

ASEAN, China's Rise and Geopolitical Stability in Asia

Fenna Egberink with Frans-Paul van der Putten

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I. Introduction^{*}

The great powers in Asia are in the process of redefining their strategic positions towards each other. The most important factor underlying this process of adjustment is the rapid rise of China as a major international actor. China is exceeding the status of a regional power and moving in the direction of being a global power. The three other main powers in Asia – the United States, Japan and India – are searching for ways to respond to this development, as are China's smaller neighbouring countries. Although there is no multilateral institution in place dealing directly with security issues in Asia, the Association of Southeast Asian Nations (ASEAN)¹ has often been

*) This paper is based on an unpublished research report by Fenna Egberink, 'ASEAN in Asia: The Stabilizing Influence of ASEAN in Asian Geopolitics' (The Hague: Clingendael Institute, 2010). Segments from this paper have been adapted and published in Fenna Egberink and Frans-Paul van der Putten, 'Introduction: What Is ASEAN's Relevance for Geopolitical Stability in Asia?' (2010a) and 'ASEAN and Strategic Rivalry among the Great Powers in Asia', both in *Journal of Contemporary Southeast Asian Affairs*, 2010/3 (2010b). The paper has benefited from the presentations made by Lee Jones, Alice Ba, Han Feng and Bernt Berger and the input from other participants at a seminar on ASEAN's geopolitical relevance that took place on 18 June 2010 at Clingendael Institute. The authors thank Evelyn Goh for granting an interview on the paper's overall theme in Oxford on 7 May 2010, and Lee Jones, Alica Ba, Maaike Okano-Heijmans, Ingrid d'Hooghe and Jan Melissen for their comments on a draft version of this paper.

1) The ASEAN member states are Indonesia (since 1967), Malaysia (1967), Thailand (1967), Singapore (1967), Philippines (1967), Brunei Darussalam (1984), Vietnam (1995), Myanmar/Burma (1997), Lao PDR (Laos) (1997), and Cambodia (1999).

credited with having a pacifying effect on the wider region because of its initiatives for greater regional cooperation through regional institution-building.² The two ASEAN-led multilateral initiatives that have been most relevant for security outside Southeast Asia itself – the ASEAN Regional Forum (ARF) and the ASEAN Plus Three (APT)³ – are thought to have facilitated and broadened diplomatic interaction among its respective members.⁴ The purpose of this Clingendael Paper is to explore the relevance of ASEAN for stability among the major powers in Asia.⁵

Changing Regional Dynamics

China's fast rise has caused shifts in its bilateral relations with the other main security actors in Asia, and is leading to a reinterpretation of the Asian balance of power and China's (emerging) role in it. In short, the geopolitical context in Asia is changing. The term 'geopolitical' is used in this paper to refer to the combination of geographic and political factors that influence international relations in a particular region. The most fundamental geopolitical relationship in Asia is the one between the United States, the region's strongest military actor, and China, the main potential rival to US leadership in the region. Changes in the US–China relationship are relevant to stability locally in any part of Asia, across the Asian region and even at the global level, and are shaped by Asian as well as global events. Among the various security issues in Asia that play a prominent role in Sino-American relations are the status of Taiwan and the South China Sea, the regional presence of US military forces, the growth of Chinese military capabilities and the North Korean nuclear issue. Both the United States and China are important partners for ASEAN, and the increased rivalry between them could place the Southeast Asian countries in an awkward situation between the two. The recently increased US involvement in the South China Sea dispute, in which several Southeast Asian countries and China are involved, is illustrative for this. In addition, with Sino-American relations 'going global', ASEAN's primarily Asian outreach means that its impact on issues that are relevant for this relationship is necessarily limited.

2) Beeson 2009, p. 56.

3) ASEAN plus Japan, China and South Korea.

4) Ba 2010.

5) In this paper, the term 'ASEAN' is used to refer to the collective actions of the organization's member states, regardless of whether these take place within a formal ASEAN framework. When referring to ASEAN in a narrow sense – that is, as an institution – the text will specify this. The term 'Asia' is used here to refer to South, Southeast and East Asia. The great powers in Asia on which this paper focuses are China, India, Japan and the United States.

The two other main bilateral relationships in Asia are those between China and Japan, and China and India.⁶ These relationships are relevant primarily to stability in the western Pacific Ocean and the Indian Ocean regions respectively.⁷ Major security issues in China's relationship with Japan include the territorial dispute over the East China Sea and the growth of military capabilities on both sides. In September and October 2010, a confrontation over a Chinese fishing boat captain who had been detained by the Japanese Coastguard made clear how intense Sino-Japanese maritime rivalry continues to be.

In the case of Sino-Indian relations, security issues likewise include territorial disputes (Arunachal Pradesh and Aksai Chin in particular) and the mutual expansion of military capabilities – in particular those relating to strategic positions in the Indian Ocean. Although India is often left out of the academic debate on ASEAN's role, since the focus is typically on *East Asia*, which ASEAN's focus has up until recently justified, it is becoming increasingly difficult to separate South Asia and East Asia in terms of security relations. The Indian Ocean – where India is a major actor – plays a role in strategic rivalry between China and Japan, as well as between China and the United States. India is also often regarded as an emerging global power in its own right and as a potential strategic partner of Japan and the United States and rival to China.

Questions

The main question in this paper is to which extent ASEAN has the potential to play a stabilizing role in great power relations in Asia. The emphasis is on a contribution by the Southeast Asian countries as a group (regardless of whether this occurs within the formal ASEAN framework) to address security issues involving the great powers. Three sub-questions will be focused upon in particular:

1. How do internal processes within ASEAN relate to its capacity to play a role in Asian geopolitics?
2. How do relations between China and ASEAN relate to ASEAN's capacity to play a role in Asian geopolitics?

6) On great power relations in Asia see also Goh 2008.

7) Although the United States and Japan have a long-standing security alliance, and there is – although to a limited degree – some strategic cooperation between India and the United States, it is necessary to assess Beijing's relations with Tokyo and Delhi in their own right rather than to regard them as a part of the Sino-American relationship. Both India and Japan are influential actors in their own sub-regions, and their security interests are not identical to those of the United States.

3. What is ASEAN's relevance for each of the three key bilateral relationships (China–US/China–Japan/China–India) in Asian geopolitics?

After discussing these issues in three separate sections, a concluding section will reflect on ASEAN's future potential as a contributor to geopolitical stability in Asia.

Debate on ASEAN's Regional Role

So far the main response of the Southeast Asian countries to China's rise has been to encourage the United States, Japan and India to remain involved in the region and to foster strong bilateral relations with China at the same time. The downside of this approach is that should China's relations with one or more of the other powers deteriorate, the neutrality and relative unity of Southeast Asia could be at risk. A conflict among the great powers would also affect the economic prosperity of Southeast Asian countries. It is therefore in ASEAN's direct interest to moderate relations between the region's great powers to its best abilities.⁸

In light of the shifting balance of power in Asia, ASEAN's role in Asia has been a topic of ongoing academic debate. Its success as a regional actor is directly linked to its merits as a Southeast Asian regional organization. Its accomplishment in terms of keeping overall peace is generally considered a key factor in providing it with the credibility required for assuming an external role in the region.⁹ An important part in improving general Southeast Asian dynamics and in reaching its 'one Southeast Asia' objective is often attributed to ASEAN's adherence to the principles of sovereignty, non-interference and territorial integrity.¹⁰ Scholars such as Acharya deem that ASEAN has in fact developed itself as a Deutschian security community¹¹ and consider the Southeast Asian project for a large part established.

8) ASEAN is often thought to have three assets in particular that enable it to play a (modest) geopolitical role. First, ASEAN takes up a neutral position towards the great powers (Chin 2007; Kraft 2000). Second, ASEAN is an international organization and as such can be considered an experienced institution-builder. And third, it provides norms for international behaviour that have a potentially 'civilizing' or 'pacifying' effect on the wider Asian region (Beeson 2009, p. 67).

9) Buszynski 1987; Haacke 2003; and Tan 2000. According to Lee Jones, this common perception is incorrect, as ASEAN members have in various instances in fact acted aggressively towards their non-ASEAN neighbours; see Lee Jones 2010a.

10) Acharya and Seng 2006; Haacke 2003; Katsumata 2003, Areethamsirikul 2007; Chin 2007; Severino 2004; Kraft 2000; and Narine 2008.

11) Deutsch *et al.* 1957.

Others counter by arguing that bilateral tensions are in fact alive and kicking, lingering underneath a surface of diplomatic interaction based on 'keeping face'.¹² Not only are there still potential Southeast Asian security risks to threaten peace in the region, according to critical onlookers its principles prevent the development of any degree of real regional integration. Michael Leifer, for instance, considers ASEAN's principle of non-interference to be diametrically opposed to mutual cooperation, since it serves only to protect national interests and is thus against improving regional cohesion.¹³ Khoo agrees that ASEAN has actually locked in its members in a 'vicious pattern of negative interaction',¹⁴ and whereas institutional reform is deemed necessary to retain its relevance and reach its objectives, the lack of internal cohesion prevents it from any substantial and credible efforts to this degree.¹⁵

Important for ASEAN is that its internal principles have a bearing on its external role as well. Although its non-committal ideology is considered to have contributed to its success in winning support from its regional partners,¹⁶ the question is whether they are not at the same time hampering these organizations' future, since they are run under ASEAN leadership and principles,¹⁷ as well as ASEAN's relevance to these organizations, since its lack of internal coherence prevents it from taking a firm common position (which goes for its bilateral relations as well).¹⁸

With a new Asian security order emerging, ASEAN is arguably facing an intrinsically different situation than during the early 1990s when it set up the ASEAN Regional Forum. A possible effect of increased great power rivalry may be that ASEAN's regional relevance will wither. There is a risk of regional institutions becoming mere instruments of great power rivalry. ASEAN's weight in bilateral relations could be marginalized further because of its regional partners becoming ever more assertive and military might becoming more prominent as a policy tool in relation to diplomacy. However, another scenario could be that increased great power rivalry would broaden ASEAN's options, since this prevents it from becoming obsolete, especially in the area of regional cooperation.

This paper argues that ASEAN's relevance in the region is under the threat of becoming marginalized because of a combination of increased volatility and militarization in the regional balance, combined with internal challenges. What remains is a default role, which is granted by its particular geographical position (that is, its strategic middle position between India and

12) Tan 2000; and Eng 2003.

13) Leifer, quoted in Nesadurai 2009, p. 97; see also Narine 2008.

14) Khoo 2000.

15) Simon 2008; Ganesan 2010; Kraft 2000; Freistein 2005; and Areethamsirikul 2007.

16) Tan 2000; Ba 2003; Cheng 2001; and Yong 1998.

17) Tan 2000.

18) Nem Singh 2008; Eng 2003; Areethamsirikul 2007; and Tan 2000.

China, and the importance of the South China Sea), because it remains the only actor suited to lead regional integration, and because it still manages to maintain Southeast Asian unity, at least in so far as not being divided by bilateral frictions and differing great power loyalties. It could indeed be argued that the importance of the first two factors have increased with the current power shifts, since geographical location has become more important and an increase in regional rivalry prevents any of the individual Asian countries from assuming a neutral position as ASEAN can.

II. Internal Factors and ASEAN's Role in Asian Geopolitics

The political systems of the Southeast Asian countries range from new and transitional democracies to closed military regimes. Economically, the region comprises some of the most open and prosperous economies in the world, as well as some of the least economically developed. ASEAN's creation did not bring an end to the multitude of intra-regional tensions, and its ability to speak with one voice has so far remained limited.¹⁹

The Association of Southeast Asian Nations was established on 8 August 1967 with the signing of the ASEAN Declaration by Thailand, the Philippines, Indonesia, Singapore and Malaysia.²⁰ The main rationale behind ASEAN's inception was to safeguard the countries' recently obtained sovereignty in a geopolitical environment that was characterized by Cold War divisions, including the threat of communist expansionism from their neighbour Vietnam. According to ASEAN's own statements, warranting the countries from outside interference was considered vital for their individual independence but also for the security/stability of the (sub-)region as a whole.²¹ This objective, in combination with efforts to take the pressure off

19) Chin 2007; and Narine 2008, pp. 414–418.

20) Severino 2004; Simon 2008; ASEAN 1967; and Chin 2007.

21) ASEAN's first main declaration was the 1971 ZOPFAN Declaration declaring ASEAN a Zone of Peace, Freedom and Neutrality, conveying the countries' need for recognition and desire to be warranted from 'interference by outside Powers'; see ASEAN 1971.

bilateral conflicts and to reintegrate post-*Konfrontasi* Indonesia with its neighbouring countries,²² occupied the organization's agenda for most of its pre-1990 existence.

After the end of the Cold War, however, changed circumstances demanded a rethinking of ASEAN's purpose. By the end of the decade ASEAN had enlarged to include its current ten member states, and had embarked on a process of institutional reform. Alongside these internal developments, the resolution of the Vietnam–Cambodia conflict and the relative waning of tensions among the ASEAN member states led to an increasingly regional 'Asian' focus.²³ ASEAN sought to redefine itself by expanding its stabilizing influence to the broader Asian region and positioning itself as a 'building block to wider regional architectures', initiating and leading the ARF, APT, and East Asia Summit (EAS).²⁴

Besides merits of its own doing, much of ASEAN's new position in the region was defined by the post-Cold War uncertainty that typified regional dynamics at that point. The clear-cut polarization that had characterized the regional order was gone and with a new global design in the making, Asia's new position was uncertain. Southeast Asia's regional position was then, and still is, highly dependent on regional dynamics, which in practice boils down to relations between the major powers.²⁵ Should relations among the major powers deteriorate, then the Southeast Asian countries could end up in an uncomfortable position wedged between antagonistic great powers. They could in that case be forced to choose sides, or to become the battlefield for proxy wars.²⁶ In light of the region's ongoing shifts, as in 1990, ASEAN's position and future have again become unclear.

Intra-Regional Challenges

Although bilateral frictions among ASEAN's member states have limited its (institutional) progress as a regional organization,²⁷ Southeast Asian stability

22) *Konfrontasi*, or the confrontation between Indonesia and Malaysia, was an undeclared war from 1962 to 1966 between Indonesia and Malaysia over the future of the island of Borneo. For more detailed information on this confrontation, see footnote 26.

23) Throughout this paper the term 'regional' refers to Asia or (when referring to regional cooperation) the Asia-Pacific (that is, East and Southeast Asia). When referring to the sub-region of Southeast Asia, a combination of the terms 'Southeast Asian' and 'internal' will be used. Only in specific instances when the context makes the meaning very obvious does the term 'regional cooperation' refer to intra-Southeast Asian cooperation.

24) Chin 2007; and Kraft 2000.

25) Tai 2008; Kraft 2000; and Ba 2003.

26) Ba 2003, p. 645; Limaye 2007; Simon 2008; and Cheng 2001.

27) ASEAN was established with the purpose of creating a framework for cooperation so as to reduce tensions among the countries, rather than being the product of already friendly

overall proved an overriding objective and provided the incentive to stick together for the benefit of regional order. During ASEAN's first major regional challenge, for instance, Vietnam's invasion of Cambodia in 1978, the ASEAN Five took a clear position in favour of Vietnam's withdrawal and against recognition of the Vietnamese-installed government, in spite of a difference of opinion among the member states.²⁸ Although the UN Security Council in the end provided the solution to end the conflict, ASEAN was given much diplomatic credit for its clear and united stance.²⁹ For many analysts, the resistance against Cambodia's occupation presents ASEAN's foremost diplomatic achievement to date and, as a result, expectations of the organization's future were high during the early 1990s.

The conflict had monopolized the organization's focus to such a degree, however, that 'after Cambodia' ASEAN's *raison d'être* seemed to be in doubt.

regional ties. The necessity for a framework for Southeast Asian cooperation was made evident by the regional fall-out of the Sabah dispute, which in 1963 led Indonesia to declare its foreign policy of *Konfrontasi* and was the cause of several diplomatic rows between Malaysia and the Philippines, also after ASEAN's inception. Although the mere willingness of Indonesia to join ASEAN as a founding member implied the end of the *Konfrontasi* period, plenty of bilateral discord remained to hamper ASEAN's further progress. Southeast Asia is especially marred by territorial and maritime disputes, ranging from border issues to disputed islands and maritime demarcations. Southeast Asian frictions have been causes for delay since ASEAN's inception. Although ASEAN was established in 1967, the first ASEAN summit did not take place until nine years later, in 1976. This summit was followed by another in 1977, after which a breakdown in Malay-Philippine relations and hesitations on the part of Indonesia caused the third summit to be delayed until 1987: see Chin 2007; and Narine 2008, pp. 414–415. For an overview of ASEAN summits, see online at <http://www.aseansec.org/20100.htm>.

- 28) Within ASEAN a stand-off existed between the countries advocating a hardline position *vis-à-vis* Vietnam and those favouring a more moderate position in believing that China (which supported the Khmer Rouge) presented a greater long-term threat. However, for the sake of being able to present a common position, the latter group caved in. Indonesia, in particular, succumbed to Thailand's and Singapore's preference for a hardline position towards Vietnam in an effort to defuse its *Konfrontasi* background and reassert its regional commitment, even though it believed China to be a much greater long-term threat than Vietnam and in fact regarded Vietnam as a potential future ally against China. This compromise is seen by many commentators as representative of the importance that ASEAN attaches to the 'regional cause': see Buszynski 1987, p. 769; Narine 2008, pp. 415–417; Haacke 2003; Khoo 2000; Nischalke 2000; and Tan 2000.
- 29) ASEAN (successfully) undertook extensive lobbying at the United Nations to block the Vietnamese- installed government from occupying Cambodia's UN seat, in effect denying it international legitimacy, and initiated the 1981 International Conference and the 1989 Paris International Conference on Cambodia, both of which in the end failed because of lack of commitment from the great powers, in particular China and the United States: see Haacke 2003, pp. 81–111; Khoman 1992; Khoo 2000; Narine 2008, pp. 415–417; Ganesan 2000; and Hussey 1991.

The improvements in intra-ASEAN cooperation and cohesion and its newly acquired international status were soon put to the test as ASEAN moved into the 1990s, where it was presented with several major challenges.³⁰

The first question was how to redefine the relationship between the original ASEAN members and their former adversary Vietnam. There were several drawbacks to a swift enlargement process, not in the least the economic state of the CLMV countries (Cambodia, Laos, Burma (Myanmar) and Vietnam), all of which were in dire need of economic reorganization in order to transform from under-developed state-led economies into competitive market economies. Politically, even ASEAN's tradition of non-interference did not entirely muffle worries about the domestic situation, especially in Burma, where suppression of oppositional politicians and common citizens alike had led to international disapproval and punitive measures since the late 1980s. In the end, however, the desire to unite Southeast Asia carried more weight than practical and tactical reasons against it.³¹ The ASEAN countries felt that – given the uncertainties of the post-Cold War era – the only thing worse than a divided ASEAN was a divided Southeast Asia.³²

Although these strategic considerations were very real given the situation, enlargement has in that sense not had the desired result. The increasing degree of familiarity, grown through years-long diplomatic exchanges among the five founding countries, was disrupted by the accession of the CLMV countries, as little diplomatic exchange had taken place previous to their membership. Moreover, the economic and political heterogeneity of ASEAN was significantly increased with enlargement and has proved hard to diminish. Efforts have been made to close the development gap,³³ but the newer

30) Narine 2008, pp. 419–421; and Haacke 2003, pp. 165–190.

31) Adding the remaining Southeast Asian countries to the grouping was seen as a chance to seize the economic opportunity of these countries, in addition to increasing ASEAN's room to act by representing the combined weight of the entire region. Especially in light of the changed regional balance after the end of the Cold War, it seemed strategically sound to be as large as possible sooner rather than later: see Nischalke 2000; and Kraft 2000.

32) This point was reiterated by Rodolpho Severino, ASEAN Secretary-General from 1998–2002, in an interview in March 2010 with one of the authors, when asked whether he thought Burma's accession has in hindsight been premature. It must also be taken into account that ASEAN's options to deter membership were limited, since, given the countries' sensitivity about possible infringements on member states' internal affairs, they were particularly wary of placing requirements upon membership for countries that had the stated right to become a member based on their geographical location. An underlying rationale was no doubt to avoid creating standards that they themselves could be asked to uphold one day.

33) The countries have, for instance, received more time to harmonize their economic policy with the requirements for the Asian Free-Trade Agreement (AFTA) as well as (financial and practical) assistance to smooth the transition to market economies.

member states still have a long way to go to catch up. In the meantime, the economic gap directly affects the ASEAN process, since member state contributions (and thus the ASEAN budget) are based on the lowest-common-denominator principle (that is, on the contribution of the poorest member state, which is currently Laos).³⁴

The newer member states have also complicated ASEAN's common position towards external partners, adding the strategic and historical preferences of an additional four countries to take into consideration. For instance, Burma's strong ties with, and Vietnam's traditional hostility towards, China have complicated ASEAN's already careful balancing act with its large neighbour. While the ASEAN countries had hoped that enlargement would have a positive effect on presenting a 'greater collective voice' in the Asia-Pacific region, it soon became apparent that this depends entirely on how intramural differences are handled and how the countries succeed in aligning strategic interests with regard to external powers.³⁵

Against the background of a tricky enlargement process, the outbreak of the Asian financial crisis in 1997 further complicated matters. What started out as an exchange-rate crisis in Thailand was soon exported to the rest of Southeast and much of East Asia, with the resulting dramatic devaluation of local currencies, soaring inflation, bankrupt banks, widespread increases in unemployment and poverty, and political repercussions in several countries, most notably Indonesia, where the crisis contributed to the fall of President Suharto in 1998. ASEAN's slow response to the crisis, its member states' preference for a national approach and their resistance against granting financial transparency, which was indispensable for assuming any oversight position, meant that ASEAN was effectively sidelined.³⁶

Besides showcasing the immaturity of the Southeast Asian economies in spite of rapid economic growth in the preceding years,³⁷ the Asian financial crisis also exposed the limits to ASEAN's 'diplomatic success'. Decades of economic growth, the unifying of Southeast Asia (which was nearly completed at the time of the crisis) and several successful and promising regional initiatives under the ASEAN umbrella had all given rise to high expectations. The organization had even been regarded by some as a role model for other developing regions. The failure to cope with the Asian financial crisis, however, did away with this promising picture in a heartbeat. By downplaying the crisis and keeping to the line of non-interference by resisting greater financial transparency, ASEAN was debilitated in its efforts to restore the region's economic prosperity. According to all accounts, the financial crisis

34) See Kraft 2000; Cheng 2001; and Freistein 2005. Lee Jones (2010b) estimates that ASEAN hosts some 700 meetings a year, with a support staff of 243.

35) Tan 2000; Kraft 2000; Freistein 2005; and Khoo 2000.

36) Freistein 2005; Khoo 2000; and Kraft 2000, p. 460.

37) Eng 2003.

dealt a serious blow to ASEAN's (international) credibility and until today serves as a symbol for the lack of cohesion within ASEAN.³⁸

The Asian financial crisis in that sense was telling for ASEAN's track record as a Southeast Asian organization. ASEAN leaders have shown a great deal of regional commitment, as witnessed in their attempts to draft common positions when there actually were none. They managed to mute bilateral conflicts to the degree that peace in Southeast Asia has largely been kept and have made sure that differences in great power loyalties have not resulted in a divided Southeast Asia. However, internal cohesion is still very weak because of the member states' great heterogeneity, bilateral tensions are plentiful and very much alive, and ASEAN's room to act is severely restricted by its limited institutionalization and self-imposed restraints in the way of protecting member states' sovereignty. The continued relevance of intra-ASEAN disputes and prevailing lack of trust among the individual countries casts doubts about ASEAN's potential as a Southeast Asian grouping and therefore also its future as the Asian actor.³⁹

Addressing Internal Limitations: ASEAN as Regional Actor

Besides its Southeast Asian undertakings, ASEAN has made several attempts over the past two decades to strengthen Southeast Asia's position in the wider Asian region. One process that already started in the 1990s was the inauguration of ASEAN as the core of regional (that is, 'Asian' or even 'Asian-Pacific') cooperation. After the Cold War the changed regional circumstances – doubts about the continuance of the US-provided security umbrella, the defeat of communism, the economic rise of China and the perceived economic threat of 'fortress Europe' – led Southeast Asian countries, as well as other Asian states, to recognize that a new approach to Asian security was indispensable. By taking the initiative in regional cooperation, ASEAN managed to fill the void that had been created in terms of managing regional relations, while at the same time defining its 'post-Cambodian' purpose and relevance.⁴⁰

The ASEAN Regional Forum was intended to become the region's prime security forum when it was established in 1994. But although in 2003 it was reaffirmed as the primary forum to enhance 'political and security cooperation in the Asia Pacific region as well as the pivot in building peace and stability in the region',⁴¹ it has from its early days suffered from many of the same obstacles that ASEAN itself had encountered, namely the tendency for

38) Freistein 2005; Khoo 2000; Narine 2008; and Ba 2003.

39) Freistein 2005; Khoo 2000; Ba 2003; Ganesan 2000; and Nesadurai 2009.

40) Nem Singh 2008.

41) ASEAN 2003.

member states to work around contentious issues rather than ‘letting those problems derail cooperation in other areas’, and noteworthy lack of binding frameworks.⁴² To increase its relevance in its immediate neighbourhood and to forge better ties with its main partners, in 1997 ASEAN initiated the ASEAN Plus Three (APT, with China, Japan and South Korea), and in 2005 the East Asia Summit (APT plus India, Australia and New Zealand). Although ASEAN has successfully obtained a regional posture through these organizations, apprehension with regard to its capabilities has not ceased. Although many regional partners respect ASEAN for its initiatives towards regional cooperation, ASEAN’s centrality does imply that its own internal difficulties reflect directly on its effectiveness as a regional leader, and on that of the organizations themselves. Regional efforts thus reflect ASEAN’s inhibitions rather than address them.

In recognition of this, ASEAN has attempted to reform its institutional basis in such a way that it supports increased cooperation and cohesion. Throughout ASEAN’s existence, its formal framework has always been loose enough to allow for ad hoc responses to internal and external events. The 2003 Second Declaration of ASEAN Concord outlined ASEAN’s new goal of creating an ASEAN Community that was based on three pillars – the ASEAN Economic Community, ASEAN Security Community and ASEAN Socio-Cultural Community – as well as providing for the drafting of an ASEAN Charter, which was signed in 2008.⁴³ It also upgraded the ASEAN Secretariat, and formulated more ambitious, less non-committal objectives.

Critics, however, emphasize that the main issues remain, as they lay in the areas of cohesion, willingness to cooperate and the congruence of strategic interests.⁴⁴ Although institutional reform may be a means by which to improve on these deficiencies by more or less *forging* increased cohesion, it is no solution as such, especially not in the case of ASEAN, where institutionalization is not naturally part of the culture of cooperation. For instance, although the 1976 Treaty of Amity and Cooperation (TAC) already included a provision for the establishment of a procedure for the ‘peaceful settlement of disputes’, such a body was never actually established. For occasional conflict mediation, bilateralism is still preferred to mediation at the ASEAN level.⁴⁵

Non-interference, together with the peaceful settlement of disputes, sovereign equality and quiet forms of diplomacy, forms the ‘ASEAN Way’: the ideological basis of ASEAN’s internal and external relations. This ideology was defined in one of ASEAN’s first formal treaties, the TAC, with very real and strategic considerations in mind. The combination of the necessity for

42) Narine 2008, p. 414.

43) Narine 2008; ASEAN 2007; and ASEAN 2003.

44) Simon 2008; and Ganesan 2010.

45) Tan 2000.

Southeast Asian cooperation and a multiplicity of (potential) bilateral disputes (not to mention a recent history of colonial suppression) made a mode of conduct to protect the ASEAN agenda from bilateral tensions while at the same time reassuring smaller/weaker member states that they would not be marginalized the ideal basis for a successful regional framework.⁴⁶ In addition to serving internal purposes, a coherent principled foundation was formed on the basis of which ASEAN could reject external meddling in ASEAN member states' internal affairs, hence serving as an 'external guarantee'.⁴⁷ Its historical merits then proven, the continued relevance and sustainability of these principles have in the past decade been called into question.⁴⁸

The Burma Issue

The movement towards universal human rights and an increasingly active (international) civil society, which characterized the 1990s, also affected the Southeast Asian countries. Criticism has been especially sharp with regard to the political regime in Burma, but has also been aimed at the other Southeast Asian states regarding, for instance, the lack of political rights and press freedom, and violations of human rights.⁴⁹ Global interdependence in general, and Southeast Asia's strong dependence on external powers in particular, have ensured that the countries could not remain aloof in face of these international pressures.⁵⁰ Especially when combined with ASEAN's experienced difficulties with safeguarding the region's economic well-being in 1997/1998, solving the East Timor crisis, and ASEAN's lack of influence on Burma's path to democracy (or at least stability), indeed triggered a 'growing

46) Chin 2007; Severino 2004; Kraft 2000; Katsumata 2003; Haacke 2003; and Narine 2008.

47) Simon 2008; and Severino 2008.

48) Severino 2004; Kraft 2000; and Katsumata 2003.

49) Haacke 2003, pp. 141–145; McCarthy 2009; Ganesan 2000; Ganesan 2006; Möller 1998; and Areethamsirikul 2007.

50) Not only is the region's external security largely guaranteed by external powers, the region is also dependent on international partners in terms of aid and trade. The European Union, United States and Japan are the region's main trade partners and main sources of foreign direct investment (FDI). Overseas development aid (ODA), which is some 20 per cent of FDI, is often allocated on the basis of diplomatic relations, which explains why – although much more developed – both Malaysia and the Philippines receive more ODA than does Burma, which is severely underdeveloped but does not foster strong relations with donor countries. Not only do diplomatic relations matter, security connections also make the difference: both Thailand and the Philippines have been well off since cooperating with the United States in the war against terror: see Areethamsirikul 2007.

regional consciousness that the internal and external security of the state have become increasingly interconnected'.⁵¹

Strong international pressure with regard to Burma's internal situation, as well as the fall-out of the internal chaos in neighbouring Thailand, ensured that this is where the first initiatives to change ASEAN's ways were born.⁵² Although the other ASEAN countries did not support Thailand's suggestion in 1998 to apply pressure on Burma to improve its internal situation (and with the consensus principle in place even Burma's vote alone would have been enough to block the proposal), there have since been some – largely symbolic – developments. The consensus requirement has been circumvented by instating an 'ASEAN minus X' principle, allowing member states to opt out of multilateral agreements with the option to join at a later stage.⁵³ A 'roadmap to reconciliation and democracy' was agreed by Burma and the other ASEAN countries in 2003. Although the roadmap offers little in the way of enforcement, it made ASEAN the (explicit) stakeholder in Burma's progress. As a result, in 2004/2005 Burma's failure to meet one of the requirements that was stipulated in the roadmap – the release of Aung San Suu Kyi – led to an unprecedented rebuff from several ASEAN countries.⁵⁴

51) Jones 2008, p. 735, cited from John Rawls, *The Law of Peoples* (Cambridge MA and London: Harvard University Press, 2002), p. 30. See also Khoo 2000; Kraft 2000; and Areethamsirikul 2007.

52) Areethamsirikul 2007; Freistein 2005; Katsumata 2003; Haacke 2003; Simon 2008; and Ganesan 2000, p. 44.

53) Narine 2008, p. 414.

54) After Aung San Suu Kyi was not released in spite of repeated promises that she would be, the other ASEAN countries felt that they lost face because of the Burmese regime's 'uncompromising attitude'. In the years to follow, Malaysia would openly press for the release of political prisoners and democratic reform during ASEAN summits, and other regional governments also expressed their frustration with the Yangon regime in the media. The Indonesian foreign minister stated that 'no country can claim that gross human rights violations are its own internal affairs'. The Singaporean foreign minister lamented that 'last year [2004] ASEAN countries took a firm position with the EU that Myanmar could not be excluded from the ASEAN-Europe Meeting in Hanoi. We stood our ground and succeeded, but subsequent developments in Yangon undermined our position'; quoted from *The Irrawaddy*, December 2005, in Areethamsirikul 2007. When ASEAN announced in 2005 that Burma had decided to relinquish its projected 2006 ASEAN chairmanship, the consensus among commentators was that in fact other ASEAN members had acted in congruence with international pressure and had pressured Burma to forfeit its turn to take the chair: see Simon 2008; Areethamsirikul 2007; Freistein 2005; and Ganesan 2006.

Non-Interference

The 2008 ASEAN Charter – meant as a ‘constitutional document embodying fundamental principles, goals, objectives and structures of ASEAN cooperation’ – reflects the internal ambivalence within ASEAN, simultaneously subscribing to the principle of non-interference and committing its members to the promotion of democracy, good governance and human rights.⁵⁵ Various member states – such as Thailand, Indonesia and the Philippines – have been moving towards a less strict interpretation of the principle of non-interference. But although they wish to be able to discipline Burma and to enhance their reputation as protectors of democracy, they also want to retain the option of invoking the non-interference norm when their own internal stability is at stake.⁵⁶ The stance of ASEAN members towards this principle varies by country and by issue.

Bilateral disputes, differences between (and dominance of) national interests and the resulting lack of internal cohesion are such that they seriously infringe on ASEAN’s capability as *the* regional actor.⁵⁷ One of the main results of the lack of internal harmony is the weakness of ASEAN as an institution. With scarce funding and ten disagreeing member states, the ASEAN Secretary-General is very limited in his/her role and thus cannot support community-building to any serious extent. Any efforts towards serious institutional reform need, first, to be supported by the member states, and, second, actually to be carried out by the member states. The intergovernmental character of ASEAN and especially the countries’ overwhelmingly national mind-set directly restrict its potential.⁵⁸ The overall continued adherence to ASEAN Way principles is a case in point. Even if it is recognized that the actions of certain member states encroach on the international legitimacy of the organization,⁵⁹ the volatile domestic situation in *all* ASEAN countries implies that protection of the right to non-interference remains crucial in order to avoid creating precedence that they themselves could one day face. Continued adherence to strict non-interference will, however, continue to impede on collective regional action, since it is primarily

55) It also recommends referring serious breaches or non-compliance to the ASEAN Summit, although shying away from including a non-compliance mechanism and granting monitoring authority to the secretariat (as proposed in the blueprint). Although voting is now possible for non-contentious issues, veto powers still remain on other issues and for all political matters, in effect allowing the countries to protect themselves against negative ASEAN statements. See Simon 2008; Jones 2008; ASEAN 2007; and Narine 2008.

56) The authors thank Lee Jones and Alice Ba for this observation.

57) Kraft 2000.

58) McCarthy 2009.

59) Simon 2008; and Areethamsirikul 2007.

designed to protect national interests (as defined by the ruling elite).⁶⁰ In a similar fashion, even though the weakness of ASEAN as an institution infringes on the countries' collective influence as a regional entity, it is still in their best *national* interest to keep ASEAN as an organization rather mute. Although formal institutional reform has now been agreed upon, the actual implementation of it depends entirely on the member states' willingness to comply.

These examples not only illustrate the continued relevance of internal disagreement, but also the change in ASEAN's external considerations. Whereas in its early days it was very clear where ASEAN's great power loyalties lay, that situation has changed drastically. China's rise to become the region's central power has meant a huge shift for ASEAN, which was at first unquestionably most closely linked to the United States. With neighbouring heavyweight China and its far-away security guarantor the United States taking such different positions, ASEAN's decision-making process has become rather more complicated. The situation in Burma is a perfect example of how Southeast Asian issues directly affect ASEAN's international reputation, and just as good an example of how ASEAN needs to juggle both the various preferences of regional partners and those of its own member states. In the case of Burma, ASEAN has obviously chosen to take the China route in taking a hands-off approach – one that admittedly is closer to most, yet not all, member states' preferences.

60) Nesadurai 2009.

III. China's Rise and Southeast Asia

As the emerging power in East Asia, China is the main driver behind the geopolitical reconfiguration that is taking place. Southeast Asia is one of the areas that is affected most directly by the rise of China.⁶¹ Furthermore, interaction between China and ASEAN 'will, to a great extent, affect the future and prospects of the entire [Asian] region'.⁶² Given the importance of China for Asia in general and for Southeast Asia in particular, ASEAN's relationship with China is crucial for its regional standing.

According to Alice Ba, '[i]n East Asia, few relationships have evolved as much as that between China and the Association of Southeast Asian Nations'.⁶³ The history of the relationship between China and the countries of Southeast Asia is marred by perceptions of China as a threat. In particular, Chinese support for local communist groups during the 1960s created distrust and frictions in China–Southeast Asian relations, especially in light of the countries' very recent independence at that time.⁶⁴ China's siding with ASEAN during Vietnam's occupation of Cambodia contributed to re-establishing relations with Thailand, Malaysia and the Philippines, but those between China and Brunei, Indonesia and Singapore were not restored until 1990–1991.⁶⁵

61) Ba 2003.

62) Ho Khai Leong 2001, p. 683.

63) Ba 2003, p. 622.

64) Ba 2003; and Severino 2008.

65) Cheng 1999.

The end of the Cold War was a pivotal marking point in China–ASEAN relations. The end of the Cold War and the 1989 Tiananmen Square incident and subsequent international sanctions forced China to embark on a policy reorientation that was more geared towards the East, with Southeast Asia as a major focus. Its policy of good neighbourliness was aimed at strengthening regional relations so as to surround itself with benevolent states, which would allow China to focus entirely on its much needed economic development.⁶⁶ Besides China's changed attitude, several external factors contributed to a parallel reorientation on the part of ASEAN. Particularly weighty in this respect was the United States' military withdrawal from its military bases in the Philippines in 1991–1992, rendering the future of US presence in the region uncertain, as well as the establishment of the North American Free-Trade Agreement (NAFTA) in 1994 and the European Union in 1993, creating concerns about the region's economic reliance on Western partners. These factors, plus the improvement of bilateral relations between China and Southeast Asian countries and the Chinese charm offensive, caused ASEAN to look towards the East and to invest in its relationship with China.

During the 1990s official relations between ASEAN and China increased in number each year. In 1991 China for the first time attended an ASEAN Ministerial Meeting as an observer and in 1996 it became a full dialogue partner. Besides these bilateral relations, China was a founding member of the ARF as well as the Asia–Europe Meeting (ASEM) and later ASEAN Plus Three and the East Asia Summit. Parallel to the APT meetings, ASEAN–China meetings were held (as part of the 'ASEAN Plus One' dialogues). Besides the multiplicity of annual meetings (now said to amount to some 30 meetings annually),⁶⁷ ASEAN and China undertook an ambitious economic cooperation project, which resulted in the ASEAN–China Free-Trade Area.⁶⁸

Security Issues

One major challenge in ASEAN–China relations had become the South China Sea issue. Although there are rivalling territorial claims among various ASEAN member states regarding the South China Sea, the main issue exists between China on the one hand and several Southeast Asian countries on the other. The Spratly Islands, which are believed to be located in oil- and gas-rich parts of the sea, are claimed by Vietnam, China, Brunei, Malaysia, the Philippines and Taiwan.⁶⁹ Another island group, the Paracel Islands, is

66) Ba 2003; Kuik 2005; and Cheng 1999.

67) Lee 2007.

68) Severino 2008; Xue 2009; and Kuik 2005. For a comprehensive overview and history of official ASEAN–China relations, see online at <http://www.aseansec.org/5874.htm>.

69) Ho Khai Leong 2001.

disputed by China, Vietnam and Taiwan. Over recent decades, Vietnam and the Philippines in particular have clashed with China over the South China Sea. ASEAN's apprehension towards China's policy led to the 1992 Declaration on the South China Sea, which emphasizes the 'need to resolve all [...] issues pertaining to the South China Sea by peaceful means'.⁷⁰ Despite this declaration, in 1995 the Philippines discovered new Chinese installations on Mischief Reef, which is claimed by both sides and situated well within what the Philippines regarded to be its Exclusive Economic Zone, thus creating a serious row between the two countries. Although this led to diplomatic tensions, the Mischief Reef incident did in the end provide impetus for China to come forwards with some conciliatory gestures, such as recognition of the UN Convention on the Law of the Sea (UNCLOS), the signing of bilateral accords with the Philippines and Malaysia about several islands, and, more generally, discussing the South China Sea in a multilateral context as opposed to bilaterally as it has traditionally insisted upon.⁷¹ In 1999 and 2000 Vietnam and China resolved their land border and Tonkin Gulf disputes, although nothing was agreed regarding the Spratly Islands.⁷²

With regard to the South China Sea dispute, all of the parties involved prefer a stable international environment and they therefore aim to avoid the use of violence.⁷³ The 2002 Declaration on the Conduct of Parties in the South China Sea (DoC) underwrites just that,⁷⁴ but the million dollar question for the Southeast Asian parties remains whether China can be relied upon to uphold its commitment of self-restraint. Its 1995 occupation of Mischief Reef was interpreted as an opportunistic move in light of the power vacuum left by the United States. It fuelled fears about China's expansionism and has made Southeast Asians wonder whether China's current restraint *vis-à-vis* the South China Sea will last as it grows stronger.⁷⁵ These lingering feelings of a 'China threat' are fed by China's desire to become a global power, by the increasing inequality between Southeast Asia and China in terms of international power now that the economic gap is closing, and by China's ongoing military expansion.⁷⁶ It is important to note that different

70) ASEAN 1992.

71) Severino 2008; Ba 2003; and Cheng 1999. It is important, however, that China until today is of the opinion that the South China Sea dispute need not be discussed on the ASEAN-level, but rather between China and the individual claimant countries. According to China's ambassador to ASEAN, ASEAN could be a facilitator to promote mutual trust, but it should not make itself a party to the dispute since it is effectively not; see Xue 2009.

72) Cheng 2001.

73) Ho Khai Leong 2001; and Cheng 1999.

74) ASEAN 2002.

75) Ba 2003; and Cheng 2001.

76) Ba 2003; and Ho Khai Leong 2001.

ASEAN countries have so far held different perceptions of China, which complicates ASEAN's common position towards it.⁷⁷

Economic Issues

These first attempts towards confidence-building on mainly political and security issues were bolstered by economic cooperation in the late 1990s. The Asian financial crisis in that sense was the litmus test for China's proclaimed commitment to the region; one that it passed with flying colours for the Southeast Asian countries. In 1997–1998 when the financial crisis hit Southeast Asia, China's economy was relatively untouched. In response to the region's distress, China provided financial assistance to Thailand and Indonesia, backed up the International Monetary Fund's (IMF) package and chose not to devalue the renminbi (which would have allowed China to take economic advantage of its neighbours' economic hardship). This latter move, in particular, proved to be extremely beneficial for China's relations with ASEAN, portraying China as a trustworthy partner in times of suffering, especially in comparison with the United States and Japan. On China's part, it seized the situation as a good opportunity for confidence-building (especially after Mischief Reef), a chance to counter US influence in the region and to ward off Taiwanese attempts to profile itself as the region's (economic) saviour, as well as recognizing the economic interdependence between China's economy and that of its neighbours.⁷⁸

In direct response to the Asian financial crisis, China proposed the establishment of the ASEAN–China Free-Trade Area (ACFTA), which came into force on 1 January 2010. The ACFTA serves important political goals, especially in terms of confidence-building, as well as solidifying and further increasing its influence in the region over that of the United States and boosting its regional leadership position.⁷⁹ However, ACFTA's primary

77) Ho Khai Leong 2001; Ganesan 2000; Long 2010; Severino 2008; and Buszynski 1987. Individual countries' perceptions are also influenced by the role of overseas Chinese. According to Cheng (1999), of all businesses listed, overseas Chinese own 81 per cent of the business of Thailand and Singapore; 73 per cent in Indonesia; 61 per cent in Malaysia and 50 per cent in the Philippines. Because of their economic success in many of these countries, resentment exists towards the often well-off Chinese.

78) Ba 2003; and Cheng 1999.

79) Confidence-building already started in the run-up to the FTA, when China granted the ASEAN countries an 'early harvest package', allowing them to access China's market before other World Trade Organization (WTO) countries, and agreed to grant special treatment to the Association's four new members (being also the four most underdeveloped), allowing them five additional years to catch up before having to open up their own markets (while in the meantime already enjoying access to China's market). See Kuik 2005; Xue 2009; Severino 2008; Narine 2008; and Ba 2003.

objective is to enhance all of the parties' economic development. ACFTA grants China access to the energy and raw materials of resource-endowed Southeast Asia, as well as providing an increased market for Chinese products within Southeast Asia. Moreover, the outsourcing of Chinese production to Southeast Asia allows Chinese producers to circumvent certain tariffs in markets elsewhere that apply to direct exports from China.⁸⁰ In 2009 China became ASEAN's main trading partner.⁸¹ For ASEAN countries, ACFTA offers access to China's market and an opportunity to cash in on China's increased wealth and consumer spending. According to Sheng Lijun, 'China's attractiveness to ASEAN still mainly lies in its booming market'.⁸² For both parties, ACFTA serves to diversify China's and Southeast Asia's trade away from the West, something that has been a priority since the establishment of common markets in Europe and North America, and that has gained further importance in light of the current economic downturn in (especially) Western economies.⁸³

In spite of the (potential) benefits of ACFTA, economic competition with China as well as the age-old fear of China seeking to expand its regional influence have been causes for some concern for the ASEAN countries. The Asian financial crisis brought an end to the region's decade-long unprecedented growth, which immediately fostered worries about losing economic leverage over China (in spite of its civil response). Fears of economic marginalization were fuelled by China's accession to the World Trade Organization (WTO) in 2001, which has intensified the redirecting of foreign direct investment (FDI) towards China. There have also been concerns on the part of several ASEAN countries that cheap Chinese products will flood their market and actually drown out both exports and domestic competitiveness.⁸⁴ This is compounded by fears of the potential hollowing-out effects – in terms of losing low-tariff access to major export markets – of China outsourcing its consumer goods' manufacturing.⁸⁵ The complementarity of these economies may increase with China becoming

80) The authors thank Lee Jones for pointing this out.

81) See 'ASEAN Top Ten Trade Partner Countries/Regions', available online at <http://www.aseansec.org/stat/Table20.pdf>; the data for 2009 were accessed on 30 July 2010.

82) Sheng 2009, p. 273.

83) Xue 2009; Kuik 2005; Narine 2008; and Simon 2008.

84) Ba 2003; Narine 2008; Ho Khai Leong 2001; Severino 2008; and Tai 2008. Concerns regarding the possible adverse effects of opening up the Southeast Asian markets to China have still not been seen. After the FTA came into effect in 2010, Indonesia sought to renegotiate the FTA, although in the end it resorted to holding 'special talks', since renegotiating the FTA's conditions would be too costly and need to involve all of the other ASEAN members. See Arti Ekawati, 'Indonesia Expected to Conclude ACFTA Renegotiation at China Meeting', *Jakarta Globe*, 2 April 2010; and 'Renegotiating ACFTA Too Costly, Says Indonesian Minister', *ASEAN Affairs*, 27 April 2010.

85) The authors thank Lee Jones for pointing this out.

richer and its population becoming more consumerist, and China could actually serve as an economic engine to feed Southeast Asia's lagging economies with increased Chinese investment and tourism. However, it is also possible that the Chinese and ASEAN economies continue to compete as exporters of labour-intensive products for some time to come.

Normative Issues

Apprehension about China's real intentions and whether ASEAN has actual influence over its powerful neighbour is somewhat alleviated by a base of shared norms for international relations. This relates especially to the issue of state sovereignty, even though the attitude of both China and ASEAN in this regard is gradually becoming more flexible. As mentioned earlier, Western criticism and sanctions after Tiananmen Square resulted in China reaching out to its like-minded neighbours, and the outreach went both ways. Whereas the United States and European Union applied pressure on ASEAN to take a more proactive (that is, critical) stance towards Burma, China cannot be anything but supportive of and respectful towards ASEAN's principled attitude of non-interference (to the frustration of those ASEAN countries that wish that China would apply some pressure on Burma). Similarly, neither ASEAN countries nor China appreciated the EU's pressure for Burma to abstain from participating in the 1997 ASEM.

More generally, the mode of conduct laid out in the TAC largely aligns with China's five principles of peaceful coexistence, which were outlined by Zhou Enlai in 1955. Their attitudes towards democracy and human rights are much alike, and China and ASEAN have in recent decades stood united against their Western counterparts in defence of 'Asian values'.⁸⁶

Besides having shared values, they also share strategic preferences. Both ASEAN and China strive for a multi-polar world that is free from Western hegemony, as well as regional stability. Cooperation between China and ASEAN, and in fact the rest of the region, is seen by both as contributing to reaching these objectives.⁸⁷

Shared values have contributed hugely to ASEAN's success in winning China's approval for, and commitment to, its regional efforts. Although historically favouring bilateral settings and even distrusting multilateral forums, in the 1990s China made a policy shift in favour of multilateral

86) Tan 2000; Ba 2003; Cheng 1999; and Cheng 2001. In 1997 Malaysia urged for a revision of the United Nations Declaration on Human Rights, claiming that these rights were not shared among all UN signatories. Its proposition was fully supported by Indonesia, the Philippines and China, and strongly opposed by the United States and the European Union. See Cheng 1999.

87) Cheng 1999; and Ba 2006.

cooperation. Its first step was to acknowledge ASEAN as its talking partner, as opposed to limiting itself to bilateral relations with individual Southeast Asian states. With China's only recent move towards multilateralism, ASEAN's 1994 proposal for the establishment of the ARF – which was to include the majority of players in the region – resulted in some uneasiness on the part of China, which had particular concerns about possible US domination in the ARF, was fearful of the South China Sea situation, and that Taiwan or Chinese military transparency would be on the agenda.⁸⁸ In spite of these concerns, however, China concluded that as security cooperation seemed to be an unstoppable trend, it would be better off joining the process and 'proactively shape the development of the mechanism from within'. '[N]on-participation [...] would only result in self-isolation' and might trigger suspicion in its Southeast Asian neighbours.⁸⁹ As a result of its positive experience in the ARF, China supported the establishment of the ASEAN Plus Three from its onset, without the ambiguity with which it had initially approached the ARF.⁹⁰

According to many scholars, China's policy shift in favour of Asian multilateralism was caused by two factors: the first being the 'ASEAN Way' rules of interaction; and the second factor being that with ASEAN in the driver's seat, China felt confident that it would not be turned into an anti-China forum.⁹¹ Because of ASEAN's centrality in the regional organizations, the values that China and ASEAN countries share in fact form the basis of these regional institutions. Its principles of consensual decision-making, informal diplomacy and non-interference make China feel comfortable about sitting around the table with ASEAN.⁹²

China's Strategic Interests

Whereas ASEAN's established mode of conduct swayed China into opening up for multilateral negotiations, it was strategic interests that induced China's increasingly active approach. First, ASEAN's objective to use the ARF to establish a balance of power between the major powers in Asia, by taking a neutral position, much suited China. According to Cheng, ASEAN's objective of preventing any powers from dominating the region 'is in line with China's strategic interests, since China does not have the capability and therefore the intention to become the predominant power in regional affairs'.⁹³ The ARF

88) Kuik 2005; Cheng 1999; and Foot 1998.

89) Kuik 2005, p. 106.

90) Kuik 2005; and Foot 1998.

91) Kuik 2005; Foot 1998; Cheng 1999; Yong 1998; and Narine 2008.

92) Ba 2006; Simon 2008; and Kuik 2005.

93) Cheng 1999.

and in particular the APT were therefore regarded as good venues for pushing for a favourable East Asian security order. Besides seeking to ensure stability around its borders, Asian cooperation is also regarded as an instrument for increasing the region's leverage *vis-à-vis* non-Asian parties and for supporting the move towards a multi-polar world.⁹⁴

Apart from supporting these objectives and regarding them as much aligned with its own strategic interests, China recognized that its own influence in the still-to-be-established regional order depended entirely on its contribution to these regional organizations. Participating in these regional forums gives China the opportunity to profile itself in a very controlled way (given the mode of conduct of the meetings), further its own foreign policy objectives (for instance, strengthening its position in the South China Sea and restraining US and Japanese influence in the region), make sure that certain issues are kept off the agenda, and control the development and orientation of these venues. As a peripheral objective, through its participation China has also increased its presence in Southeast Asia.⁹⁵

In the ARF, China has largely managed to safeguard its own foreign policy objectives. It has kept the Taiwan issue off the agenda and for the most part the South China Sea as well, apart from acknowledging on a few occasions the potentially peace-disturbing effects of the disputes and emphasizing the importance of refraining from the use of violence.⁹⁶ Beijing has resisted pressure towards greater military transparency, something that has over the years been very important to partners such as the United States and Japan. It is not in China's interest that these mechanisms develop the capacity to enforce certain rules or affect the policy options of individual states against their wishes. True to form, China has objected to the ARF's proposed phase III of 'conflict resolution' from the ARF's inception.⁹⁷ This said, China did host the ARF's Security Policy Conference in 2004 and it also signed the DoC, which could indicate that security issues are not as off limits to the degree that they were in the 1990s.⁹⁸

94) Kuik 2005; and Satoshi Amako, 'China as a 'Great Power' and East Asian Integration', *East Asia Forum*, 4 April 2010.

95) Foot 1998; Cheng 2001; Kuik 2005; and Ba 2006. Influence in Southeast Asia is deemed 'peripheral', in the sense that China's major strategic objectives lie elsewhere in the region, notably in East Asia.

96) When proposing the ARF, ASEAN in fact sought to reassure China about its agenda, by reasserting that Taiwan was a domestic issue (meaning that it did not issue any public response to military exercises and missile firings in 1995–1996), nor would it push for a South China Sea solution. See Yong 1998.

97) Foot 1998; Kuik 2005; and Yuzawa 2005.

98) Ba 2006.

ASEAN-China Relations

Although ASEAN has managed to draw China into an impressive framework of exchanges, both on bilateral and multilateral levels, the question is whether ASEAN's merits or China's strategic preferences were the deciding factor. China's commitment to regional cooperation, as well as its initiative for a free-trade area, seem much premised on its own strategic interests. China's major interests include its economic development, the situation in the South China Sea, and stability and the absence of other great powers in its periphery, whereas ASEAN's main security objectives are to stimulate the involvement of other great powers to counter-balance China's growing influence and to create stability in its periphery by playing a regional role. These objectives partly overlap and are in part conflicting, but the main long-term issue is the increasing inequality between China and Southeast Asia in terms of power. Whereas its high economic growth previously gave ASEAN some leverage over China, since the onset of the Asian financial crisis in 1997 its growth has slowed, whereas China's economy has steamed full speed ahead.

With its increasing economic marginalization and secondary geopolitical importance, ASEAN's major concern is its negotiating position towards China. ASEAN's regional position hinges on China's stated support for it, but this also means that the region's main security issues (Taiwan and the South China Sea) cannot be addressed on the multilateral level. Although tight relations with China are vital for ASEAN's regional aspirations, it is a challenge for them to avoid becoming constrained by China's strategy to contain the influence of other great powers in the region, and to further its own.⁹⁹ In other words, as one Asian scholar wondered, is there a danger that 'ASEAN would simply bandwagon on the ascending hegemon, China, without sufficient capability or willingness to 'constrain' Chinese behaviour when necessary'?¹⁰⁰ What, for instance, will happen with China's Southeast Asian orientation after, say, 2020, when China's economic and military capabilities are likely to have increased significantly and it has acquired the capabilities to move into the position of regional hegemon?¹⁰¹

That said, China's huge leap forwards over recent years has not affected its commitment to ASEAN or regional institutions, and its behaviour during the 1997–1998 Asian financial crisis, as well as its symbolic move of becoming the first extra-Southeast Asian party to accede to the Treaty of Amity and

99) Simon 2008.

100) Yong 1998, p. 104; and Long 2010. Andrew Scobell offers a concise overview of issues that could erupt during China's ascent to global power in Sumit Ganguly, Andrew Scobell and Joseph Chinyong Liow (eds), *The Routledge Handbook of Asian Security Studies* (London and New York: Routledge, 2010).

101) Cheng 1999.

Cooperation, should also be taken as a point of reference.¹⁰² Even though China's motives can perhaps be called into question, many agree that in fact ASEAN-China relations have enforced the regional standing of both. China supports ASEAN's attempts to create a balance of power in the region, while at the same time recognizing the opportunity to further its own strategic interests and position in the region. By initiating the ACFTA, for example, China has propelled the FTA process in the region into a higher gear.¹⁰³ On ASEAN's part, it is argued that 'by relying primarily on a strategy of 'balance of politics' instead of a balance of power, ASEAN has helped to moderate Beijing's assertiveness and to shape China's behaviour towards some compatibility with regional security'.¹⁰⁴ Simon argues that in fact 'ASEAN's engagement strategy coincides with Beijing's efforts to create a benign profile in Southeast Asia'.¹⁰⁵ Although ASEAN may merely play a 'default' role by providing a framework for cooperation that it alone happens to be positioned for, it is an important means for China to enjoy a stable environment and at the same time see its envisioned worldview promoted.

All in all, although China has so far strengthened ASEAN's regional role by offering it vital diplomatic support, this has in fact allowed Beijing to limit ASEAN's capacity to address any real regional issues. For the future of ASEAN's regional position, it is safe to assume that as long as ASEAN's centrality remains part of China's strategic interests, Beijing will continue its support. If ASEAN loses its relevance for China, however, it will have no instruments to prevent China from circumventing the ASEAN-led mechanisms. The upside for ASEAN is that its extensive and deeply rooted cooperative framework with China, as well as China's need to legitimize its role as the regional heart, do make it less likely that this will happen in the short, or even long, run.

102) Ba 2006; and Simon 2008.

103) Severino 2008; Yoshimatsu 2005; and Munakata 2006. According to Munakata, within a month of making public China's intent to propose a free-trade agreement with ASEAN, Japan and the United States took the first steps towards some kind of free-trade arrangement; see Munakata 2006, p. 9.

104) Yong 1998, p. 100.

105) Simon 2008.

IV. ASEAN and Relations Among the Great Powers

ASEAN and Sino-American Security Relations

Since the 1950s, relations between the United States and Southeast Asia have revolved predominantly around security issues. The sub-region occupied a central role in the Cold War, with its strategic sea lanes (the Strait of Malacca and South China Sea in particular) as well as its vicinity near China. As a result, the United States has long served as (non-communist) Southeast Asia's security guarantor.¹⁰⁶ The end of the Cold War, however, led to a change in regional dynamics. In the early 1990s, the communist threat was no longer of importance and the United States was reconsidering its overseas military deployments.¹⁰⁷ However, as it turned out, the strategic importance of Southeast Asia increased for the United States after the Cold War, mainly as a consequence of China's rise and, from 2001 onwards, the 'war on terror'.¹⁰⁸ An important consideration for the Americans was no doubt that the withdrawal of US security support for Southeast Asian countries would automatically increase China's influence in that part of the world.¹⁰⁹

106) Acharya and Seng 2006; and Long 2010.

107) Ganesan 2000; Yong 1998; and Ba 2003.

108) Acharya and Seng 2006; Limaye 2007; and Ba 2003.

109) Haacke 2003, p. 158.

For Southeast Asian countries the United States' contribution to Southeast Asian and Asian security is of vital importance. US involvement is seen as a counterweight to China and a potential stabilizer in certain tension areas, such as the Korean Peninsula and possibly even within Southeast Asia itself.¹¹⁰ Washington has military or defence arrangements with the majority of the ASEAN countries, many of them reinforced, since Southeast Asia was typecast as the 'second front' in the war on terror.¹¹¹

In spite of its significant economic and diplomatic presence in Southeast Asia, the United States has shunned away from developing strong relations with ASEAN as an organization. The main drawbacks of dealing with ASEAN from a US point of view are its lack of action-orientation, the *de facto* legitimization of Burma's regime and ASEAN's efforts towards an exclusively Asian form of regionalism. Until recently, the United States preferred to work through bilateral ties, which were seen by some as disrupting ASEAN-level cooperation.¹¹² Diplomatically, the United States has much to gain from acknowledging ASEAN as the representative of Southeast Asia, and in recognition of this the United States has as of late taken a more regional approach and institutionalized its cooperation with ASEAN.¹¹³ These recent developments in ASEAN-US relations, with the highlight being the first ASEAN-US summit at the end of 2009, have coincided with and followed on from the election of the United States' self-proclaimed 'first Pacific president'. In one of his most tone-setting early-office speeches, US President Barack Obama specifically mentioned the importance of multilateral organizations in the region.¹¹⁴ Although Obama's rhetoric was straightforward enough, in practice his term in office so far has been dominated by emergency situations

110) Yong 1998; Ganesan 2000; Haacke 2003; Ba 2003; and Limaye 2007.

111) Thailand and the Philippines are two of the United States' five treaty allies in the Asia-Pacific (with South Korea, Japan and Australia), and have been accorded Major Non-NATO Ally (AMNA) status. Singapore, although not a treaty ally, has strong defence ties with the United States and has been particularly proactive in keeping the US engaged in the region, in particular also to prevent Southeast Asian conflict. In recent years Vietnam and Indonesia have also been developing stronger defence links with the United States. See Ganesan 2000; Acharya and Seng 2006; Limaye 2007; Lee 2007; Joey Long, 'The 2010 US Quadrennial Defence Review: Implications for Southeast Asia', *RSIS Commentary* no. 19, 17 February 2010; and US Department of State, *Background Note: Thailand*, 9 June 2010.

112) Limaye estimates that 80 per cent of US trade is directed to maritime Southeast Asia and as much as 90 per cent of FDI. The reason for this unequal distribution is the strategic importance of the maritime countries for the United States, as well as the United States' relatively poor relations with the four newest ASEAN members. See Limaye 2007.

113) ASEAN Secretariat, 'US Signs Treaty of Amity and Cooperation (TAC)', press release, 22 July 2009; ASEAN Secretariat, '1st ASEAN-US Leaders' Meeting Underlines Important Role of ASEAN', 15 November 2009; and Limaye 2007.

114) Mike Allen, *Politico*, 13 November 2009; George F. Will, *Newsweek*, 21 November 2009; and Associated Press on NY Daily News, 14 November 2009.

in other regions (the Middle East specifically), as well as an array of domestic issues. During the initial phase of the Obama administration, Southeast Asia did not seem to be a priority area.¹¹⁵

In recent years, US strategic thinking on Asia has to a large degree been connected to the rise of China as a new great power. Although America's security commitment to Asia and its role as a counterweight to China is much welcomed by the ASEAN countries, ASEAN and China share important principles in their thinking about international relations, and China is both more active and more influential in the sphere of multilateral cooperation. On the contrary, ASEAN and the United States have clashed on human rights issues on many occasions, and although ASEAN appreciates the United States' contribution to regional stability, the moral advice that it comes with is not appreciated.¹¹⁶ The situation in Burma has been a particularly sour point in the relationship between ASEAN and the United States, with strong American advocacy against Burma's admission to ASEAN and continued criticism about both Burma's internal situation and ASEAN's dealing with its new member state.¹¹⁷ Beyond presenting a breach of its principle of non-interference, for the ASEAN countries it also signifies the United States' lack of sensitivity for the region's preference for quiet diplomacy.¹¹⁸ Moreover, the United States' perceived anti-Islamic stance since 9/11 has also been a sensitive issue in Southeast Asian countries with a large Muslim population.¹¹⁹

The US-led war on terror is said by some to have enhanced China's standing at the expense of American authority in the region, even though it has at the same time increased the United States' actual security and diplomatic involvement in the region.¹²⁰ According to John Lee, 'enthusiasm for America's re-engagement with Southeast Asia should not be mistaken for enthusiasm towards America's strategic agenda in the region'.¹²¹ Although both the United States and ASEAN have an interest in counter-balancing China, the United States may ultimately be less concerned about doing so at the cost of regional instability than ASEAN. Diverging strategic interests and the lack of a steady base of shared values have tempered American engagement with ASEAN. The United States does participate in the ARF,

115) Obama deferred his planned visit to Indonesia in June 2010 for the third time, this time because of the oil spill in the Gulf of Mexico. With Indonesia being the core power in Southeast Asia, critics have raised questions about the symbolical significance of postponing the visit for so long, and so often. See Bernard H. Gordon, 'Obama's Visit to Indonesia and Australia and the TPP', *East Asia Forum*, 30 May 2010; and Ernie Bower, 'You Can't Go Home Again: Third Strike for Obama's Indonesia Visit', *East Asia Forum*, 5 June 2010.

116) Ba 2003.

117) Ganesan 2000; Limaye 2007; Haacke 2003; and Lee 2007.

118) Haacke 2003.

119) Ba 2003; Narine 2008; and Lee 2007.

120) Narine 2008.

121) Lee 2007, p. 45.

but, as opposed to China, has yet to commit fully. It is a member of the ARF because it does not want to be absent from the region's most comprehensive security forum, but Washington's support for the ARF remains limited. Under the Bush administration this was symbolized by US Secretary of State Condoleezza Rice's absence at the annual ARF meetings in 2005 and 2007, but this has changed since then.¹²²

The American hesitance towards multilateral cooperation is understandable, as the United States has far more leverage at the bilateral level and it prefers to engage with selected partners that are influential regionally (for instance Indonesia, which the United States considers to be an increasingly important regional player). There is a remarkable contrast between the post-Second World War situation in Europe and that in post-Cold War Asia: whereas supporting European cooperation underpinned the US role in Europe, supporting Asian regionalism risks *undermining* US influence.¹²³ This fear of emerging East Asian regionalism excluding the United States was fuelled by increasing rhetoric in Asia of an 'Asian identity' in the period when the ARF was established, which threatened to challenge the United States' position in the region by creating an ideological rift between Asian and non-Asian players.¹²⁴ Another objection by the United States to Asian multilateralism, as it took shape during and following the 1990s, was the lack of an institutional basis and the emphasis on informal cooperation.¹²⁵

For the United States, there are several strategic downfalls to its limited support for Asian regional cooperation. ASEAN is very self-conscious about being acknowledged as a grouping, and China's collective approach is much more appreciated than the United States' tendency to focus more on bilateral relations.¹²⁶ Firmer support for ASEAN could have given Washington greater influence on the regionalization process, thus limiting China's options to use multilateral cooperation in ways that further diminish the United States' position in Asia. China's multilateral approach frequently overshadows the United States' bilateral approach.¹²⁷ Indeed, it is interesting to note that the US approach recently seems to be shifting towards a greater involvement in regional disputes and more support for regional-level multilateral mechanisms.

122) Cossa 2007.

123) Yong 1998.

124) Yong 1998; and Cheng 1999.

125) Limaye 2007; and Ganesan 2000.

126) Ba 2003. The United States and Japan, for instance, are engaged in FTA talks with ASEAN countries on a bilateral basis, whereas China has opted for an FTA with ASEAN as a whole, thereby confirming the grouping's 'value as collective entity'.

127) Lee 2007; Acharya and Seng 2006; and Eng 2003.

With regard to Southeast Asia's position in the China–US relationship, it is important to note that the respective ASEAN–US and ASEAN–China relationships are highly intertwined. To some degree, close relations between China and ASEAN undermine US influence in Southeast Asia, while conversely greater American engagement with ASEAN limits China's influence. In fact, for both major powers, limiting the other's influence in Southeast Asia is a major geostrategic interest. China's charm offensive in Southeast Asia during the past decade may partly have been a response to the United States' increased attention for, and presence in, the region after 9/11.¹²⁸ Beijing has been using multilateral channels to solidify its influence in Southeast Asia and promote an exclusive form of Asian regionalism. In recent years, it seemed that '[a] combination of US neglect and Chinese imagination is nudging states in the region towards China'.¹²⁹ Likewise, the latest moves by the United States to play a greater role in Asia are likely to be aimed first and foremost at countering the growing Chinese influence throughout Asia.¹³⁰ Indeed, since January 2010, the US government has taken a range of initiatives that point at a policy of both increased pressure on China as well as a firmer American engagement in Asia. These initiatives include new arms' sales to Taiwan, a meeting by US President Obama with the Dalai Lama, responding to the *Cheonan* incident with large-scale naval exercises in East Asian waters,¹³¹ US Secretary of State Hillary Clinton attending the 2010 ARF meeting in Hanoi and stating that the United States has an interest in solving the South China Sea disputes, a similar statement some months later by US Secretary of Defense Robert Gates at a Hanoi conference of Asian defence ministers, a visit by the aircraft carrier *USS George Washington* to Vietnam, and a joint communiqué after the Second ASEAN–US Summit calling for freedom of navigation in the South China Sea.

Sino-American dynamics are of great importance to the ASEAN countries, since they are dependent on good relations not only with, but also between, the two superpowers. If Sino-US relations were to deteriorate to a significant degree, ASEAN would have to choose sides. The impact would be highly negative: the Southeast Asian countries cannot afford to have bad relations with either China or the United States.¹³² China is the next-door economic giant, while the United States is still the world's superpower. In spite of what is at stake, however, ASEAN can do little to contribute to stable

128) Cheng 2001, p. 446; Ba 2003; Acharya and Seng 2006; and Lee 2007.

129) Lee 2007, p. 46.

130) Egberink 2010.

131) The *Cheonan*, a South Korean warship, was sunk by an explosion in March 2010. An international investigation team commissioned by the South Korean government concluded that the ship was sunk by a North Korean torpedo. North Korea, however, denied any involvement.

132) Ba 2003, p. 645; Limaye 2007; Simon 2008; and Cheng 2001.

relations between the United States and China. To begin with, ASEAN has no significant leverage at the bilateral level, as it is the minor partner in its relations with both China and the United States. Moreover, the possibilities are also very limited at the multilateral level. The United States and China are both members of the ARF, but this mechanism does not play a prominent role in Sino-US communication, which is primarily based on bilateral exchanges. In addition, the main security issue in Sino-US relations is Taiwan, which is outside the reach of the ARF.

Hence, although ASEAN plays a role in arguably ‘the most important strategic relationship in East Asia’,¹³³ this role is modest. Recent developments indicate that Southeast Asia – or at least the South China Sea – is itself increasingly becoming a security issue in Sino-US relations. In other words, Southeast Asia is becoming the object of great power rivalry, while at the same time ASEAN can do little to stabilize the wider Asian region.

ASEAN and Sino-Japanese Security Relations

Most Southeast Asian countries were occupied by Japan during the early 1940s. In the following decades, because of various reasons, a Japanese security role in Southeast Asia was not feasible.¹³⁴ Instead, concerns about Japanese economic colonialism emerged, as Japan’s manufacturing network expanded into Southeast Asia. After the end of the Cold War, however, Japan shifted its Southeast Asian focus from economic aid and investment to political engagement. Japan played an active role in brokering the Vietnamese withdrawal from Cambodia, contributed to the reconstruction of the Indochinese countries and maintained an active interest in maritime safety, especially in the Strait of Malacca.¹³⁵ Adversity against Japan as a political actor on the part of ASEAN countries has lessened over the years, and even minor Japanese military operations (for instance, under the UN banner) have been received quite well.¹³⁶

However, Japan’s position in the sub-region suffers from a persistent image problem. Even though Japan took the lead during the Asian financial crisis in providing financial assistance to Southeast Asia (providing the bulk of funds made available, both bilaterally and via IMF packages) and proposed the Asian Monetary Fund (AMF) to prevent future crises, it was China and

133) Yoshihide Soeya, ‘An East Asian Community and Japan–China Relations’, *AJISS Commentary*, 30 April 2010.

134) Yong 1998; Singh 2002; and Ganesan 2000.

135) Ganesan 2000, p. 33.

136) Singh 2002.

not Japan that was perceived as the hero of the day.¹³⁷ Officially, Japan was blamed for not embarking on banking reform or not giving enough attention to stimulus packages as opposed to aid, but more generally it seems that 'its political immobilism, as well as its perceived tendency to bow to US pressure or support US positions [...] considerably hurt its credibility in ASEAN'.¹³⁸ However, Japan is still keen to engage Southeast Asia to 'ensure that its economic and security interests are preserved'.¹³⁹ In an effort to maintain its presence in Southeast Asia in spite of its relative economic decline, Japan has moved beyond the economic sphere to cultural exchanges (a focus area since the 1970s), political engagement and regional efforts.¹⁴⁰

Japan has been very active in the area of regional cooperation since it first proposed Asian multilateral political dialogue in the early 1990s. This initiative was a true 'first', in that Japan traditionally regarded security largely in terms of the US–Japan alliance and its hub-and-spoke system, from which security relations with Asian counterparts (be they multi- or bilateral) were largely absent. A policy shift in favour of a multi-tiered approach, including different types of coordination among states on different levels, including bilateral and multilateral, precipitated Japan to being regarded as 'an ardent supporter of stronger multilateral security arrangements in the region'.¹⁴¹ The Asian financial crisis in particular is considered a turning point in Japan's engagement with ASEAN and East Asian regionalism in general.¹⁴² For Japan, China's increased assertiveness – economically, politically and in regional efforts – combined with the general lack of enthusiasm about Japan's role during the crisis from regional partners, has made it increasingly aware that it needs to reassert its continued relevance for the regional integration process.¹⁴³ In 2003 Japan launched an initial proposal for an East Asian Community, which culminated in 2009 in a more concrete proposal for a community based on the current East Asia Summit members.¹⁴⁴

Although Japan has generally been a supporter of Asian regionalism, it has a different take on regional arrangements than, for instance, do ASEAN and China. Japan is known for striving for a more geographically elaborate regional cooperation, and was the first to propose expansion of the APT arrangement to include India, Australia and New Zealand, which became the East Asia Summit, and later on to add the United States. Other Asian countries commonly interpret Japan's insistence to include extra-regional

137) Cheng 1999; Ba 2003; Singh 2002; and Yeo 2006. Japan provided approximately US\$ 30 billion compared to US\$ 4 billion from China.

138) Ba 2003, p. 636.

139) Long 2010, p. 231.

140) Singh 2002.

141) Yuzawa 2005, p. 464.

142) Yeo 2006.

143) Aslam 2009.

144) Yeo 2006; and Ganesan 2000.

powers as an attempt to check the rising influence of China and to accommodate the United States.¹⁴⁵ Besides seeking a more inclusive form of regionalism, it also – together with, for example, Australia – promotes a more institutionalized and action-oriented framework, which is modelled on the Organization for Economic Cooperation and Development (OECD). Although Japan was at first very committed to the ARF, the Forum's track record during the 1990s tempered Tokyo's optimism with regard to the ARF's ability to safeguard the regional security order.¹⁴⁶ While Japan remains committed to regional cooperation, as is evidenced by its proposal for the East Asian Community, the current frameworks in place have not met its expectations and as such bilateral security deals – in particular the US–Japan alliance – appear a safer and more functional bet for the short term.¹⁴⁷ In sum, although as a strong promoter of multilateralism it was at first aligned with ASEAN's regional initiatives, in recent years Japan has found itself opposing ASEAN and China regarding the shape of future Asia–Pacific cooperation.

As in the case of the United States and China, there has been significant regional rivalry between Japan and China. Economically, Japan's leadership position is challenged by China's economic rise.¹⁴⁸ In addition to economic competition, much of Sino-Japanese rivalry concerns their respective bids for a leading role in regional cooperation. A factor complicating the leadership question for Japan is its security pact with the United States, which greatly determines Japan's regional composure. Japan's commitment to, and reliance on, this pact was so large at first that, in the words of a former Japanese foreign minister, it tended to put 'US first, Asia second'.¹⁴⁹ In fact, it was American opposition to, for instance, the Asian Monetary Fund and the East Asia Economic Grouping that made Japan withdraw its support for these initiatives. The US–Japan alliance recently celebrated its fiftieth anniversary and although it has been through a rough patch recently, the alliance is still firmly supported by both partners.¹⁵⁰ Japan's continued dedication to its strong connection with the United States presents an obstacle to Japan's closer integration into Asia, because the alliance is often seen as 'less Asian', with China portrayed as the quintessential 'Asian' partner. This perception is fed by Japan's attempts to include extra-regional powers in regional institutions on the one hand, and China's preferences for limited and informal regionalism on the other.¹⁵¹ According to one (non-Japanese) commentator about the East Asia Forum, 'Japanese self-interest demands that it recognizes

145) Aslam 2009; and Ba 2003.

146) Yuzawa 2005.

147) Aslam 2009; Yuzawa 2005; and Ashizawa 2003.

148) Ba 2003; and Singh 2002.

149) Quoted in Yeo 2006.

150) Munakata 2006; Yoshimatsu 2005; Aslam 2009; Ganesan 2000; and Ba 2003.

151) Tai 2008.

the prevailing power shift in international relations, gives less weight to the Japan–US alliance, and simultaneously strengthens its relationship with China'.¹⁵²

The rivalry between China and Japan has several implications for the regional integration process, as currently facilitated by ASEAN. First, in this standoff ASEAN is generally aligned with China in its preference for informal regionalism. ASEAN values an inclusive regionalism with extra-regional actors, but only under the condition that it will not lose its regional centrality (which, for instance, could happen because of many non-Asian states' preference for a more concrete form of cooperation, which ASEAN, with China, opposes). Hence, although ASEAN prefers to 'achieve equilibrium' in its relations with China and Japan, in line with its desired position as the regional balancer, it cannot ignore feeling that China is closer in terms of regional priorities than is Japan.

Second, their rivalry for Asian leadership has stimulated China and Japan to take the lead in regional cooperation, which 'has worked as a spiral motor to stir the cooperation process'.¹⁵³ That said, the 'perceived limitations and problems of Japanese regional leadership' have opened 'the door to possible Chinese regional leadership'.¹⁵⁴ In addition, although rivalry may have provided extra momentum for the commitment to, and initiative for, regional cooperation, this momentum is in essence generated by the mutual distrust between Japan and China (and other countries in the region, not in the least the ASEAN states). In the longer term, this could prove to be the most serious obstacle for successful regional integration.¹⁵⁵

For ASEAN, strains in Sino-Japanese relations in the 1990s offered an opportunity to 'drive' the process of regional cooperation.¹⁵⁶ By winning both China's and Japan's commitment for its regional endeavours, ASEAN was given the opportunity to provide informal advice on how to improve bilateral relations, as well as offering a neutral venue for these first exchanges in the ARF, ASEM, APT and EAS.¹⁵⁷ It does indeed appear likely that their cooperation in the APT, but also in the ARF, has been taken by both China and Japan as an opportunity to improve bilateral relations. An indication that this process has been regarded as useful by both sides is that since 1999 they have been holding trilateral meetings (such as with South Korea) on the sidelines of APT meetings. In 2008 these meetings were taken outside the

152) John Hemmings, 'Three Interpretations of the US–Japanese–Chinese Security Triangle', *East Asia Forum*, 1 May 2010.

153) Yoshimatsu 2005, p. 228.

154) Ba 2003, p. 636; and Aslam 2009.

155) Munakata 2006, p. 33.

156) Yeo 2006.

157) Cheng 1999.

APT framework altogether.¹⁵⁸ It is, however, impossible to establish to what degree ASEAN has contributed to a stabilization of Sino-Japanese relations that would not have occurred without its involvement.

Although ASEAN has thus had an impact on the way in which Japan and China interact,¹⁵⁹ it is difficult to assess to what extent this has affected the main security issues that exist between these two countries. Both with regard to the territorial dispute in the East China Sea and the military build-up on both sides, two observations are important. First, there has been no ASEAN initiative aimed directly at either of these two issues. Second, there are no indications that the relevant policies of either Japan or China are significantly influenced by considerations related to ASEAN. During the September 2010 incident when Japan detained a Chinese fishing boat captain and China demanded his release, which was related to the dispute over the Senkaku/Diaoyu Islands, ASEAN appears to have played no role. The main contributions by ASEAN so far, then, seem to be: (1) having facilitated closer interaction between China and Japan on a general level; and (2) having developed into an explicit and visible ‘audience’ for the security policies of the two East Asian powers.¹⁶⁰ As such, ASEAN has a certain potential to legitimize or delegitimize Japanese and Chinese security policies towards each other. In other words, ASEAN’s existence constitutes an extra reason for Japan and China to refrain from aggressive behaviour.

A further question is how ASEAN’s relevance to Sino-Japanese relations will develop in the future. The standoff between China and Japan regarding the direction of multilateral cooperation is not only preventing regional cooperation from going forwards, it is also affecting ASEAN’s ability to take a neutral position between the two. ASEAN’s preferred way of shaping regional cooperation is much closer to China’s (although China does tend to restrict the agenda) and its desire to maintain its central position is so strong that it now finds itself in a position where it is not impartial to the different proposals for regional frameworks that have been floated. In addition to the effective loss of its neutrality, the trilateral meetings that are now being held independently by China, South Korea and Japan – that is, without ASEAN but also separate from ASEAN-led meetings – may indicate that ASEAN’s (potential) role as a moderator between Japan and China is largely over. The regional integration process seems stalled for the time being, and even if it picks up again it would not necessarily be under ASEAN’s leadership.

ASEAN is still an important part of the diplomatic game between China and Japan. Because of good relations between the Southeast Asian countries

158) Kuik 2005; Yuzawa 2005; Yoshimatsu 2005; and Yoshinori Katori, ‘ASEAN: An Indispensable Partner for Japan’, speech given at the Institute for Southeast Studies (ISEAS), Singapore, 1 July 2009.

159) Ba 2010.

160) Interview by one of the authors with Evelyn Goh, May 2010.

and China, it is in Japan's interest to stay on a good footing with the grouping and in fact to strengthen ASEAN as an organization.¹⁶¹ ASEAN remains a major facilitator of regional integration, in which Japan wishes to be actively involved. Especially now that Japan's leadership is being challenged by China, keeping in tune with ASEAN is more important than ever. Compared to its relationship with the United States, ASEAN has somewhat greater leverage in relation to Japan.

ASEAN and Sino-Indian Security Relations

During the Cold War, India paid relatively little attention to Southeast Asia. The direct motivations for its 1992 'Look East' policy were the changing international dynamics after the end of the Cold War as well as India's 1991 payments' crisis, which induced it to try and join the Asian growth miracle and to embrace globalization. Since then, India's economic relations with East and Southeast Asia have grown significantly. Asian countries have become India's greatest trading partners and relations with the regional powers have intensified greatly.¹⁶² However, compared with China, India is less influential in Southeast Asia, and the interaction between ASEAN and India remains relatively limited.

India's economic growth, its sheer size and its emerging political interest precipitate a potentially major role in Asian affairs. However, beyond South Asia, India has not yet been asserting its weight. Still trailing behind China's economic development, India's economic size has yet to translate into political leverage and it takes a marginal position next to the more boisterous rise of China.¹⁶³ In the future, however, the Sino-Indian relationship could become the 'key element of the incipient balance of power system in Asia'.¹⁶⁴

India and China have for a long time fostered antagonistic relations. At the core of these are territorial disagreements, China's alliance with Pakistan and the significant military expansion on both sides. Some 4,000 kilometres of the Indo-Chinese border – in Aksai Chin and Arunachal Pradesh – is disputed. There has been very little progress in solving this, and since unrest in ethnically Tibetan areas broke out in 2008, China has reinvigorated its claim to Arunachal Pradesh. China's assertiveness is not defused by India's increasingly firm position towards China, and in recent years both have increased their military presence on the border. This is, in fact, part of a general process of military build-up by both countries, during which both

161) Yeo 2006.

162) Amitendu Palit, 'India should Continue to Look East', *East Asia Forum*, 22 April 2010; and Mohan 2008.

163) Sandy Gordon, 'India "Looks East" as History', *East Asia Forum*, 17 July 2010.

164) Mohan 2008.

have been transforming their traditionally defensive military doctrines into more proactive principles. With both sides conducting naval missions in the Indian Ocean, the chances of military encounters are gradually growing.¹⁶⁵

China and India have recognized the importance of developing more 'constructive' relations, in particular in light of their growing economic interdependence. That said, two rising superpowers in one region inevitably means competition, and China and India have been engaged in a game of rivalry in, for instance, securing natural resources and maritime expansion.¹⁶⁶ Commentators suspect that the rivalry will most likely increase in the current economic downturn. It has already manifested itself on the international scene, when China opted to block an Asian Development Bank loan to India that would be used in part to develop Arunachal Pradesh. On the other hand, current uncertainty about the region's future composition also creates opportunities for India and China to realign their respective regional positions.¹⁶⁷

Since the start of India's 'Look East' policy, economic ties with Southeast Asia have intensified.¹⁶⁸ India's current rate of economic growth provides much scope for further economic cooperation – provided that there will be a sufficient degree of complementarity between the Indian and Southeast Asian economies – and in January 2010 a free-trade area for trade in goods between India and ASEAN became operational.¹⁶⁹ If India becomes one of the world's largest economies in line with general expectations, ASEAN has a strong interest in embedding it in its regional strategy.¹⁷⁰ For its part, if India is to continue its rise as a great power, it will have a growing interest in being recognized by its Southeast Asian neighbours as a responsible and legitimate actor. More than is currently the case, India will feel a need to engage with ASEAN and regional institutions in a similar way to that of the other great powers.

Political and security relations between ASEAN and India are as yet little developed. India is in many areas the natural counterweight to China and Southeast Asia occupies a (geographically) central position between the countries. Southeast Asia is the entry point for Chinese shipping into the Indian Ocean, and Indian shipping into the western Pacific. In this regard, and given the growing degree of maritime rivalry between India and China, Southeast Asia is potentially one of the regional focus points of strategic considerations of the two great powers towards each other. India has in recent years signed defence cooperation agreements with several ASEAN countries,

165) Mohan 2008; and Bajpee 2010.

166) Mohan 2008; Garver 2010; Long 2010; and Bajpee 2010.

167) Bajpee 2010.

168) Long 2010; Gordon, 'India "Looks East" as History'.

169) See online at <http://www.aseansec.org/5738.htm>, accessed on 15 October 2010.

170) Mohan 2008.

and has become increasingly interested in security multilateralism. With ASEAN's centrality in regional initiatives, ASEAN is partly in a position to determine which role India will play in future regional efforts.¹⁷¹

In spite of the promising prospects for ASEAN-India relations, it remains to be seen which role ASEAN can play in Sino-Indian security relations. India has been a member of the ARF since 1996, but is not a very proactive player in Asian multilateral frameworks. The exclusion of major regional security issues from these forums also prevents them from directly dealing with, for instance, China-India border issues or the mutual military build-up. So here, too, ASEAN's role is limited to offering a platform for communication as well as to providing legitimacy for India's great power role. Unlike Sino-Japanese relations in the 1990s, the Sino-Indian relationship might already be developed enough not to need additional ASEAN-led channels of communication. But, just as in the cases of China's relations with the United States and Japan, strategic rivalry in Southeast Asia itself is likely play an increasingly important role in the geopolitical relationship between India and China.

171) Faisol Keling, Shuib and Ajis 2009; Tai 2008.

V. Conclusions

In order to strengthen stability in the broader region – and at the same time to guarantee the continued relevance of ASEAN – the Southeast Asians have created several frameworks for regional cooperation, thereby serving as a ‘catalyst of Asian regionalism’.¹⁷² By getting regional partners around the table and promoting the use of diplomacy as opposed to force, ASEAN has contributed to more stable regional dynamics, especially in the case of the Sino-Japanese relationship.¹⁷³ At the most basic level, ASEAN’s mere existence has been an important factor, in the sense that it has allowed the Southeast Asian countries to act collectively and has limited the scope for great power competition within Southeast Asia.¹⁷⁴ However, its prospects for a more active stabilizing role are limited. ASEAN has made some achievements by using its ‘weakness as strength’,¹⁷⁵ but its position in the region will remain heavily dependent on external dynamics over which it has no influence. Its relevance is supported by a certain, yet not too large, degree of rivalry between the great powers. At the same time, ASEAN’s room to act will continue to be limited by inequality in terms of power between ASEAN and the major actors, as well as by the fact that ASEAN is unable to address in the regional

172) Joseph Camilleri, cited in Yeo 2006.

173) Tai 2008; and Narine 2008, p. 412.

174) According to Mark Beeson, ‘While the sceptics are right to point to ASEAN’s limited record of achievement, the very existence of ASEAN has socialized its members into patterns that are unlikely to have come about otherwise’; see Beeson 2007, p. 10.

175) Rössler 2009.

institutions most of the main security concerns that exist among the major powers.

Of the three main geopolitical relationships, it is the one between China and Japan that is most likely to benefit – however limited this effect may be – from ASEAN's stabilizing role. Both the US–China and the India–China relationships develop mainly outside the scope of ASEAN-led initiatives such as the ARF and the APT. To an important degree this is also true for Japan–China relations, but for China as well as Japan the ASEAN initiatives are an important addition to regular bilateral exchanges through their participation in the APT. In addition, part of Sino-Japanese competition focuses precisely on their respective positions in the regional integration process.

It seems unlikely that ASEAN can contribute to the stabilization of specific security issues outside of Southeast Asia. Neither China nor the other three main powers are interested in involving third actors in the various territorial and military matters that cause tensions between them. This also applies in the case of Sino-Japanese relations. The only exception is the South China Sea controversy, because it relates to the maritime boundary between Southeast and East Asia. In this issue, various Southeast Asian countries are themselves involved, as are China, the United States and – indirectly – Japan. It is therefore a problem that exists both between several great powers, and between China and some of the Southeast Asian countries.

This dual nature of the issue carries two implications. The first is that the Southeast Asians themselves run a risk of becoming entangled in great power rivalry, by becoming proxies for either China or for other major powers that wish to avert Chinese domination of the South China Sea.¹⁷⁶ The other implication is that even if no Southeast Asian country has territorial claims in the South China Sea, ASEAN would still be directly involved simply because of the geography. Having unrestricted access to the South China Sea is of vital importance to all of East Asia's major powers, and as a result Beijing's claim that most of this sea is a part of China creates frictions with the United States and Japan, and increasingly also with India. Consequently, although the current territorial dispute is in itself already a serious security problem, the more fundamental issue is to what extent Southeast Asia itself will be contested between the leading powers.

This points at what ASEAN's most important 'asset' is when it comes to influencing geopolitical stability in the coming years, namely the desire on the part of the great powers to have economic and logistical access to Southeast Asia, and to prevent rivals from gaining too much of an advantage in these regards. In other words, Southeast Asia is increasingly a potential theatre for, and object of, geopolitical rivalry. In addition to this, ASEAN has a certain legitimizing capacity that is also important. The major powers have an interest in legitimizing their regional policies by being seen to adhere to norms that are

176) Egberink 2010.

promoted by ASEAN. This is partly the result of the appeal of these norms themselves – certainly for Asian countries since these values are being promoted as connoting ‘Asian values’ – and of the multilateral space that ASEAN has created. But to a perhaps greater extent, this is the result of the great powers’ strategic interest in having influence in Southeast Asia. As geopolitical rivalry between China on the one hand and Japan, India and the United States on the other hand is increasing, their focus will be more than ever on Southeast Asia, since this is where many of their interests come head to head.

ASEAN’s major geopolitical contribution in the past two decades has been its leadership in establishing new platforms and channels for communication. However, the room for ever-more multilateral mechanisms is arguably finite, and it is not likely that further ASEAN initiatives in this sphere will have the same impact on great-power stability that they had in the past. In the future the most important contribution that the Southeast Asian countries may make to stability in Asia, apart from working on stability domestically and within their own sub-region, is by finding ways to deal with China’s rise without encouraging new frictions between China and other great powers. In this context, the South China Sea dispute is probably the most visible security issue involving the great powers that takes place in Southeast Asia, although it will not necessarily remain the only one. As great-power rivalry in Southeast Asia increases, ASEAN’s ability to maintain a common approach towards these powers is likely to come under increasing pressure. At the same time, successfully doing so would be a significant contribution to geopolitical stability in Asia.

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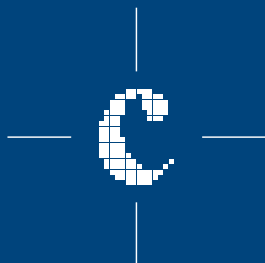
This Clingendael Paper explores the relevance of the Association of Southeast Asian Nations (ASEAN) for geopolitical stability in Asia. The great powers in Asia are redefining their strategic positions towards each other, now that China is exceeding the status of a regional power and is on its way to becoming a global power. The three other main powers in Asia – the United States, Japan and India – are searching for ways to respond to this development. This paper seeks to explore ASEAN's (potential) role in the current shifts.

The authors argue that ASEAN's relevance for geopolitical stability in Asia is increasing. Although ASEAN-led multilateral mechanisms are unlikely to deal effectively with major security issues, ASEAN is important because of the growing strategic significance of Southeast Asia. This sub-region is potentially a major area for rivalry among the great powers. The extent to which ASEAN will be able to prevent such rivalry and continue to contribute to Asia's multilateral structure, will determine its contribution to geopolitical stability in Asia.

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Fenna Egberink completed this project as research fellow at the Clingendael Institute. Her research interests include the European Union and Asia in a global context, Asian regional dynamics and institutional developments (with specific interest in Southeast Asia), and processes of regionalization in general.

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