ASEAN Centrality Key to Stability

Regional Comprehensive Economic Partnership is the way for us to be part of Asian integration

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In a rapidly transforming region, like emerging Asia, surprises can unnerve even the most seasoned diplomat. After 45 years of relative success, the vaunted ASEAN way—unwittingly embraced by China—was swept away in a Cambodian storm as the ASEAN-China meetings held in Phnom Penh from July 1-2, 12, signaled a new set of priorities within the ASEAN-centric architecture as an anchor of regional stability is replaced, there could be more uncertainty ahead. Both India and the US should be concerned. Here's why.

The US ‘realignment’ towards the region is on the radar of the US administration. It is a major shift in the US-China relationship. The US military presence in the region is on the rise, from time to time, and there are signs that the US may withdraw from its military bases in the region. The US is no longer the leading economic partner. It was a decade ago.

With ARP, Cambodia standing firm behind its economic benefactor China, ASEAN’s internal capacity for accommodation was destroyed. There was no issue that China had any interest in protecting the South China Sea. There was no issue that China was interested in protecting the South China Sea. There was no issue that China was interested in protecting the South China Sea. China’s interest in the South China Sea is not for the US, but for the US to withdraw from its military bases in the region. The US is no longer the leading economic partner. It was a decade ago.

Competing models for regional economic integration also signal the growing centrality of geo-economics. The US has opted for the Trans-Pacific Partnership (TPP), now comprising 11 countries, with the ultimate objective of an FTAAP under APEC. However, with its US preference for comprehensive and high quality WTO approach, Trans-Pacific Partnership conditions are more desirable for Japan, China, India and Indonesia. Without these major Asian economies and markets, the impact of TPP will be negligible.

The US has been somewhat dismissive towards Asia’s own ‘peace bowl’ initiatives for regional economic integration which include ASEAN+3, ASEAN+6 and ASEAN+PTAs. In deciding to launch negotiations on their unilateral FTA in May this year, China, Japan and South Korea have endorsed the eventual goal of a “Regional Comprehensive Economic Partnership” (RCEP). In contrast to TPP, RCEP is inclusive, leaving room for measures to bridge developmental gaps. It empowers a region-wide market, expansion of regional production networks and the development of regional infrastructure. The welfare gains of RCEP for the region will be significantly higher as compared to the TPP. RCEP is also the only avenue for participating in broader Asian economic integration currently available to India.

A potential hurdle between RCEP and TPP can further antagonise ASEAN. China will certainly exploit the situation to position ASEAN as a champion of Asia. This situation is not being marginalized, but it cannot afford to be seen as a negative to India.-

India’s pursuit of its ‘Look East Policy’ has been episodic but is currently gathering momentum. As India prepares to host a commemorative summit with ASEAN, India must build on its recent positive trends. Lending support to ‘ASEAN centrality’, RCEP and others to codify norms for the region is also crucial.

APEC is the only forum that represents the interests of Asia-Pacific. APEC includes some of the most important countries in the region, including China, Japan, Korea, India, Australia, and New Zealand.

(Ambassador Hemant Krishan Singh holds the Westpoint US Chair at ICRDB. New Delhi)