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## ASEAN Outlook on the Indo-Pacific

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### Cover Photographs:

*(Photographs top to bottom)*

*At the conclusion of the ASEAN Leaders' Retreat at the 34th ASEAN Summit in Bangkok, the leaders released a non-binding statement on the "ASEAN's Outlook on the Indo-Pacific". Source: ASEAN*

*Prime Minister Modi seen shaking hands with President Joko Widodo of Indonesia in Jakarta in May 2018. Indonesia was the first ASEAN nation to embrace the Indo-Pacific as the new paradigm and framework for policy making in the region. Source: Embassy of India in Jakarta*

*The "ASEAN Outlook on the Indo-Pacific" asserts that ASEAN will strengthen existing ASEAN led mechanisms and particularly the EAS as platforms for dialogue and implementation of Indo-Pacific Cooperation. Source: ASEAN.*

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## ASEAN Outlook on the Indo-Pacific

by

Biren Nanda

At the conclusion of the ASEAN Leaders' Retreat at the 34<sup>th</sup> ASEAN Summit in Bangkok on June 23, 2019 the leaders released a non-binding statement on "ASEAN's Outlook on the Indo-Pacific". The document, which presents itself as a guide to ASEAN's engagement with the Indo-Pacific, outlines the ASEAN leaders' collective vision and can be seen as an "attempt to reclaim the geopolitical narrative amid the strategic rivalry between China and the United States."<sup>1</sup>



*At the conclusion of the ASEAN Leaders' Retreat at the 34th ASEAN Summit in Bangkok, the leaders released a non-binding statement on the "ASEAN's Outlook on the Indo-Pacific". Source: ASEAN*

### Background

ASEAN's reluctance to embrace the Indo-Pacific concept as a framework to conduct policy making was on account of a number of reasons. First and foremost, there were fears that the adoption of the term would invite an adverse Chinese reaction. China's interpretation of the Quad as a quasi-alliance and its association with the US Indo-Pacific Strategy and policy also added to ASEAN's fears and reluctance. Second, in the ASEAN view, there was a lack of clarity on

<sup>1</sup> "ASEAN Unveils Vision for Indo-Pacific", by Tan Hui Yi, Indo-China Bureau Chief in Bangkok, The New Paper, June 24, 2018.

what the “Free and Open Indo-Pacific” exactly stands for. This was because the Indo-Pacific geopolitical construct was a work in progress and there continued to be nuanced differences in the articulation of the concept between Quad members themselves. Third, there were growing ASEAN fears – so clearly articulated by the Singapore Prime Minister in his address at this year’s Shangri la Dialogue - that prolonged US-China tensions and the pushback against globalization would undermine the economic prosperity of the region.

Indonesia was the first ASEAN member to embrace the Indo-Pacific as the new paradigm and frame for policy making in the region<sup>2</sup>. Indonesia’s vision for the region is balanced and inclusive and linked to President Jokowi’s characterization of the archipelago as the “Global Maritime Fulcrum”. The emphasis is on giving a maritime orientation to Indonesia’s foreign and domestic policy and focusing on the creation of maritime infrastructure, attracting investment and promoting trade. The security dimension is accorded a lower priority.



*Prime Minister Modi seen shaking hands with President Joko Widodo of Indonesia in Jakarta in May 2018. Indonesia was the first ASEAN nation to embrace the Indo-Pacific as the new paradigm and framework for policy making in the region. Source: Embassy of India in Jakarta*

<sup>2</sup> The first official reference to the Indo-Pacific in a document adopted by Indonesia and India was in the “Shared Vision of India-Indonesia Maritime Cooperation in the Indo-Pacific” released during the visit of Prime Minister Narendra Modi to Indonesia in May, 2018. In that vision document, both leaders agreed to strengthen maritime cooperation for the promotion of peace, stability and bringing robust economic growth and prosperity to the Indo-Pacific Region”

## “The ASEAN Outlook on the Indo-Pacific” (AOIP)

The AOIP is a giant leap for the ASEAN regional grouping. ASEAN has finally taken a step forward, albeit hesitantly, to embrace the Indo-Pacific – but in the “ASEAN way at a pace comfortable to all.” The following are some of the key takeaways from the statement.

ASEAN does not see the Indo-Pacific as a single strategic geography, but rather as a “seamless maritime space” and a “region of dynamic economic integration” comprising of the wider Asia Pacific and Indian Ocean regions. It perceives the Indo-Pacific as lying at the center of geopolitical and geostrategic shifts, which present unprecedented opportunities for economic growth as well as risks of miscalculation and conflict due to the rise of “material powers” in the region (The use of such ambiguous terminology is typical of ASEAN as it seeks to maintain strategic equilibrium between major powers and their regional assertions).

Placing itself at the center of these two maritime regions and “acting as a conduit and portal”, ASEAN will seek to shape the political and security architecture and work towards keeping the region peaceful and stable. To this end, ASEAN will strengthen existing ASEAN led mechanisms, and particularly the EAS, as platforms for dialogue and implementation of Indo-Pacific Cooperation. ASEAN centrality will continue to be the guiding principle for the economic and security architecture of the broader Indo-Pacific Region. Interestingly, the document omits mention of ASEAN Plus Three (APT) as the “main vehicle for building the East Asian Community”, a long-standing ASEAN mantra reinforcing the hierarchy of APT over the EAS. This could imply that ASEAN’s embrace of the Indo-Pacific will likely lead to a dilution of the “East Asian Community” as a geopolitical construct, although it may remain a long-term goal<sup>3</sup>. The oscillating tensions between the US and China and Japan and China; Chinese assertiveness; and the breakdown in ASEAN unity appear to have muddied the waters for the East Asian Community project.

ASEAN presents itself as a “honest broker within the strategic environment of competing interests”. In shaping the new security and economic architecture, ASEAN will be guided by the principles of the Treaty of Amity and Cooperation (TAC) for building “strategic trust” and “win-win” cooperation in the region – both terms borrowed from the lexicon of Chinese diplomacy. The Indo-Pacific Outlook does leave open the possibility of developing at a later stage “an

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<sup>3</sup> If on the other hand, India baulks at signing on to the RCEP, it could signal a virtual return to the ASEAN Plus Three as the main building block for the East Asian Community instead of the EAS.

appropriate ASEAN document for the Indo-Pacific region". This could be interpreted as leaving the door open for an 'Indo Pacific Treaty' proposed by former Indonesian Foreign Minister Marty Natalegawa, envisaging a TAC-like framework for the peaceful settlement of disputes and non-use of force.



*The "ASEAN Outlook on the Indo-Pacific" asserts that ASEAN will strengthen existing ASEAN led mechanisms and particularly the EAS as platforms for dialogue and implementation of Indo-Pacific Cooperation. Source: ASEAN.*

The document stresses the importance of the maritime domain and the maritime perspective in the regional architecture. This is not surprising as the Indo-Pacific is predominantly a maritime geography which encompasses the rimland and littorals of the two oceans. The geopolitical challenges of unresolved maritime disputes, and the unsustainable exploitation of marine resources, will be addressed in a "focused, peaceful and comprehensive manner". Cooperation and dialogue in the maritime domain will be "in accordance with universally recognized principles of international law and the 1982 UNCLOS".

ASEAN will promote cooperation in "connecting the connectivities" – a clear reference to the desire to harmonize the competing connectivity initiatives promoted by the great powers. ASEAN will remain South East Asia centric and a key area of cooperation activity will involve reinforcing and strengthening the Master-plan on ASEAN Connectivity (MPAC 2025). ASEAN will also explore synergies with sub-regional frameworks like IORA, BIMSTEC and BIMP-EAGA, the first two of which involve India as a leading proponent.





*The AOIP states that ASEAN will explore synergies with sub-regional frameworks like the BIMSTEC. BIMSTEC leaders are shown in a group photograph taken at the Fourth BIMSTEC Summit held in August 2018, in Kathmandu, Nepal. Source: India's Ministry of External Affairs.*

Will the ASEAN approach of dialogue and cooperation work in the present atmosphere of US-China relations, which have taken a sharp turn towards strategic competition and "economic and technological decoupling"?<sup>4</sup> The AOIP seeks to shift the focus from strategic and security cooperation to economic-functional cooperation. "ASEAN wants to get around, and at the same time leverage, the major power competitive dynamic through a development-oriented approach." All major economic initiatives of major powers, whether they involve trade or connectivity, have underlying strategic drivers. ASEAN wishes to underplay these strategic aspects and use its leverages to harvest the benefits of economic or connectivity linkages.

### **ASEAN expects to play a key role in Shaping the Regional Security Architecture in the Indo-Pacific**

Can ASEAN successfully shape the political and security architecture and work towards keeping the region peaceful and stable? In order to work towards this goal, ASEAN will have to overcome formidable obstacles.

<sup>4</sup> ISEAS Perspective " ASEAN Outlook on the Indo-Pacific: Old Wine in New Bottle?", Singapore, June 25, 2019

First, there is the assertive and muscular rise of China and the geostrategic shift it is bringing about in East Asia. Today, ASEAN faces a coercive security environment that includes direct challenges to territorial integrity, such as in the South China Sea. The growing dependence of regional countries on Chinese finance, capital, manufacturing value chains and trade has increased their vulnerability and diminished their capacity to stand up to China. In the face of these pressures, ASEAN cohesion and unity has broken down at least since 2012.

Second, China's massive military and naval buildup, its territorial assertions in the South China Sea and construction of dual use facilities on reclaimed features have transformed China's maritime posture in Southeast Asia and the Indian Ocean region. It is no longer an accommodating and benign posture as Chinese official pronouncements would have us believe.

Third, regional stability has hitherto been built around the role of the United States as the pre-eminent power in the Asia Pacific. Presently, there is increasing contestation between the US and the growing maritime power of China. This contended scenario is likely to continue for some time. Small and middle powers in the region will therefore have to engage in power balancing and hedge, bandwagon or build countervailing regional partnerships in order to protect themselves against any potential adverse consequences of China's rise. None of these issues can be wished away, but AOIP largely seeks to underplay this clash of "material powers."

Fourth, there is the threat to the sovereign independence of ASEAN member countries from BRI. The BRI is a grand strategy, unparalleled in scope and ambition and far exceeding anything the world has seen before. It is also a masterly blueprint to integrate China's markets, gain access to resources, utilize excess domestic capacity, strengthen China's periphery, gain strategic military access in the maritime domain beyond the Eurasian heartland, and enlist "all-weather friends," as China prefers to call its allies.

### **ASEAN wants to Mediate Disputes in the Indo-Pacific**

Can the ASEAN centric regional security architecture provide a platform for mediating disputes across the wider Indo-Pacific?

First, since its establishment in 1967, the ASEAN grouping has played well above its collective weight in East Asia. However, its reputation for effective diplomatic action was adversely affected by its failure to tackle regional challenges including the Asian Financial Crisis in 1997, East Timor's secession from Indonesia, the annual Forest Fire Haze, the 1997 Cambodian coup that

overtaken an ASEAN endorsed election, the failure to accelerate the pace of democratization in Myanmar, the failure to arrive at a consensus on dealing with China on the South China Sea issue and the inability to mediate the resolution of the Rohingya issue.

Second, the ARF has failed to become outcome oriented. The ASEAN Regional Forum is East Asia's largest platform for discussing security issues. The ARF has achieved some success in Confidence Building Measures, anti-terrorist collaboration and HADR, but made little progress in preventive diplomacy and conflict resolution. The ARF like the ASEAN takes decisions on the basis of consensus and this combined with the disparate nature of its membership has inhibited outcomes on hard security issues. Clearly there is a case for the reform of ASEAN centric security institutions to make them more outcome oriented in the future.

Third, the ADMM+ could go the way of the ARF. The ADMM and its Indo-Pacific extension the ADMM Plus were created to include Defense Ministers and officials in the dialogue and to move from a discussion of CBMs to tangible defense and security cooperation focusing on NTS issues. The ADMM and ADMM Plus have made limited headway in practical security cooperation in HADR, military medicine, counterterrorism and maritime security through cooperative security exercises.



*The ADMM Plus meeting held in Malaysia in 2015 scrapped a planned reference to the South China Sea issue in the Joint Statement issued at the conclusion of the meeting.*

*Source: ASEAN*

However, the reported decision by the ADMM Plus in Malaysia in 2015 to scrap a planned joint statement reference to the South China Sea issue fostered the impression that the ADMM Plus could well go the way of the ARF. In assessing the future of the ADMM Plus, the most critical challenge is that while it has religiously kept to the NTS remit, it continues to face centrifugal forces pushing for an expansion to hard security issues and conventional threats to the regional order which have accelerated.

### **The Patchy Record of ASEAN Centrality in the Past**

How effective has ASEAN centrality been in addressing traditional and non-traditional security issues in East Asia, and what are its prospects for successful outcomes in the wider Indo-Pacific?

ASEAN centrality has been a cornerstone of the regional security architecture in East Asia, but neither the security architecture nor the economic integration components of ASEAN-centric mechanisms are doing particularly well. ASEAN cohesion has collapsed under Chinese pressure. There has been a prolonged state of confusion where accommodation of China was writ large and questions were being raised against the rationale of the Quad and the “Indo-Pacific.” Expectations from the EAS are fading, and the projected deadline for the conclusion of the RCEP negotiations has been repeatedly postponed. As such, ringing endorsements of ASEAN centrality to the broader Indo-Pacific would appear to be misplaced.

Indeed, the biggest threat to ASEAN centrality comes from ASEAN itself, and particularly from ASEAN’s tendency to capitulate under Chinese pressure. This trend is most evident from the decision of the Philippines to bandwagon with China, while Cambodia and Laos have joined Chinese efforts in legitimizing aggression in the South China Sea. ASEAN is engaged in discussions on the ‘Code of Conduct’, which is essentially a derogation from International Law. It is difficult to see how a code of conduct can be effective if it merely ratifies the status quo. In these discussions, China is seeking to have a veto over the participation of extra-regional companies in resource exploitation in the South China Sea area and over extra-regional navies seeking to exercise in the area. Rather than look over its shoulder to gauge the Chinese reaction to the Indo-Pacific strategy of the United States and its allies and partners, the ASEAN should draw a measure of confidence from the strategic signaling by the United States of its resolve to remain the dominant power in maritime Asia.

## ASEAN and the Indo-Pacific

The Indo-Pacific, far from being anti-China in orientation, is a geographic and geopolitical construct that brings in key regional stakeholders and the US in a coordinated effort to promote security, prosperity and restore the balance of power in the region. And a regional balance is vital to security and stability in Asia.

It has been argued by some in ASEAN that the Indo-Pacific excludes the word Asia. Indeed, nothing could be farther from the truth. The Indo-Pacific is a single strategic region that includes littoral and Maritime Asia and brings in key powers with a stake and capacity for contributing to the maintenance and preservation of stable balances in the region.

History should reassure the ASEAN that the Indo-Pacific concept will not diminish, but on the contrary will strengthen ASEAN centrality. When APEC was formed, there were apprehensions that it would weaken the role of ASEAN in regional economic cooperation, but that did not happen. Indeed, this was the thinking behind Dr Mahathir's 1990s project of the East Asia Economic Group, which evolved onto the ASEAN+3 and the EAS. Hitherto, ASEAN regarded the APT as the main vehicle to promote peace, prosperity, security and stability in East Asia. The EAS remained a leaders' led forum for dialogue. Apparently, rigidities surrounding ASEAN centrality had prevented ASEAN from pushing the EAS as the main forum for discussing issues of regional peace and security. The AOIP may have changed just that. It marks a break with the past and pushes the EAS as a platform for dialogue and implementation of Indo-Pacific cooperation. The AOIP omits mention of the APT, hitherto characterized as "the main vehicle for building the East Asian Community." With the adoption of the Indo-Pacific as a policy paradigm, ASEAN may have also diluted its commitment to the East Asian Economic Community.

ASEAN may believe the it needs autonomy and room for maneuver, but these are presently threatened by Chinese economic and military activities in the South China Sea, the East China Sea and the Indian Ocean. The truth is that ASEAN's strategic space is shrinking under a relentless assault from Chinese expansion. ASEAN has had a long experience of benefiting economically from China while acknowledging its superpower status. But developments in the South China Sea have shown that China may use its growing power in ways that might pose an existentialist threat to ASEAN states in the future.

## Conclusion: The Last Word

The AOIP is a welcome development and a positive step forward in the evolution of ASEAN's thinking on a new policy paradigm for the region. However, it stops short of acknowledging the Indo-Pacific as a single strategic geography linking the two oceans and prefers to visualize it as a continuous maritime domain.

ASEAN has set itself the lofty objective of helping shape the regional security architecture in the wider Indo-Pacific. ASEAN should be cautious regarding this pretention on three counts. First, ASEAN does not have the political heft to shift the region's focus from strategic competition to a development-oriented approach or act as an "honest broker" to defuse tensions between great powers in the wider Indo-Pacific region. Second, ASEAN lacks capacity for influencing outcomes in either East Asia or the Indian Ocean region. In its own backyard – in the South China Sea – the absence of a cooperative security mechanism has already been evident. Third, ASEAN is mistaken if it believes it has the capacity to harmonize competing connectivity initiatives of great powers because these rely on underlying strategic drivers for achieving their strategic objectives.

The current impasse between the US and China is about which country will be the dominant power in the Indo-Pacific. ASEAN may, for a while, try its best to stand aside, but eventually it will be forced to choose sides. Some ASEAN states already have, others are making their learnings clear by their statements and actions. Only Indonesia and Vietnam, as middle powers, display their capacity of retaining autonomy in strategic decision-making.

Like the Indo-Pacific itself, the AOIP is a work in progress. India can take comfort in the AOIP's mention of a desire to work with sub-regional frameworks like the BIMSTEC and IORA. ASEAN's continued focus on physical and institutional connectivity could also be leveraged to further India's economic integration with ASEAN. Economic and connectivity initiatives like the ASEAN MPAC 2025 and the RCEP will be ASEAN's priority and the glue that binds ASEAN to key stakeholders like China, India, Japan and Australia. ASEAN's pursuit of the political and security legs of the Indo-Pacific project will, for the present, continue to lag behind, limiting the capacity of the EAS to shape the behavior of regional states.

There is a need for ASEAN and key stakeholders in the Indo-Pacific to jointly evolve a common strategy that takes into account the growing regional security challenges from the Western Pacific to the Indian Ocean, and the imperative to preserve the role of ASEAN in regional security in South East Asia.

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