Part II

4. Strengthened ASEAN Centrality and East Asia Collective Leadership

i. ASEAN Centrality and Collective Leadership: New Dynamics and Responses

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ASEAN Centrality and Collective Leadership: New Dynamics and Responses

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Introduction

The Association of Southeast Asian Nations (ASEAN) has been celebrated and also much criticised in recent years. Celebrations reached something of a crest with the 2015 inauguration of the ASEAN Community – with economic, political-security and socio-cultural pillars[1] – and the group's 50th anniversary in 2017. Over these decades, ASEAN has become the convenor of several key forums and Summits not only for its own members but to bring together the major powers in the wider region; these include the ASEAN Regional Forum, the ASEAN Defence Ministers +8 meetings and, for leaders, the East Asia Summit. In this way, ASEAN has emerged as a central actor in the region, offering a form of leadership that belies the group's lack of major power status.

[1] This capped more than a decade of effort from the 2003 Bali Summit through to the 2008 ASEAN Charter. See Tay, 2008.

Yet as ASEAN has reached these milestones and taken on greater ambitions, criticisms have also increased. ASEAN has struggled on several major initiatives – deepening the group's economic integration, moving ahead with the broader Regional Comprehensive Economic Partnership (RCEP) to bring in all its major partners, and stabilising conflicting claims in the South China Sea and the wider relationship with China and other major powers. There are also global megatrends that require ASEAN to respond in politics and economics (Tay and Tijaja, 2017).

Some believe that ASEAN is unable to meet these new challenges, and predict that the group will fail or else fall apart unless its members agree to undertake radical changes that depart from the traditional ASEAN way. This essay sees that there are real dangers to unity, acceptability and effectiveness – constituent elements of 'centrality' – but believes that ASEAN can modify the ways it works to maintain and indeed re-vision 'leadership' in the region.

Within constraints of length, this essay will consider the conditions that allowed and indeed propelled ASEAN to take up a central leadership role, and how these conditions are now becoming changed, and quite radically. Secondly, it will consider how intra-ASEAN norms and practices must be modified and amended, consciously, so that the group can develop from the foundations laid and take next steps. Finally, this essay concludes by considering possible outcomes for ASEAN and collective leadership in the region – both the better possibilities that the right policies can achieve as well as the less optimal outcomes that can result from wrong-headed policies and inaction.

In brief, this essay argues that ASEAN can continue to be a central player in the region – despite these sweeping changes in the dynamics of major power rivalry and other issues – and that its norms can shift sufficiently to accommodate the continued ambition to take on that central role. However, the essay does not underestimate the challenges of undertaking these changes. The essay also argues that ASEAN must relook at the ways at the ways the group works with the middle powers of the region so that together, ASEAN and these middle powers can work together more closely and deeply to offer a collective leadership to the wider region in varying alliances on different issues and at different moments.

The Dynamics of ASEAN Centrality

The world is entering a dangerous phase. The United States (US)–China competition is not only about tariffs and trade in goods. There is longer term competition in economic growth, technology, innovation and for influence across the region and the globe. Many speak of the Thucydides trap, where a rising and current hegemon compete, and some strategic analysts do not rule out the possibility of direct conflict (Allison, 2018). Economically, strong growth in the US is ending a decade-long flood of easy money and emerging markets have to adjust. Impacts are already felt in larger but weaker emerging markets such as Turkey, Brazil, and Argentina.

China – now the world's second largest economy – is showing signs of both strength and weakness. Its strength shows in a more ambitious and some say assertive policy towards the world and the region. This leads many to fear not only China's actions in the South China Sea but even more the ambitions of its Belt and Road initiative to develop infrastructure to connect all the way to Europe (with much of it passing through ASEAN). Talk of China's economic slowing leads some to also be concerned that internal tensions and potential weakness will seek respite through external actions – that acting strongly abroad might shore up domestic constituencies or that building infrastructure abroad and flooding foreign markets with China's products might stave off economic problems.

At the same time, Japan has re-engaged the region under the Abe administration, which has shown a longevity and consistency greater than any Japanese government for more than a generation. India under premier Modi also promises an Act East policy, to go beyond the preceding administration's effort to 'Look East'. The India that is emerging, moreover, is not only an economic actor but one that has begun to consider political and security issues, and some Indian strategists have drawn attention to areas where the sub-continental giant has differences and arenas of competition with China.

For ASEAN, these challenges are not merely new. They are, in many ways, nearly a complete reversal of the conditions that provided the context for ASEAN to take on its role as a central actor in East Asia and the Asia-Pacific. As Table 1 sets out, these conditions included a confident and powerful US that was secure and anchored to its bilateral alliances with various Asian partners so that it looked on quite benignly on ASEAN efforts to create multilateral processes for the region. China, from the 1990s to the first decade of the 21st century, was also benign in dealings with ASEAN and more generally pursued a low-profile policy to bide its time. While there were always issues between them, the US and China managed their relationships in this period with a broad and deep recognition of their independence (He, 2018). For the rest of the major powers in this period, they were largely on the sidelines because of domestic issues.

In this relatively calm and benevolent period in the region, ASEAN – as a grouping of middle and smaller countries – proved to play a useful role and enjoyed the trust and acceptance of the major powers.

Table 1: External Factors Impacting ASEAN Leadership

	1990s to 2010	From 2010	
		Unfavorable to ASEAN	Benign or Favourable to ASEAN
US Policy in Asia	A confident, unilateral America	A self-serving and aggresive America (or conversely, a more isolationist America)	An engaged and multilateral America
China Policy in the near abroad	Peaceful rise of China	Assertive and rule challenging China	A responsible stakeholder China
China-US Relationship	Recognised interdependence	Regional and global competition for influence (or conversely, a G2 condominium)	A deepening interdependence, with recognition of roles and interests of others
Other Major Powers	The limited role of others - with Japan's period of no and slow growth and India's limited inclusion and activity in Asia	Resurgent Japan Focused on security role India and others in democratic alliance	Re-engaged Japan with Abenomics A non-exclusive Asian regionalism (SIIA, 2014a)

ASEAN = Association of Southeast Asian Nations; US = United States.

Source: Tay, 2017.

The external factors and conditions that allowed ASEAN to take on that role have now changed, and not for the better. What can ASEAN do to respond? This is especially as some expect ASEAN to more proactively manage the increasing tensions and competition in the region and head off conflicts.

ASEAN Standing and Norms

ASEAN and its member states are in a number of measures doing better than they once were. In the 1990s and into the 2000s, many in the region were still suffering after-effects of the Asian crisis of 1997–1998. Today, by contrast, ASEAN is outperforming global growth rates, and with a number of ASEAN Member States matching or even out-doing China in terms of the overall economic growth rate. The ASEAN Economic Community, moreover, promises a deeper integration by 2025, and this is expected to stimulate further growth and dynamism in the market of over 600 million (ASEAN Secretariat, 2016: 2).

Over the five plus decades of working together, ASEAN Member States have developed practices for their dialogue and cooperation that have been labelled, 'the ASEAN way'. The realities have shifted somewhat as the group grew in number and took on greater ambition to form a community. But the ASEAN way remains a handy shortcut to describe key norms and practices from many decades of working in a looser 'association'. These include decision-making based on consensus, a high degree of deference to national sensitivities, as marked in the principle of non-interference, and the creation of an ASEAN Secretariat that is modest not only in terms of its staff and finance, but also its powers of initiative and supervision (SIIA, 2014).

There are however emerging trends and imperatives that will push the ten member states towards new modes of interaction and leadership. One trend is ASEAN's internal goal of creating an ASEAN Community with economic integration, deeper cooperation on security and political issues and closer ties on socio-cultural issues. The second is the increasing competition in the wider Asia-Pacific for influence in ASEAN. The competition is not only between the US and China, but also Japan, India,

and others and concerns not only the South China Sea controversies but other issues such as investment. The third imperative is at the global level. New ways are needed to manage the global commons and there is a recognised need to bring in Asian and emerging economies. Yet ASEAN as a group has yet to consistently and significantly engage in such issues in the G20 climate change regime and at the UN.

The need of maintaining the time-tested ASEAN way and the challenge of evolving new practices and processes led to something of a compromise in the 2008 ASEAN Charter, where both are encapsulated. Table 2 above sets out the old and new, and suggests how these new emerging needs can lead to change.

In a number of cases, critics of the existing ASEAN way have proposed radical change. Looking at decision-making by consensus, for instance, some suggest that this be wholly replaced by voting (Lee, 2014). I do not in this chapter advocate such a proposal, and not only because of lack of political acceptability. Consensus has a merit, especially for smaller states, and should be a first recourse. As indicated in Table 2, I suggest instead a more modest evolution in the ASEAN way in the event consensus cannot be reached; this would be for ministers and leaders to use the flexibility of political decision making already allowed in the ASEAN Charter.

Similarly, there are some who suggest investing much more authority with the ASEAN Secretariat to speak for and even decide for the region (Nair, 2016; Tay and Guo, 2015). I agree that giving due consideration to regional interests is key to maintain ASEAN centrality and leadership. However, to me the logical next step (as summarised in Table 2) would be possible as a political elite develops in each ASEAN Member State that has a stronger and even instinctive regional perspective to balance with their national and sectoral viewpoints. This is already beginning as the integration of the region continues and there is a greater awareness of intra-ASEAN trade, investment and broader opportunities. More now recognise that each and every ASEAN member does better as part of the group, than on its own.

Table 2: Inter ASEAN Principles and Emerging Needs

	Evolution of ASEAN since Inception of Current ASEAN Community	Needs of an Emerging ASEAN Community
Economic Growth	Diverse from low to high; not well integrated but with plans for increasing connectivity	Increased connectivity and integration with well-spread, interdependent growth that outperforms other economies
Foreign Direct Investment	Negative competition and nervous nationalism	Win-win, interdependent value chain, and confident regionalism
Domestic Governance and Democracy	Diverse with stalled reform and complicated domestic politics	Linkage of AEC to domestic governance and the 'human face' of AEC in terms of sustainability and human issues such as equity, SMEs, and migrant workers Commitment and progress on reform and modernisation, especially in key countries
Foreign Policy	National interest with regional concerns to enhance sovereignty Norms of neutrality and peace ASEAN-5 coalition over Cambodian question Divided views of major power influences	Increasing recognition of regional interest while respecting the most sensitive national priorities Increased sharing of views about major power influences
Global Voice	G20 membership for Indonesia and attendance for ASEAN (and Singapore) Little coordination at UN and other multirateral forums	Shared views on key issues, increasing dialogue and coordination at G20 and other key forums
Policy Impelementation	Non-binding, political process with minimal monitoring	Ruled-based with reference to ASEAN Charter for monitoring and compliance (SIIA, 2014b)
Decision-making	Consensus and run by national governements	Flexible process supervised by leaders and ASEAN ministers with closer monitoring by ASEAN Secretariat or other appointed bodies (SIIA, 2014b)
Secretariat	Minimal budget and staff; few powers of initiative	Increasing budget and staff to sufficiently help deliver goals agreed by members (Tay and Guo, 2015)

AEC = ASEAN Economic Community; ASEAN = Association of Southeast Asian Nations;
SMEs = small and medium-sized enterprises.

Source: Tay, 2017.

With that, ASEAN Member State governments are better able to align national interests with regional interests, rather than holding the former always will trump over ASEAN's wider interests. This does not equate to altruism or the pooling of sovereignty, however, and ASEAN must continue respect that national sovereign interests. However, the diplomacy of give-and-take and compromise can underscore ASEAN consensus so that the sovereign right to say 'No' would be reserved only for situations when the most important national interests are at stake.

While at present, this sense of ASEAN regionalism may be relatively confined to an elite, we must recognise that it is often an enlightened elite who must lead such projects. Moreover, in the medium to longer term, this sensibility of ASEANness can grow amongst a broader cross-section of ASEAN societies. There can be policies that can encourage this, such as encouraging and enabling intra-ASEAN travel for tourism, education and work stays. The deepening economic integration, as outlined in the AEC 2025 strategic plan, will be a driver for the growth of ASEAN-wide experiences as goods, services and people move more between ASEAN Member States.

It follows from this that while some argue for the ASEAN Secretariat to be increased and strengthened in and of itself, mine is a more limited reform (as set out in Table 2): for ASEAN Member States to fund and authorise the Secretariat to deliver on goals set by the ASEAN Member States themselves.

In these ways, I believe that ASEAN does not need radical changes to the ASEAN way – which are, in any event, unlikely to be politically acceptable. I argue instead for what I hope are next steps that change processes in consonance with the intention of ASEAN Member States, to give effect to what they have agreed.

The Future(s) of Leadership for ASEAN and the Region

If ASEAN can make these changes, will they be enough? What are the best possible outcomes for ASEAN and collective leadership in the region? What are the worst or less optimal outcomes that can result from wrong-headed policies and inaction?

Much depends on what is expected, what we mean by ASEAN changing 'enough' to maintain leadership in the new dynamics that have been described.

Table 3 sets out a number of shifts that I believe ASEAN can and should make in offering to continue in its central role. The recommendations, I hope, balance the optimal response to the changing dynamics with what might be politically possible to prescribe.

For instance, in the East Asia Summit, where leaders convene, it would not be reasonable to expect that ASEAN can settle major power competition and conflict (Cook and Bisley, 2016). But I do believe it would be further and helpful step for ASEAN to more pro-actively set the relevant agenda and to help develop trust among the key players.

Thereafter, it is important for ASEAN to be united in its response to the policies and actions of different major powers to serve as what might be called a 'chorus of concern' as a normative community. In so doing, moreover, no ASEAN member state should be considered to be permanently on the side of one or another major power. Instead, the regional perspective and the norms of that regional community should be the guide to its perspective on that issue.

While ASEAN currently prefers a flexible and often quiet diplomacy, this must be augmented by a more visible and vocal championing of issues that matter to the region as a whole. ASEAN can aim to emerge as a community of norms that can influence the region and indeed the global

community. As this goes forward, ASEAN needs to develop a common perspective on global issues and speak up with an 'ASEAN global voice'. This is especially as the global order and rules-based system is under pressure and global and regional institutions like the WTO and APEC are impacted.

To this end, I believe that the role of the ASEAN Secretary-General can and should be reviewed. This is already of Ministerial rank and some have suggested that the position be given autonomy and initiative. There are others who believe that the ASEAN Member States should remain at the center of ASEAN decision-making and, as such, that the ASEAN Chair – despite rotating on a yearly basis – must remain the group's key spokesperson. A possible compromise would be to see the ASEAN Secretary-General assisting and working closely with the ASEAN chair. This could be on matters of quiet diplomacy or where ASEAN agrees that the group wishes to develop a global voice on some key issue. The Secretary-General could help ensure an ASEAN perspective and also help provide continuity on issues even as the ASEAN chairmanship shifts.

Even if ASEAN can do this, there are those who calculate leadership based on raw power equations who may not believe these will be enough. As such, notwithstanding the turbulence seen in the current Trump administration, some uphold hopes that the current US hegemony will continue into future decades and continue to engage and indeed dominate the region (Shambaugh, 2018). They may even support efforts to ensure those outcomes.

Others will see the rise of China and believe that the time is coming, if it is not already upon us, that we must all acknowledge Beijing as No.1. This perspective takes the same lens of power in looking at leadership, but differs only its calculation as whether it will be the US or China who will exercise power.

Table 3: The Nature of ASEAN Leadership: Present and Prospective

	ASEAN Leadership 2000s	ASEAN Leadership Future
Summitry	Convening	Agenda setting
Role(s)	Default trust and starting dialogues	Building trust and starting action
Role in Relation to Major Power Issues	Neutral, silent, or divided; flexible and quiet diplomacy	Maintaining flexibility and nonaligned but engage to evolve 'a chorus of concern'. Involve middle powers (India, ANZ, Korea)
Basis of Decisions	Political and economic interests in individual states	While maintaining flexibility, to become a 'community of norms'
Role of ASEAN Chair	Insufficiently defined and can fluctuate, depending on approach, resources, and interests of the chair for the year	Utilise 'troika' approach to harmonise 3-year plans; and rely more on Secretariat for Continuity and follow up
People in ASEAN	MFA-centric and focus on government	Specific issues that matter to people. Whole-of-government and national level involvement of people
Role of the ASEAN Secretary General	Covening Meetings	Working with the Foreign Minister of the ASEAN Chair to facilitate consensus making within ASEAN towards the establishment of a common voice

ANZ = Australia and New Zealand; ASEAN = Association of Southeast Asian Nations; MFA = Ministry of Foreign Affairs.

Source: Tay, 2017.

There are others however who may offer a different perspective about leadership, as I try to. This sees power in broader dimensions to recognise leadership that can work collectively, can develop norms and processes for dialogue, understanding and cooperation, and initiate communities of trust and lead initiatives towards regional integration. The goal of such a leadership is not for anyone to be the hegemonic power. The aim would instead be to move towards a multilateral and inclusive region. With such a goal, the role of ASEAN – as a grouping of medium-sized and smaller countries – has a normative logic that exemplifies such an multilateral and inclusive regionalism. Towards that goal, moreover, ASEAN would not be able to act alone but increasingly must find new ways to deepen its cooperation and collective action with the middle powers of the region – Japan, Republic of Korea, Australia, and New Zealand, and an emerging India.

ASEAN can continue to be a central player in the region – despite these sweeping changes in the dynamics of major power rivalry and other issues. While we cannot underestimate the challenges of undertaking change, ASEAN norms can shift sufficiently to accommodate the continued ambition to take on that central role. In this, ASEAN must relook at the ways at the ways the group works with the middle powers of the region so that together, ASEAN and these middle powers can work together more closely and deeply to offer a collective leadership to the wider region in varying alliances on different issues and at different moments. Only with a united but nimble diplomacy can ASEAN offer leadership that matters to itself and to the wider region.

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