

# *Worth Noting*

*Volume VI, Issue VI, April 2006*

*Worth Noting is the journal of research and conferences company L21. It is focused on social, economic, political and international issues of relevance and interest to senior executives.*

China is on everyone's radar as the next big thing in international relations. By extension, many see the future as a land dominated by several giants.

ASEAN has been put forward as one of these future giants, especially ever since talks about a China-ASEAN Free Trade Agreement began. There is increasing talk about an 'ASEAN bloc' emerging in our region which will heavily influence Australia's future. We have been doing some work for the *Australian Strategic Policy Institute* on this issue and thought it would be interesting to make a few points about it in this month's issue of *Worth Noting*.

## **AN 'ASEAN BLOC' – A CONVENIENT FICTION**

While the US remains preoccupied by their 'War on Terror', China is making some big plays in an attempt to woo ASEAN towards her way of thinking. This has increased speculation about the reinvigoration of ASEAN as a significant bloc in regional politics and some see the future as a positional struggle for influence between four giants: the US, China, Japan and ASEAN. Predictably, ASEAN leaders are all for this perception. There is strength in apparent unity which offers ASEAN countries a bargaining power way beyond their size.

However, before we talk about shifting centers of power with ASEAN as a major player, we should exercise caution and take stock of what is actually happening. When you hear increasing talk about the emergence of a genuine ASEAN bloc and by implication an irresistible trend toward 'Southeast Asian regionalism,' don't believe all the hype. The reality is far more complicated, and indeed, disjointed.

## **A New Regionalism ...?**

Much depends on what we mean by 'regionalism'. If it means growing economic interaction between the ASEAN states, then it is a banal observation about the

growing interdependence between economies that is a long way off a genuine regional bloc.

If by 'regionalism' we mean an ASEAN security bloc or 'security community' of sorts, then we are even further away from that. The modern reincarnation of ASEAN is as a 'non-interference' pact between members emphasizing diplomatic norms of 'consultation' and 'non-criticism'. Most experts would have serious concerns that this so-called 'ASEAN way' and these 'ASEAN values' could serve as any effective and unified security bloc in any meaningful sense.

Besides, speaking about ASEAN as the one entity in strategic or security terms obscures the fact that there remain significant rivalries and outstanding disputes between the members themselves. For example, emerging leader Malaysia and Thailand continue to jostle for influence within the grouping. There are signs that Malaysia who enhanced her position as a leader within the group (at the expense of a weakened Indonesia) is warily watching as Indonesia seeks to regain her former influence as she rebuilds. Moreover, specific disputes regarding disputed territories in the South China Sea – a ka the 'zone of anarchy' – remain between Malaysia, Vietnam, Philippines, Indonesia, Singapore and Brunei (as well as with China and Taiwan.)

Finally, the individual security arrangement of ASEAN states themselves suggest a strategy that relies not on any ASEAN security community but on varying manifestations of a US backed security order. For example, Singapore and the Philippines actively encourage a strong US presence and maintain close military relations with the US, while Malaysia's 'well kept secret' of military cooperation with the US superpower belies her seemingly 'independent' recent stance against, and criticism of, US policy.

### **China's rise and an ASEAN revival**

Why then has there been an ASEAN revival of sorts? Much of it comes down to China's rise. Anxiously watching the rise of China has been a constant pastime of the ASEAN states.

Back in the 1990s, as the US began to lose interest in the region, there were genuine fears that China's rise would not be peaceful. China's clumsy diplomacy through episodes such as the show of force aimed at Taiwan in 1995-96 and occupying Mischief Reef in 1995 caused ASEAN states to prepare for the worse.

Although wary of China's intentions, ASEAN's disunity at the hint of a crisis did not bode well for the organisation. Malaysia, who has overlapping claims with the Philippines, regarded the Mischief Reef incident as a Filipino and not an ASEAN problem. Moreover, Malaysia had since 1993 adopted a policy of (self regarding) engagement with the Chinese and both countries agreed to push an 'Asian values' system that refuted the individualistic emphases of Western human rights

regimes. Thailand and Singapore did not think the issue was worth damaging relations with China over and sat on the fence.

Understandably, the Philippines who were most vulnerable from the Chinese occupation of the Reef took a sterner view of the incident. Fast forward to 2000, former Philippines President Estrada concluded that “Frankly, I think China wants to take over Asia.” If such statements seem mere hyperbole, more were inclined to agree when China reiterated the claim that the whole of the South China Sea was China’s ‘historic waters’ in 2001 (having passed an internal law claiming the Sea as China’s internal waters in 1992) despite outstanding disputes over various islands and territories.

Even though most ASEAN states were reluctant to damage relations with China and adopted different responses to Chinese policies, China’s heavy handed tactics was a genuine concern for all ASEAN members even if they did not all say so publicly. This is where ASEAN-China strategic maneuvering becomes interesting. From the late 1990s onwards, a more diplomatically minded China emerged and began with increasing success to experiment with a charm offensive in order to dispel their image of a ‘rogue dragon’ destabilising the system. The first significant step was China agreeing to sign a Declaration on the Conduct of Parties in the South China Sea (Declaration) in 2002 and acceding to the ASEAN Treaty of Amity & Cooperation (TAC). This signaled a change of tact but did not alter their claims over the Sea which remained on foot.

Why did China take this route? The US was increasingly turning her attention to China. Realizing that ASEAN states looked towards the US to restrain Chinese regional ambitions, China had no desire to drive ASEAN states closer to the US. Moreover, identifying the ASEAN region as the key to future influence, and recognizing that Japan (with America’s blessing) would most likely seek to expand her political and military status in the region, China was determined to stay a step ahead by taking the initiative with Southeast Asia before Japan. In doing so, China calculates that by the time Japan is confident enough to openly assert herself as a political and military power, China will be streets ahead of Japan in the competition for influence in Southeast Asia. This was an important move for China as ASEAN members appeared to display little consternation about Japan becoming a military power once again.

But why has ASEAN been revitalized by lead members themselves? Despite their internal rivalries and differences, the recent revitalization of ASEAN is being used by leading members to create the perception of a unified bloc in order to punch beyond their individual weights. For example, ASEAN is being pushed as the lead entity in a host of international forums with the great powers in the region. Malaysia having assumed a greater leadership position within ASEAN is probably the best example of an ASEAN member pushing the perception of ASEAN as a unified entity in order to enhance her own interests by increasing her bargaining power vis-à-vis the US, China and also Japan.

China has picked up on this and is happy to buy into the concept of a revitalized ASEAN. Unlike the US who tends to treat ASEAN and ASEAN led forums (like the ASEAN Regional Forum) as a bit of a 'talk fest', China's sees ASEAN as the most convenient and most effective point of entry into the region.

In this sense, the ASEAN wooing exercise is very much a proactive measure. As China tries to allay fears about her intentions (eg., by signing the Declaration and TAC), and holds out a series of economic incentives designed to seduce and also extract leverage from ASEAN states (most notably the prospect of the China-ASEAN Free Trade Agreement,) China will eventually expect a security outcome. This had already been flagged via China's 'New Security Concept' (NSC) revealed at the 1997 ASEAN meeting which set out a vision of cooperative security, multilateral dialogue and the peaceful resolution of disputes. Designed to mirror 'ASEAN values and processes', the NSC eschews bilateral security arrangements, by implication, those favoured by the US. It is not difficult to see the NSC as a vision designed to reduce US security influence and presence in the region.

### **The US response – Strategic neglect or telling it like it is?**

September 11 revived US interest in Southeast Asia which was seen as the 'second front' in the War on Terror. The cooperation of countries like Malaysia, Singapore and the Philippines was suddenly valued by the US and the latter's renewed interest in the region allowed ASEAN states to encourage a US presence in order to restrain future Chinese ambitions. The continued US presence was also seen to play the traditional role of keeping the lid on rivalries amongst themselves.

It is clear that the major powers within ASEAN all want continued US security engagement in the region to keep China in check. Even though economic and diplomatic relations with China are healthy, the ASEAN states have collectively resisted Chinese calls for greater hard *security* cooperation, preferring instead to focus on non-traditional security areas like terrorism, trafficking and other crimes in addition to economic agreements. China's patience, although still holding, will wear thin as her NSC continues to be met with a muted response while countries with existing military ties to the US (i.e., the Philippines, Singapore, & Malaysia) have preserved and in some cases upgraded those ties.

The problem for ASEAN states is that US current thinking and future regional intentions are unclear once the War on Terror takes a back seat. The decision of Condoleezza Rice to skip the recent ARF meeting – the first US Secretary of State to do so since 1982 – raised quite a few eyebrows. Although not entirely dismissive, the US does not bank on a strategy treating ASEAN as a unified entity in the same way China purports to do, rely instead on building bilateral relations with individual states.

While the US would defend this position as merely a reflection of reality, some might be asking whether they might nevertheless be missing a trick. Although a flawed grouping, ASEAN remains a useful entity for member states to increase their bargaining power on matters where there is a common position. This so-called 'counter-dominance' strategy occurs most pointedly when there is any attempt by outside powers to alter the regional status quo or to meddle in what they see as their internal affairs. Some believe the US could learn from the Chinese in terms of using ASEAN-led forums as another possible diplomatic avenue to sell their security vision of the world (with the probability of greater success than the Chinese since the US version is most likely closer to what most ASEAN member states want than the Chinese one.)

However, the US would be well advised to stay away from any grander conceptions of multilateralism in the region. From Mischief Reef in the 1990s to the differing responses to the rise of China presently, the difficulty of 'ASEAN values' to deal with pressing security questions or offer long term solutions to them is clear. Such instances also expose serious disunity within the ranks, especially when great powers attempt to force their hand.

Finally, we should remember that complaints about US unilateralism and lack of enthusiasm for multilateralism several years ago occurred when the region's own belief in the effectiveness of organizations like ASEAN was at one of its lowest points. ASEAN might evolve into something more substantial but there is a long way to go before it does. However, if an ASEAN bloc is indeed a convenient fiction, then to be sure, the fiction will be disregarded by lead member states themselves when it is no longer convenient.