

ASEAN as a Regional Broker of U.S. and China Influence?

by

Major David Cai and David A. Anderson

Major David Cai is an Intelligence Officer in the Singapore Armed Forces. He was commissioned in Singapore's Officer Cadet School in 2000, and awarded the Academic Training Award (Overseas) in 2003. He graduated from the University of Nottingham in 2007 with a Bachelor of Laws with Australian Law (Second Upper Class Honors). His operational experience includes a 3-month deployment to the Gulf of Aden under the auspices of Combined Task Force 151 for counter-piracy operations. In 2014, he graduated from the Command and General Staff College, Fort Leavenworth, Kansas, and was awarded the Brigadier General Benjamin H. Grierson Award for Excellence in Strategic Studies.

Dr. David A. Anderson is a retired U.S. Marine Corps officer. He is now a professor of Strategic Studies and Odom Chair of Joint, Interagency, and Multinational Operations at the U.S. Army Command and General Staff College, Fort Leavenworth, Kansas, where he teaches strategic and operational studies, as well as economics. He is also an adjunct professor for Webster University, where he teaches various international relations courses including, International Political Economy, Politics of Development and Globalization. He has published over fifty articles on military, economics, and international relations related topics.

INTRODUCTION

A stable and prosperous Asia requires closer cooperation amongst the stakeholders in the region. Such a framework for regional cooperation is gradually forming. ASEAN is the foundation of this. . . . All the major powers are comfortable to let ASEAN take the lead, and to be the fulcrum of the discussions and cooperation. But this requires an ASEAN that is united, effective, and friendly with all the major powers, including China. A divided or discredited ASEAN will lead to a scenario where the member states are forced to choose between major powers, and Southeast Asia becomes a new arena for rivalries and contention. No one wins.

—Hsien Loong Lee,
*Speech by Prime Minister Lee Hsien Loong at Central Party School*¹

Two major trends have and will continue to shape Asia's security environment in the early part of the 21st Century. The first is the rise of China; the second is U.S. policy, introduced by President Obama, to rebalance towards Asia. Against this backdrop of a U.S.-China power rivalry, the Association of Southeast Asian Nations (ASEAN) has sought to maintain its relevance by projecting itself as a power broker between the two countries interests in the region. Its case is aided significantly by the strategic geographic position of its member states along one of the world's major trade routes. This paper will propose a viable approach for ASEAN to serve in a brokering capacity, as well as a structural design/mechanism best-suited to do so.

¹Prime Minister's Office, Singapore, "Speech by Prime Minister Lee Hsien Loong at Central Party School (English Translation)," 7 September 2012, http://www.pmo.gov.sg/content/pmosite/mediacentre/speechesinterviews/primeminister/2012/September/speech_by_prime_ministerleehsienloongatcentralpartyschoolenglish.html (accessed 21 September 2013).

The ASEAN Skeptics

To be sure, not everyone is convinced that ASEAN is the best power broker to manage the Sino-American rivalry in the region. In this respect, ASEAN suffers from two major intrinsic weaknesses: political fragmentation and institutional deficiency. Politically, Southeast Asian nations individually possess very different attitudes towards the U.S. and China, thereby leading to an uneven state of relationships towards both major powers when viewed through the lens of ASEAN as a whole.

For instance, in the 21st ASEAN summit held in Phnom Penh in 2012, the Association failed for the first time to issue a joint communique at the conclusion of the meeting due to Cambodia's refusal, as ASEAN Chair, to incorporate the positions of the Philippines and Vietnam in relation to their territorial disputes with China in the SCS.² Cambodia thus managed to hold the whole organization hostage to its own parochial interests. As Cambodia's largest foreign investor, one might surmise as Don Emmerson did, that "China has effectively hired the Cambodian government to do its bidding."³ An incohesive ASEAN certainly plays well to a strategy that aims to exploit China's leverage as a large power against smaller states.

Institutionally, ASEAN is known to be an "ineffectual talkshop." It has eschewed the European Union's (EU's) supranationalistic institutional structures, and opted for inter-governmentalism that continues to pay deference to national sovereign interests.

²See Amitav Acharya, "The End of ASEAN Centrality?" *Asia Times*, 8 August 2012, http://www.atimes.com/atimes/Southeast_Asia/NH08Ae03.html (accessed 18 April 2014).

³Don Emmerson, PacNet #45, *ASEAN Stumbles in Phnom Penh* (Washington, DC: Center for Strategic and International Studies, 19 July 2012).

Further, the “ASEAN Way” pattern of diplomacy rejects confrontational and interventionist tactics, and promotes, instead a consultative process that gravitates towards consensus-building.

Why ASEAN Should Not Be Dismissed

Despite the foregoing, there are three reasons why ASEAN should be a principal forum for conflict resolution within the Asia-Pacific region. First of all, ASEAN nations as a collective entity constitute a center of gravity where the U.S.’ and China’s strategic interests intersect. It is where international sea lines of communication converge, and where resources and economic markets are substantial. Hence, its cumulative geopolitical importance should not be ignored. Taken together, ASEAN has a population of approximately 602 million people, and a gross domestic product of USD 3.6 trillion, making it the eighth largest economy in the world. Notably, the ASEAN-China Free Trade Area, which came into effect on 1 January 2010, is currently the world’s largest Free Trade Area. It is equally important to point out that if the ASEAN Economic Community is fully realized by 2015 as planned, it will possess sufficient economic clout to at least partially offset China’s industrial dominance in the region. The free flow of goods and services, investment and capital, as well as skilled labor within Southeast Asia will thus provide a compelling counterweight that will reduce a reliance on the Chinese market for regional economic growth. More significantly, however, one needs to pay heed to the fact that half of the world’s merchant fleet tonnage, and a third of the world’s crude oil is shipped through the SCS where several Southeast Asian countries have claims to its territory. Freedom of navigation through the SCS is thus a matter of national

interest for many countries including the U.S., where a quarter of the global trade that transits that channel winds up in U.S. ports.

Secondly, there continues to be merit in the way ASEAN builds itself up as a platform for non-confrontational style diplomacy engaging both member states from within, and the wider international community on the outside. Three case studies evince ASEAN's success on this account: the Sabah issue in 1968-9,⁴ the Cambodian conflict in 1978,⁵ and the Myanmar breakthrough in 2012.⁶ Unlike western-style diplomacy where isolation and sanctions are common exertions of pressure, in all the cases mentioned above, ASEAN has preferred "constructive engagement" and "encouragement,"⁷ while displaying greater restraint, and a penchant for off-the-press communication.⁸ This unique practice of "leaving the door ajar" instead of "slamming the doors shut" even in the face of egregious state behavior provides an advantageous entry point for negotiations to happen behind closed doors and via unofficial channels. Quiet diplomacy may not be the most beneficial course of action all the time, but ASEAN's uncanny ability to effect change in this regard should not be discounted.

⁴See Jorgensen-Dahl, *Regional Organisation and Order in Southeast Asia*, (London: Macmillan, 1982).

⁵See Gillian Goh, "The 'ASEAN Way' Non-Intervention and ASEAN's Role in Conflict Management," *Stanford Journal of East Asian Affairs* 13, no. 1 (Spring 2003), 113-118.

⁶Najib Razak, "The ASEAN Way Won Burma Over," *Wall Street Journal*, 3 April 2012.

⁷Ibid.

⁸Goh, "The 'ASEAN Way' Non-Intervention and ASEAN's Role in Conflict Management," 118.

Thirdly, ASEAN has made visible progress both past and present on the international stage to warrant a vote of confidence going forward. Among its past achievements are the Zone of Peace, Freedom, and Neutrality Declaration in 1971, the Declaration of ASEAN Accord and the Treaty of Amity and Cooperation in 1976, and the Treaty on the Southeast Asia Nuclear Weapon-Free Zone in 1995. Perhaps its greatest achievement is in promoting political, economic, and social engagements among its member states that resulted in nearly four decades of peaceful interrelationships. As White poignantly reminds us, this is a far cry from the geopolitical realities of the 1960s, and certainly not a given even in today's context when one looks at Russia's aggression against Ukraine in Crimea.⁹ In more recent times, greater powers like the U.S., China, Japan, South Korea, and India have all ceded authority to ASEAN as the building bloc to develop a pan-Asia-Pacific regional architecture for conflict resolution. That explains why ASEAN is currently in the driver's seat of larger regional fora like the ASEAN Regional Forum (ARF), ASEAN Plus Three (APT), and the East Asia Summit (EAS). Moreover, since its poor showing in the 21st ASEAN Summit, the Association has displayed a more unified stance, nailing down a six-point principle on the SCS. In return, China has shifted from its initial position of resolving the territorial disputes through bilateral engagements towards greater acceptance of leveraging ASEAN as a multilateral forum to create a Code of Conduct that would govern maritime behavior in the SCS.¹⁰

⁹Hugh White, "ASEAN: Past, Present and Future," *The Straits Times*, 19 March 2014, <http://www.straitstimes.com/the-big-story/case-you-missed-it/story/asean-past-present-and-future-20140322> (accessed 19 March 2014).

¹⁰Carlyle Taylor, "New Commitment to a Code of Conduct in the South China Sea?" *The National Bureau of Asian Research*, 9 October 2013, <http://nbr.org/research/activity.aspx?id=360> (accessed 18 April 2014).

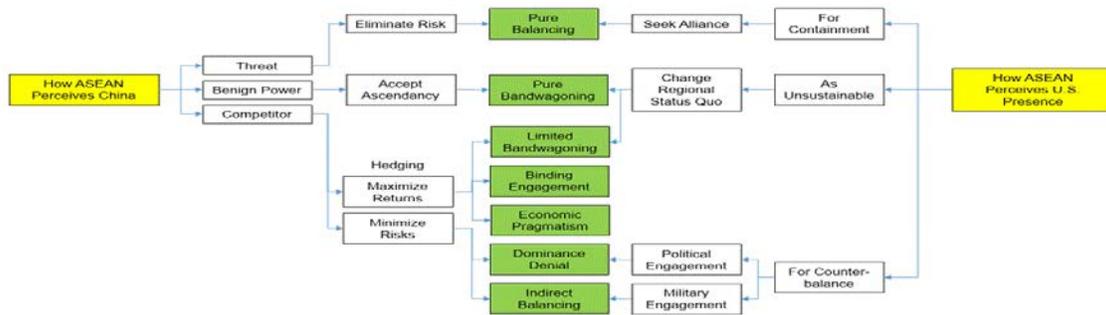
Although there are cogent reasons why ASEAN should not be dismissed, its effectiveness and ability to resolve conflicts or manage crises will continue to be severely tested if it lacks solidarity, and is unable to project a common front in the face of a rising China and a fortifying U.S. The manner in which ASEAN should move forward to surmount this challenge of unity will now be examined.

ASEAN Role Options

We suggest three possibilities, all of which are not necessarily discrete in nature, but more accurately set in a continuum of policy positions. First, it can choose to balance the rising influence of China with the aid of the U.S. in order to preserve equilibrium in regional power dynamics. Second, it can assume China's eventual hegemonic status in the Asia-Pacific, and opt to bandwagon with the Chinese government to fortify China's position as the new preponderant power in the region. Third, it can refrain from aligning itself to either power, and adopt a hedging strategy to maximize flexibility in its policies towards both countries. In practice, this could mean pursuing regional cooperation with China predominantly on the economic front, while still preserving a cautious attitude towards its military ambitions, and have the U.S. act as a counterbalancing force. There are inherent risks and opportunities associated with all three options. We make a case for hedging as the best strategic approach for ASEAN. Hedging combines both elements of balancing and bandwagoning along the lines of risk-contingency and return-maximizing options. Further, hedging has been hailed by scholars as the most pragmatic approach to maximize economic interests while, at the same time, minimizing security risks.

Five policy options are inherent in a hedging strategy.¹¹ We now explore which of these options are most amenable to ASEAN’s strategic interests using an analytical framework that centers on ASEAN’s perceptions of China and the U.S. presence in the region (see figure 1).

Figure 1. Analytical Framework for ASEAN’s Policy Options towards the U.S. and China



Source: Created by author.

Hedging Strategy Options

1. Indirect balancing: to minimize strategic uncertainty of intentions, and the security risk an emerging power poses by seeking military modernization, and maintaining an alliance or military cooperation with other big powers, but without specifically identifying the intended target of the military efforts.

¹¹Kuik Cheng-Chwee, “Rising Dragon, Crouching Tigers? Comparing the Foreign Policy Responses of Malaysia and Singapore Towards a Re-emerging China: 1990-2005,” *Biblioasia*, 3, no. 4 (2008), 7.

2. Dominance denial: to deny a rising power of hegemony, and from overwhelming smaller states by leveraging on external balancing effects put forth by other powers, and providing political support to those external alliances.

3. Economic pragmatism: to set aside political differences, and maximize economic benefits with the emerging power through bilateral or multilateral economic cooperation.

4. Binding engagement: to enmesh the rising power within bilateral or multilateral institutions so as to socialize it with norms of international behavior thereby encouraging it to act in a responsible and restrained manner.

5. Limited bandwagoning: to form a political partnership with the emerging power, but cautious about retaining one's autonomy, and existing relationship with the preponderant power.

Indirect Balancing. Indirect balancing is an important "fall-back" contingency option should the risks of an embattled China-ASEAN relationship bear out in the midst of China's increasing maritime aggression. This will be largely materialized through the U.S.' rebalance towards Asia, and the strengthening of each member state's organic military capabilities. The point to note here is that the balancing act should be an indirect one by nature, which means any overt reference to China as a threat, or as the intended target of these military efforts should be avoided. This idea of the U.S. as a counterbalancing force is not new. It can be traced back to the Cold War years, and in the immediate period after that. From the 1950s to 1970s, the original ASEAN 5 (Indonesia, Malaysia, the Philippines, Singapore, and Thailand) had supported America's intervention in Korea and Vietnam to halt the spread of communism. ASEAN was in fact

formed in 1969 when there were signs that America was losing the war in Vietnam, and the British were withdrawing troops from the East of Suez. Post-Cold War, there was palpable apprehension when the U.S. Department of Defense issued the East Asia Strategic Initiative (EASI) calling for a troop drawdown from the Asia-Pacific since the collapse of the Soviet Union had removed any impetus for the U.S.' continued forward military presence. In 1989, when Filipino nationalism derailed negotiations for the U.S.' continued use of the Clark and Subic bases, Singapore was forthcoming in allowing the U.S. access to its military facilities. Then Prime Minister Lee Kuan Yew opined that "[n]ature does not like a vacuum. And if there is a vacuum, we can be sure somebody will fill it."¹² He therefore saw America's continued military presence as "essential for the continuation of international law and order in East Asia."¹³ Malaysia and Indonesia eventually adopted similar sentiments and strategies. ASEAN's anxieties were put to rest subsequently in 1995 when Department of Defense issued the East Asia Strategic Review (also known as the Nye report) committing the presence of 100,000 troops in the region. Accordingly, there was reassurance that "[t]he chances of Asia being the cockpit of great power rivalry [would] . . . be significantly lower."¹⁴ Today, as the dynamics of world power shift, and as strategic uncertainty increases with the rise of China, ASEAN must continue to hedge against the inherent risks of these new developments by viewing the

¹²Khong Yuen Foong, "Coping with Strategic Uncertainty: The Role of Institutions and Soft Balancing in Southeast Asia's Post-Cold War Strategy," in *Rethinking Security in East Asia: Identity, Power and Efficiency* eds. J. J. Suh, Peter J. Katzenstein, and Allen Carson (California: Stanford University Press, 2004), 182.

¹³Ibid.

¹⁴Ibid., 184.

U.S.' military footprint as being conducive to the overall peace and stability of the Asia-Pacific. Measures such as the U.S. Navy's rotational deployments of littoral combat ships to Singapore, or the stationing of Marines in Darwin, Australia, should therefore be welcomed, but carefully nuanced. A balancing strategy should not be construed as containment. These balancing efforts must not be overtly aimed at China. The second point may appear disingenuous, but to paint China as a threat has a tendency to make that a self-fulfilling prophecy. As previous Malaysian Prime Minister Mahatir Mohamad once remarked, "[w]hy should we fear China? If you identify a country as your future enemy, it becomes your present enemy—because then they will identify you as an enemy and there will be tension."¹⁵ This model of balancing against strategic uncertainty as opposed to a specific threat¹⁶ is therefore the distinguishing feature between a policy that favors pure balancing, and one that favors a more indirect approach. It mitigates the net effect of the classic security dilemma through a communicative regimen of diplomatic assurance to the rising power. Hence, while the Philippines' recent defense pact with the U.S. could have achieved a positive balancing effect, the rhetoric that it is not aimed at countering China rings hollow given the Philippines' distinct anti-China posture in the SCS. This has caused the Chinese media to single Philippines out as a troublemaker, calling it a "rat [that] will not be pacified when [China] hesitate[s] to pelt it for fear of smashing the vase

¹⁵AsiaWeek, "I Am Still Here: Asiaweek's Complete Interview with Mahatir Mohamad," *Asiaweek*, 9 May 1997, <http://edition.cnn.com/ASIANOW/asiaweek/97/0509/cs3.html> (accessed 18 April 2014).

¹⁶Khong calls this "soft balancing" approach a "balance of power," as opposed to a "balance against threat."

beside it.”¹⁷ From an ASEAN perspective, Philippines’ stance could also reduce the overall coherence of an indirect balancing strategy ASEAN may be attempting to pursue.

Dominance Denial. Equally, dominance denial is a necessary measure to curb China’s hegemonic intentions. There are two potential pathways to this policy component. The first is an “omni-enmeshment” strategy. Goh defines enmeshment as “the process of engaging with an actor or entity so as to draw it into deep involvement into a system or community, enveloping it in a web of sustained exchanges and relationships, with the eventual aim of integration.”¹⁸ In omni-enmeshment, the idea is to not only to involve China in multilateral dialogues, exchanges, and cooperation, but also to sustain U.S. engagement, and incorporate the participation of other major powers, such as Japan, South Korea, and India, to collectively counterbalance China’s dominant position. Fora such as the ARF, APT, and EAS are examples of how institutional networks, if sufficiently strong, could deny China from monopolizing the regional agenda. Another way to achieve dominance denial is to ensure that ASEAN’s influence is organically robust. Therefore, it is important that ASEAN remains cohesive in order for it to project collective geopolitical weight on the international stage. Likewise, a successful ASEAN Economic Community by 2015 would create an amply large internal, single market that could offset to a certain extent China’s economic clout in the region.

¹⁷China Daily, “Facing Up to Troublemakers,” *China Daily*, 13 May 2014, http://www.chinadaily.com.cn/cndy/2014-05/13/content_17502868.htm (accessed 13 May 2014).

¹⁸Evelyn Goh, “Great Powers and Southeast Asian Regional Security Strategies: Omni-enmeshment, Balancing and Hierarchical Order” (Working Paper No. 84, S. Rajaratnam School of International Studies, Singapore, 2005), 8.

These first two policy options center on minimizing risks against a hegemonic China. Two further comments should be made in this area. One, though both indirect balancing and dominance denial carry a heavy military, political, and diplomatic flavor, an economic balancing is also crucial to ensure that U.S.-ASEAN economic ties remain robust.¹⁹ A key pillar of America's rebalance strategy is the Trans-Pacific Partnership trade pact. However, the Trans-Pacific Partnership in its current form covers only four of 10 ASEAN countries (Brunei, Malaysia, Singapore, and Vietnam), and risks splitting ASEAN even as the bloc endeavors to form its own ASEAN Economic Community by 2015. It is critical that the Trans-Pacific Partnership does not weaken the political cohesion and decision-making capacity of ASEAN. A way needs to be paved for the U.S. and ASEAN to broaden and deepen their economic relations be it through means such as a more inclusive, or a U.S.-ASEAN Free Trade Area.²⁰ Additionally, even as indirect balancing and dominance denial rest heavily on U.S. engagement, ASEAN ought to be careful that its centrality is maintained, so that it is not being perceived as a marionette of U.S. policy to countervail Chinese influence. For instance, where misperceptions arise that ASEAN is pursuing an "overtly pro-U.S. agenda" by allowing the latter to interfere in the SCS at the expense of Chinese national interests, ASEAN should be quick to step in to quell U.S. vocalism on the issue, and elucidate regional interests from a unique

¹⁹Malcolm Cook, "U.S. Needs Stronger Economic Rebalance towards Asia," *The Straits Times*, 3 May 2014, <http://www.straitstimes.com/news/opinion/more-opinion-stories/story/us-needs-stronger-economic-rebalance-towards-asia-20140505> (accessed 5 May 2014).

²⁰See comments from the U.S.-ASEAN Business Council via <http://www.usasean.org/regions/tpp/about>.

ASEAN standpoint.²¹ In short, an ASEAN strategy cannot and should not be identified with an American strategy, regardless of how similar both of their end-state interests may be.

The next three policy options will focus on maximizing benefits that a rising power could afford ASEAN.

Economic Pragmatism. Economic pragmatism uses China’s economic rise as a crucial leverage to sustain ASEAN’s continued industrial growth. Based on a projection by The Economist, China will become the largest economy by the end of 2014²² (see figure 3). In its opinion, this marks the end of the American Century, and the beginning of the Pacific Century²³.

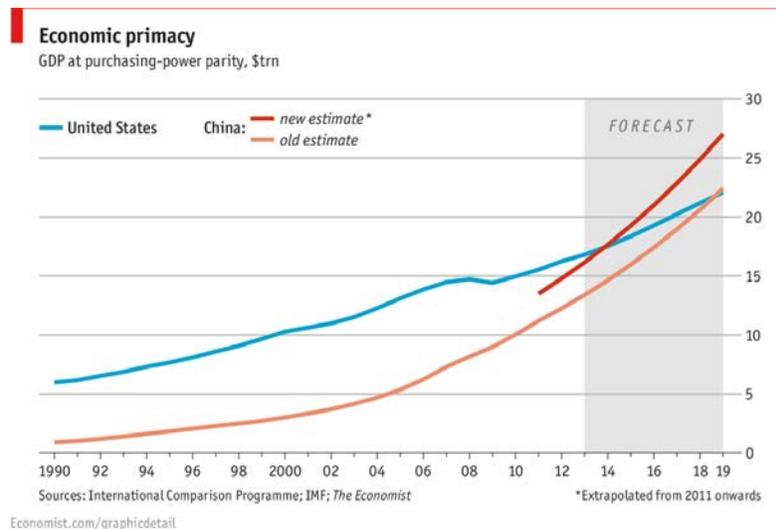


Figure 2. China and America GDP Forecasts

²¹Acharya, “The End of ASEAN Centrality?”

²²J.M.F. and L.P., “Crowning the Dragon,” *The Economist*, 30 April 2014, <http://www.economist.com/blogs/graphicdetail/2014/04/daily-chart-19> (accessed 2 May 2014).

²³*Ibid.*

Source: “Crowning the Dragon,” *The Economist*, 30 April 2014, <http://www.economist.com/blogs/graphicdetail/2014/04/daily-chart-19> (accessed 2 May 2014).

While this may be overstating the case, the significance and ripple effect of China’s economic rise is incontrovertible. Economic data juxtaposing the U.S. and Chinese economic prominence in the region have consistently showed either a stronger or rising Chinese leverage (see figures 4,5).

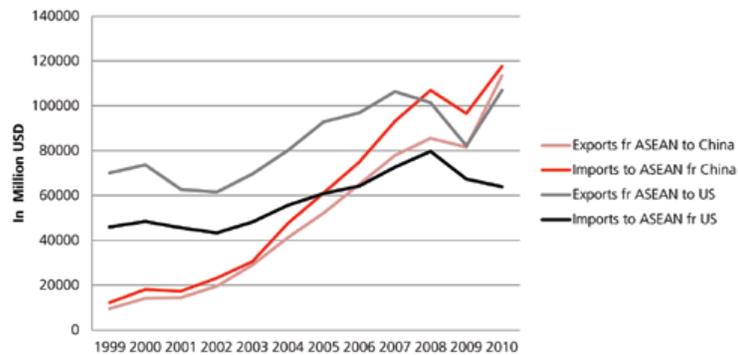


Figure 3. Direction of ASEAN Imports and Exports (China vs U.S.)

Source: Munir Majid, “Southeast Asia Between China and the United States,” *The New Geopolitics of Southeast Asia* (LSE IDEAS Report), November 2012.

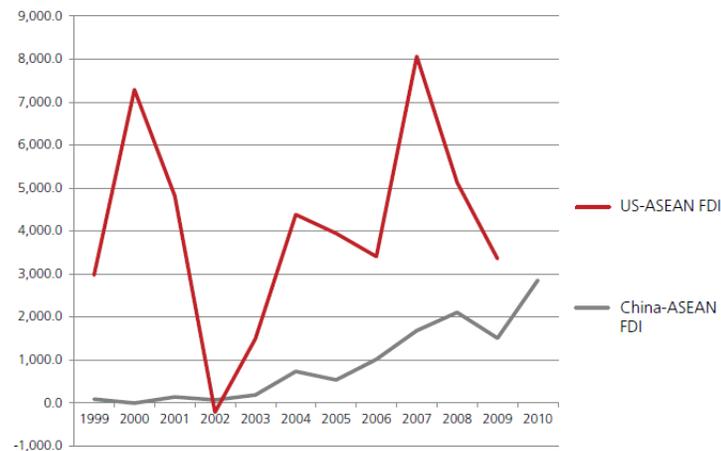


Figure 4. Foreign Direct Investment in ASEAN (China vs U.S.)

Source: Munir Majid, “Southeast Asia Between China and the United States,” *The New Geopolitics of Southeast Asia* (LSE IDEAS Report), November 2012.

Since implementing the ASEAN-China Free Trade Area in 2010, bilateral trade has reached USD400B in 2012, which is seven times more than that in 2002. The aim is to lift trade to USD500B by 2015. China has also provided loans totaling USD12B so far to ASEAN for infrastructure development on bridges, roads, and power stations. Going forward, ASEAN’s economic linkages with China will only increase in importance as both sides endeavor to maximize mutual benefits on the economic front. Although some have argued that China is an economic threat to Southeast Asia given the latter’s smaller pie of exports to global markets relative to Chinese-manufactured goods, this economic competition is far from being a zero-sum game. Southeast Asia continues to register substantial increases in export of components to China, and China’s direct investment in Southeast Asia has maintained a growing trend.²⁴

Binding Engagement. Beyond economics, it will also be in ASEAN’s interests to integrate China into regional security institutions. Despite having member states which are locked in bitter territorial disputes in the SCS, ASEAN’s approach towards China has never been one of containment but of strategic engagement. It seeks to enmesh China within regional security architectures like the ARF, APT, and EAS with the aim of socializing it to international norms of responsible behavior that calls for cooperation and restraint. To be sure, none of the ASEAN countries can predict with certainty whether

²⁴John Ravenhill, “Is China an Economic Threat to Southeast Asia?,” *Asian Survey* 46, no. 5 (2006), 653.

China would rise to become a benign or belligerent power. However, by treating it as a legitimate player and integrating it within the regional community, it reduces any xenophobic or insecurity tendencies China might have that would cause it to act irrationally. A binding engagement from this perspective therefore gives China a stake in the continued peace and stability of the region. To engender strategic trust and commit China in a multilateral discourse, ASEAN's neutrality and cohesion are paramount. It must convince China that it would not, as a bloc, take sides in the territorial disputes, and is dedicated instead to the pursuit of a peaceful resolution that promotes freedom of navigation. Individual member states must also not fracture ASEAN's unity by pursuing their claims unilaterally, which could jeopardize diplomatic ties, and undermine ASEAN's overarching strategy of a deep, purposeful, and binding engagement with China. Further, such an approach should not be perceived as a pacification strategy towards China's increasing assertiveness. Rather, it should be taken in sum with the other policy options of indirect balancing and dominance denial to envision and materialize the full benefits of a hedging policy.

Limited Bandwagoning. Limited bandwagoning differs from pure bandwagoning in three ways.²⁵ One, pure bandwagoning connotes a military alliance, while limited bandwagoning only seeks political cooperation on selected issues. Two, in limited bandwagoning, one does not simply side with the revisionist power as would a pure bandwagoning strategy do. Instead, ties with the status quo power are maintained. Three, pure bandwagoning establishes a deferential relationship between the big power and the small partner. Limited bandwagoning on the other hand makes a deliberate attempt to

²⁵Kuik, "Rising Dragon, Crouching Tigers?," 7.

avoid loss of autonomy and overreliance. Should ASEAN then pursue limited bandwagoning? We argue against such an approach for two key reasons. One, bandwagoning, limited or otherwise, invokes a gradual transition towards a new regional order—a discourse that should be treated with extreme caution given China’s yet unclear strategic intentions in the long term. As Schweller argues, “bandwagons roll when the system is in flux; either when the status-quo order starts to unravel or when a new order is being imposed.”²⁶ A pragmatic choice would thus be to deepen institutional engagements with China, and feel out its inclinations and motives over time before making any shifts that would augment its political grip in the region. Two, there is no immediate need for ASEAN to secure its legitimacy through a closer political affiliation with China. It has been argued that since bandwagoning is often interest-or reward-based (as opposed to balancing that is predicated heavily on security concerns), there is a tendency for states only to pursue it if it aids in the consolidation of regime power.²⁷ For instance, Malaysia (a Muslim-majority state) has pursued limited bandwagoning as a measured move to cleave itself from a strict U.S. alliance., and prove its independence in external policy, which in turn lends credibility to the Barisan Nasional (BN) regime. On the other hand, Singapore has disavowed limited bandwagoning for fear of being branded a Chinese vassal state—a label that could hurt both internal racial sensitivities, and invoke suspicions from its larger Muslim-majority neighbors. What ASEAN needs at this stage is not the benefit of a closer alliance with China, but rather a distinct voice that it would

²⁶Randall L. Schweller, “Bandwagoning for Profit: Bringing the Revisionist State Back In,” *International Security* 19, no. 1 (1994), 107.

²⁷Kuik, “Rising Dragon, Crouching Tigers?,” 11.

not be cowed under China's might. A limited bandwagoning strategy is therefore not a course of action that would aid towards this end.

Stronger Institutionalism in Support of a Hedging Strategy:

Taking a leaf Off of the EU's CFSP

While it is true that ASEAN is organically diverse, and its member states do not share a common liberal democratic political culture as its European counterparts, there is a growing sense that the fates of all ASEAN countries are intimately intertwined, and collectively a viable form of regionalism is required to meet both common threats and common interests. Hence, "soft regionalism" exemplified by the ASEAN Way may have to graduate towards a stronger and more structured form of institutionalism that would guarantee a more cohesive and coherent approach in ASEAN's security relations with the big powers.

The idea of an ASEAN common foreign security policy as a form of moderate institutionalism that could provide ASEAN a tangible means through which it can exercise a hedging strategy may be a viable way ahead--taking a leaf off of the EU's own CFSP mechanism. The Maastricht Treaty of 1993 instituted a CFSP pillar under the EU's framework. In 2009, the Treaty of Lisbon removed the pillar system, but the CFSP mechanism was retained, and a High Representative of the Union for Foreign Affairs and Security Policy was created to ensure greater consensus, coherence, and continuity in the EU's foreign and security policies.²⁸ Since its inception, the CFSP has allowed the EU to play a more active role in, and assert greater collective influence on global affairs. Unlike

²⁸Derek E. Mix, *The European Union: Foreign and Security Policy* (Washington, DC: Congressional Research Service, April 2013), 2.

other community decision-making processes, the EU's CFSP is intergovernmental in nature, which means adoption and implementation require a unanimous consensus of the 27 member states.

In terms of its key institutional actors, the CFSP has four (see figure 6). The EU Council comprising the heads of state (government) provides political direction, and sets priorities for the CFSP. This is similar to the ASEAN Summit, and decisions in this respect have to be consensual. The Council of Ministers, akin to ASEAN's ASEAN Coordinating Council, consists of the foreign ministers, and it drives the formal mechanics of the CFSP's decision-making process, which is similarly consensus-based. The Foreign Affairs Council chaired by the High Representative and assisted by the European External Action Service (EEAS) is then responsible for the management, implementation, and representation of the CFSP decisions. This may be parallel to ASEAN's ASEAN Political-Security Community Council and the APSC Department in the ASEC, but the Council certainly has a more elaborate institutional structure in this regard. Lastly, the Foreign Affairs Council is supported by a Political and Security Committee, which consists of state ambassadors to the EU. This committee provides inputs to the Foreign Affairs Council, and monitors the implementation of the CFSP decisions. The ASEAN equivalent would be the Committee of Permanent Representatives.

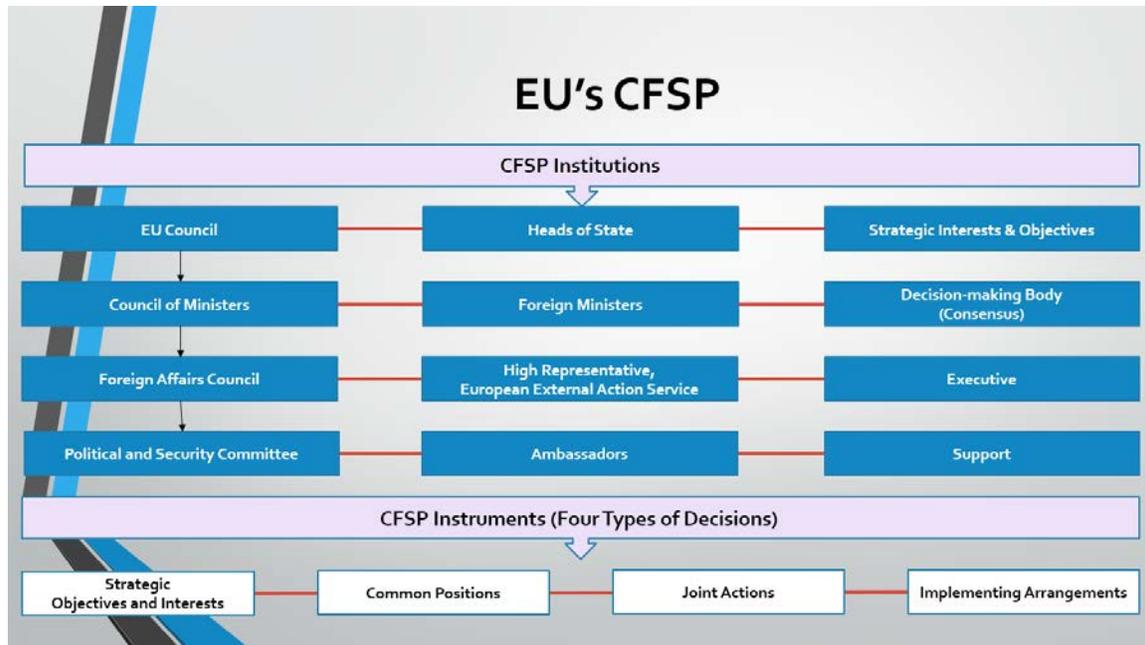


Figure 5. The EU's CFSP Institutions and Instruments

Source: Created by author.

As an institutional mechanism, the CFSP makes four key types of decisions. First, decisions on strategic objectives and interests of the EU. These are promulgated either by the European Council or the Foreign Affairs Council, and they provide a framework for the EU's policies and actions on external relations and security affairs. Notably, the High Representative has the authority to “release a CFSP statement on behalf of the EU that expresses a consensus viewpoint about an international development.”²⁹ In recent years, the European Council has released the European Security Strategy, the EU Strategy Against the Proliferation of Weapons of Mass Destruction, and the EU Counterterrorism Strategy. These instruments are not legally binding, but member states are duty-bound to support them. Second, decisions on Common Positions. These are often used to target

²⁹Ibid., 7.

problematic situations be it in relation to a country or an ongoing security issue or development that requires some form of positional viewpoint, or an intervention to resolve the conflict. An example would be a common position on North Korea. Third, decisions on Joint Actions. These entail launching civilian or military operations, as well as providing financial or other forms of support in pursuit of EU's foreign and security interests. Fourth, decisions on implementing arrangements, which are mainly administrative in nature. The EU also has a Common Security and Defense Policy, which acts at the operations arm of the CFSP, through which Joint Actions are implemented. The Common Security and Defense Policy covers not only military and defense elements, but also the police and judicial. For the purposes of this paper, the Common Security and Defense Policy will not be discussed since coordinating ASEAN's military capabilities remains a quantum leap at this stage of its development.

From the foregoing, the key strength of a CFSP mechanism for ASEAN would therefore lie in its "structural character."³⁰ It provides a clear institutional framework through which ASEAN can integrate its foreign and security policies towards matters of common interest. It mitigates the core weaknesses of the current dialogue-centric form of cooperative regional engagement in three ways.

One, instead of paying strict deference to national sovereignty and adherence to the principle of non-intervention, the CFSP, as an independent and neutral foreign policy mechanism, would encourage greater advocacy in dealing with regional flashpoints. It

³⁰Cristina Churruca, "The European Union's Common Foreign Policy: Strength, Weakness, and Prospects" (Research/Policy Workshop on New Dimensions of Security and Conflict Resolution, 14 February 2003), ftp://ftp.cordis.europa.eu/pub/improving/docs/g_ser_conflict-security_churruca.pdf (accessed 18 April 2014).

compels by default an ASEAN position that would call for individual member states to articulate with clarity what their common interests and positions are. Rather than rely on annual fora for the discussion of security issues, the CFSP ensures a more responsive reaction to security developments as they unfold. It thus minimizes discrepancy in policy responses from individual states, and drives a more concerted, long-term outlook. By interjecting an ASEAN voice on a sustained and consistent basis, it also lends credence to ASEAN's ability to respond and act effectively. In recent times, ASEAN's muted response to China's declaration of an Air Defense Identification Zone in the East China Sea has caused international disquiet. A few reasons have been surfaced to explain its reticence. First, it would be wise for ASEAN to let bigger powers vocalize their displeasure, and itself adopt a "wait and see" approach to determine the real impact of the Air Defense Identification Zone before risking China's ire by rushing to criticize it.³¹ Two, an Air Defense Identification Zone in the East China Sea does not necessarily mean the same for the SCS.³² In fact, China did come forth to reject any suggestions it was planning an Air Defense Identification Zone in the latter. The basis for this, however, was that China did not *yet* feel any air security threats from its Southeast Asian neighbors (unlike say, Japan). This may be cold comfort for ASEAN, and could be seen as a thinly veiled threat of how China expects ASEAN claimant states to behave. Three, given ASEAN's method of consensual politics, it was difficult to mount an integrated,

³¹Dylan Loh, "Muted ASEAN Response to China's ADIZ," *New Straits Times*, 30 December 2013, <http://www.nst.com.my/opinion/columnist/muted-asean-response-to-china-s-adiz-1.450270> (accessed 18 April 2014).

³²*Ibid.*

concerted response.³³ Regardless of which reason rings true, ASEAN's sluggish reaction could be taken by China as a sign of acquiescence that serves only to further embolden the "big brother" in the region. What ASEAN needs is therefore a response mechanism that is not "hamstrung by excessive consultations", but is vested with limited powers and certain latitude to react swiftly based on ASEAN's collective interests.³⁴ The CFSP has the potential to provide ASEAN with such an institutional capacity. This would in turn strengthen ASEAN's international standing, and help dispel any perception of it being an ineffectual talkshop. The symbolism of a common foreign security policy is also a signal to the U.S. and China that ASEAN will stand united despite of its internal differences from time to time.

Second, the CFSP provides a firmer foundation for more practical forms of cooperation that go beyond simply an exchange of views. Based on the four instruments it proffers, there is a graduation from macro-level strategic objectives and interests to micro-level tactical implementation details. The CFSP thus offers a continuum of policy actions to be taken depending on the level of unanimity ASEAN is able to achieve. Compared to the Treaty of Amity and Cooperation that enshrines a very tentative method of conflict resolution (based on broad principles and a High Council for dispute settlement), there is an institutional concreteness to the CFSP framework that focuses ASEAN's efforts towards more assertive collective action.

Finally, a key criticism of the current ARF process has been the consensual style of ASEAN diplomacy. Unless there is unanimity, ASEAN has a tendency to fall silent. It

³³Ibid.

³⁴Ibid.

is important to recognize that the CFSP does not abrogate the need for intergovernmental consensus, or concomitantly the attendant value and benefits of the ASEAN Way, which will continue to play a significant role in discussions and negotiations among member states. However, what the CFSP does is to establish first and foremost a position of initiative—a presumption from the very start that ASEAN must act on common interests, and arrive at common goals in order to give substance to a common foreign security policy. The ASEAN Way, which has hitherto been worn like a badge of honor, should therefore be viewed in its rightful place as simply a means to an end, and not an end in itself. ASEAN must prevent it from breeding inflexibility and hijacking the bloc's collective decision-making processes especially with regard to external developments. The institutional focus should instead be on common goals, and common outcomes as a CFSP dictates.

CONCLUSION AND RECOMMENDATIONS

Three possible courses of action for ASEAN were proposed: balancing, bandwagoning, and hedging. Balancing leverages on the status quo power's strength to counteract the revisionist power's influence, while bandwagoning assumes the latter's eventual hegemonic position, and simply draws strength from its ascendancy. Scholarly literature suggests that neither policy has been pursued in its purest form, and are not viable options for ASEAN. Pure balancing for one immediately precludes constructive engagement with China, and jeopardizes lucrative bilateral economic ties. Pure bandwagoning on the other hand relinquishes the stabilizing presence of U.S. forces as an insurance policy against the strategic uncertainty posed by China's increasing military

might. Further, pure bandwagoning ignores the U.S.' substantial economic clout in the Pacific, and could curtail individual states' access to advanced U.S. military technology. The first of four key recommendations is therefore to pursue hedging as ASEAN's preferred strategic approach. Hedging inherently contains both elements of balancing and bandwagoning. While balancing is used to minimize risks against a hegemonic China, bandwagoning seeks to maximize profits from China's ascendancy. Five possible policy options make up this hedging strategy: indirect balancing, dominance denial, economic pragmatism, binding engagement, and limited bandwagoning.

The second recommendation is for ASEAN to pursue the first four hedging options, but not the fifth. Indirect balancing, achieved through the U.S. military presence and the strengthening of indigenous military capabilities, provides ASEAN a fall-back option should relations with China hit a sour note. At the same time, this balancing effort is indirect by nature, which means it does not portray China as a threat. Instead, it is used as a coping mechanism to deal with strategic uncertainty, and advocates a balance of power to maintain the region's peace and stability. Similarly, dominance denial hedges against the risk of a preponderant China by sustaining political and diplomatic engagements with the U.S. and other major regional players. Bolstering ASEAN's community capacity and competencies would have an augmenting effect. Economic pragmatism adopts a business-minded perspective to ties with China, and is used as a means to attain mutually beneficial economic growth. Binding engagement on the other hand seeks to socialize China to internationally responsible behavior by enmeshing it within multilateral regional institutions. Finally, limited bandwagoning is premature at this stage because ASEAN is tentative in upsetting the regional order where the U.S.

remains as the preponderant power. In addition, any political alliance with China may have an unintended effect of reinforcing the latter's rhetoric on unequal relationships in big power versus small partners politics.

To hedge effectively, three principles to buttress ASEAN's institutional framework, namely: neutrality, unity, and transparency, are suggested. An examination of ASEAN's existing institutions finds them characterized by a strong sense of "soft regionalism". The ASEAN Way of informal, consultative, and consensual diplomacy permeates its structural mechanisms like the ARF. Further, the notion of ASEAN Centrality does not provide any useful guidance as to ASEAN's intramural dealings, which continue to be steeped in the realist traditions of state sovereignty and non-interference. Even the APSC blueprint, while notable for its ambitions of forging a political and security community, comes up short on substance, and fails to go beyond general platitudes towards more tangible mechanisms for practical cooperation on regional security matters.

The third recommendation is for ASEAN to graduate towards stronger institutionalism. The paradox between a "soft" approach to "hard" security issues is increasingly prevalent, and there is a sense that what worked well in the past for ASEAN's unique style of diplomacy on the intramural level may no longer be adequate to deal with big power politics on the intermural plane. While ASEAN may not wish to veer as far as the EU's design of supranationalism in its institutional architecture, a form of moderate institutionalism that balances between state sovereignty and community identity should take root to drive the bloc towards converging common interests and common positions to manifest greater unity and coherence.

The final recommendation is for ASEAN to explore the viability of a common foreign security policy by taking a leaf off of the EU's own CFSP mechanism. A singular policy on selected security matters would provide ASEAN a more coherent and unified voice on the international stage, thereby strengthening its credibility and geopolitical weight over time. The policy instruments derived from such a policy would also afford ASEAN more tangible forms of cooperation that go beyond simply an exchange of views as evident in the present form of dialogue-centric engagement. Further, instead of an institutional emphasis on the ASEAN Way (which has bred much inflexibility to a supposedly informal style of engagement), a CFSP would act as a default mechanism to focus efforts on all sides towards accomplishing common interests and goals. It is equally important to bear in mind that institution-building alone, as the EU's experience shows, would not be sufficient, since the CFSP mechanism continues to be intergovernmental in nature. This may be a positive assurance to member states who are wary of ceding state sovereignty to the bloc. At the same time, however, it means a more difficult time in getting every one to agree on a common position. On this aspect, agency matters more than structure. Institutional leadership and expertise within the organization must therefore be reinforced to meet these challenges.

Final Thoughts

The U.S. must accept that “the age of simple American dominance” is over.³⁵ As it competes with China for influence in the Asia-Pacific, actions will matter more than words. And the same axiom would apply to ASEAN. The geographical fact that China is

³⁵Ibid., 183.

big, and ASEAN states are small is immutable. Another immutable fact is that China is geographically close, and the U.S. is not. Thus, the Chinese proverb “远水救不了近火”—distant water cannot extinguish a nearby fire—is particularly poignant. It should inspire serious thoughts as to the current level and sustainability of U.S. engagement. It should also remind ASEAN that, for better or worse, this is the neighborhood it lives in, and it ought to take ownership of its own destiny. Does this then mean, as Kaplan argues, that ASEAN will be “Finlandized,” where member states “will maintain nominal independence but in the end abide by foreign policy rules set by Beijing?”³⁶ We believe that this is not yet a foregone conclusion. The future depends very much on the U.S. commitment to the Pacific, and whether ASEAN can act as a unified force to project its collective geopolitical weight, and hedge successfully against a rising China.

³⁶Ibid., 26.