economic complexity and political awareness amongst the population is rising, the political structures need to be reconfigured to allow greater participation, transparency, accountability, and the rule of law. Social media and the younger generation want more space for themselves to shape and mould the future of their countries in a way different from previous generations. If ASEAN has acquired its present status of respect and admiration thanks to strong leadership figures, the next half-century of the journey would require fuller participation by its people, which could prove problematic for some member countries.

## Way Forward for ASEAN

The global community has changed dramatically after ASEAN's inception half a century ago. Competition with other emerging economies has become fiercer. In the past years, India, China, Africa, and Latin America have been diverting foreign investment from the region and the trend will continue. The force of globalisation has enabled all traders and investors from all corners of the world. For the ASEAN Community to prosper and promote the well-being of 640 million people, some constructive steps could be taken.

Firstly, all ASEAN members must deliver on the agreed commitments. ASEAN prides itself on having established most of the legal instruments set out in the Charter of 2007 and the various blueprints. But what is lacking is the will to implement those instruments at the national levels. In the past, we made do with accommodation and collegial compromises. This ASEAN way of procrastination and evading responsibility will not work in future. The global community would like to see promises delivered. As one integrated market without barriers, tariff or non-tariff, the ASEAN Community must provide access to all investments in member countries.

Frequent delays and missing of deadlines have reduced creditability of the ASEAN Community and the regional business community. Intra-ASEAN trade is around 24%–25% and trade with non-ASEAN countries about three times higher.

Secondly, there is an urgent need for solidarity in ASEAN's posturing towards external partners. There will be increasing pressure to divide the grouping, given the preference of external powers to deal with the ASEAN Member States on a bilateral basis as they would have more power to extract concessions. Whether in strategic and security matters, trade negotiations, or on other issues on the global agenda, ASEAN needs a more common and more solid front than it has shown so far. Signs abound that when East Asia has become more important to the world than before in all areas of global interactions, ASEAN as the fulcrum of power play will be coveted for strategic interest of external powers. If ASEAN succumbs to these pressures, it will lose all the global trust and confidence it has carefully cultivated over the past 5 decades. There is a common desire for ASEAN to develop and present one united response to the myriad global issues and challenges. Putting this into practice is now a matter of urgency.

Thirdly, the imperative of popular participation will gain wider support from an increasingly aware and prosperous constituency in ASEAN. The Charter calls for building a 'people-oriented organisation' with adherence to the principles of democracy and respect for human rights. So far ASEAN has been driven by leaders and diplomats, drawing bargaining power from the profile of the regional grouping. As each country has gone through its own evolution and transformation, more people from all levels of their societies would want to take part and contribute more to the future course of this regional body. They would sooner or later find out that some member states are benefiting more than others from the ASEAN Community. They would also inevitably find out that for them to benefit as much, some reforms of political governance and economic management would be required. Without such reforms – and some would be painful – inequity amongst member countries would remain. This would lead to demand for change and reform at the national level, which would be best managed by a more open democratic system. Some ASEAN members are still resisting this imminent trend emerging from the grass-roots level.

Fourthly, if anti-globalisation sentiment continues, liberal trade would be curtailed, foreign investment would shrink, most of ASEAN's traditional markets would turn inward with aversion to foreign imports, and the region would only have itself to rely on. This is why a widening of regional economic integration to include other larger economies, closer to us and important to our success and survival, will become another urgent agenda. The ASEAN Regional Comprehensive Economic Partnership (RCEP) with six other regional trading partners – China, Japan, the Republic of Korea, India, Australia, and New Zealand – must be the front runner with a sense of regional urgency, turning existing bilateral trade agreements into one encompassing trading entity. As protectionist tendencies grow outside the region, it is only prudent to consolidate the base for a closer economic community.

Fifthly, as the need for infrastructure financing increases, and with ASEAN having embarked on its own connectivity master plan with a view to facilitating transport of people and goods across the ASEAN landscape, there is a need for mobilising ASEAN's resources. The combined foreign exchange reserves of all the ASEAN members currently exceed US\$1 trillion. Indeed, a mere 10% of the combined reserves would go a long way in bridging the funding gap that now exists in the Master Plan on ASEAN Connectivity. This could be in the form of concessionary loans to member states who need to finance their own parts of the plan. Furthermore, if each country would agree to put a portion of its foreign exchange reserve into a fund for a trusted Asian Development Bank to manage, it would increase the chances of expanding connectivity in ASEAN. As such, ASEAN would be less dependent on external funding sources for its members' own infrastructure development.

## Conclusion

ASEAN has survived many challenges to its resilience and existence over the past 50 years. But the next few decades will see formidable threats from the changing landscape of the global community. The only prescription for survival is greater cohesiveness in its community coordination and more innovation in managing its much-heralded past accomplishments.

Competing external powers will demand a high sense of solidarity amongst the ASEAN members. Only its combined resources and strength would enable it to survive in this uncertain and fractured world. There will be temptations for individual member states to pursue their self-interest in the face of contending pressures being piled upon the ASEAN platform. A phrase from the ASEAN Declaration heralding its birth back on 8 August 1967 could give inspiration to the current ASEAN Leaders deliberating on the road map for the next 50 years:

... the Association represents the collective will of the nations of South-East Asia to bind themselves together in friendship and cooperation and, through joint efforts and sacrifices, secure for their peoples and for posterity the blessings of peace, freedom and prosperity.

Much has been accomplished, but so much more remains to be done. The second half of the first century of ASEAN will require the full ownership, the active participation, and the meaningful contributions of all its peoples. For ASEAN, from its inception, has been a 'collective will' and a common aspiration of the peoples. It was meant to be a democratic construct. The next generation of leadership cannot deviate from that sacred path of the first 50 years.

## ABOUT THE AUTHOR

**Surin Pitsuwan** is a native of Nakorn Sri Thammarat, Southern Thailand. He holds an MA and PhD in political science and Middle Eastern studies from Harvard University.

After completing his education in the United States, he returned to Thailand to assume a teaching position at Thammasat University. He successfully ran for Parliament 2 years later. As a Member of Parliament, he was appointed Secretary to the Speaker of the House of Representatives, Secretary to Deputy Minister of Interior, Deputy Minister for Foreign Affairs, and Minister of Foreign Affairs. He served as chair of the ASEAN Ministerial Meeting and the chair of the ASEAN Regional Forum. While ASEAN Chair, he led the efforts to get Southeast Asian governments to help restore law and order; that undertaking – supported by the United Nations and the international community – brought about peace and security in East Timor.

Upon leaving the foreign affairs portfolio in mid-2001, he was appointed Member of the Commission on Human Security of the United Nations. He also served as an Advisor to the International Commission on Intervention and State Sovereignty and on the International Labour Organization's World Commission on the Social Dimension of Globalization until 2004. He was appointed Member of the National Legislative Assembly before assuming his post as Secretary-General of ASEAN from 1 January 2008 until 31 December 2012. During that period, he was tasked to implement the ASEAN Charter and prepare the region to enter into the ASEAN Community in 2015.

He is now engaged in the promotion of regional integration in East Asia, and educational and political reform efforts in Thailand. He is also on the board and council of many international organisations concerned with human rights and democratisation, and a frequent speaker at various international conferences.