

Living with Giants: ASEAN and the Evolution of Asian Regionalism

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Abstract

From its inception, ASEAN has been shaped by the evolving structure of the international system and the activities of more powerful external actors. This is still the case. What is different now is that the nature of the region of which ASEAN is a part has changed in significant ways. Indeed, the entire structure of the international system has undergone a number of profoundly important changes which have forced ASEAN to adjust and recalibrate its own policies. This paper explores this adjustment process and maps the most important forces and actors that are compelling change. By placing the ASEAN experience in a comparative conceptual framework, it becomes possible to identify the key drivers of change and to speculate about their future impact on an organisation that has proved remarkably resilient thus far. The nature of contemporary regional developments and the continuing evolution of the wider international system mean that ASEAN is currently facing major new challenges and questions about its relevance in an era when other regional organisations are emerging to challenge its authority and role.

Keywords: ASEAN, regionalism, geopolitics, history, security, interdependence

INTRODUCTION

THE ASSOCIATION OF SOUTHEAST Asian Nations (ASEAN) is famously the most successful and enduring organisation of its sort outside the established ‘Western’ democracies that dominate the contemporary landscape of international cooperation. Sceptics might argue that this is not saying a great deal given the competition, but the fact that ASEAN has remained a fixture in South-east, and latterly East Asian politics, for more than four decades is a noteworthy achievement in itself. Indeed, ASEAN boosters like to claim that not only has ASEAN been instrumental in keeping the peace in what was hitherto a volatile region, but it remains ‘in the driving seat’ when it comes to directing the course of regional cooperation (Kivimaki 2001; Mahbubani 2008). At the very least, ASEAN’s historical development serves as a useful vehicle for thinking about the diplomatic and strategic options open to states that are unambiguously less powerful than some of their immediate neighbours and distant but influential

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extra-regional actors. This paper provides such an analysis and suggests that, although some of the claims that are made about ASEAN's capacity for influencing its own members', let alone its more powerful neighbours', behaviour may be overstated, it is not powerless. Indeed, changes in the larger geopolitical context within which the ASEAN grouping is embedded may offer as many opportunities as threats – if ASEAN's leadership has the skill to take advantage of them.

The paper is organized as follows. First I situate ASEAN's original emergence in a theoretical and comparative context that highlights the unique combination of constraints and opportunities that confronted the organisation in its formative years and which have left such a distinctive impact on its contemporary *modus operandi*. Following this I consider ASEAN's relations with the 'giant' states with which it has had to learn to live: the US during the Cold War, and more recently the challenges posed by first Japan and now China as they became regional great powers. I then look at ASEAN's involvement in the development of regional institutional architecture in light of the preceding discussion. The central argument I develop in what follows is that if ASEAN is to retain its identity and centrality in regional affairs, it must attempt to navigate a course through the potentially competing demands of intra- and extra-regional relations, and the challenge posed by states that are significantly more powerful than ASEAN is – even when it acts with a unanimity of purpose that is not always present. Although ASEAN is not without influence, the reality is that its actions are likely to remain constrained by those its larger neighbours generally and the growing competition between the United States and China in particular.

IN THE BEGINNING

There is, of course, one overwhelming geopolitical reality that helps to explain both the origins of ASEAN in the late 1960s and the particular style of its internal and external relations. The Cold War not only threatened to turn much of East Asia into the bloody backdrop for a larger superpower confrontation, but it also threatened to undermine the faltering progress that Southeast Asia's newly-independent states had made toward political and economic development. Unlike their European counterparts, Southeast Asians were given little encouragement by the US (or the USSR, for that matter), to band together in defiance of one superpower or another. On the contrary, the US had actively discouraged the development of intra-regional cooperation and constructed instead an elaborate security architecture that had its epicentre in Washington not Asia (Beeson 2005). In this institutional vacuum and given the absence of regional organisations, banding together in mutual solidarity made a good deal of sense to Southeast Asians, especially when their own bilateral ties were frayed and uncertain. It needs to be remembered that much of Southeast Asia was still in the business of

nation-building, boundary demarcating and conflict resolution. Indeed, the failure of earlier attempts to institutionalise cooperation between ASEAN members during Indonesia's *Konfrontasi* with Malaysia was a reminder of both the difficulties and necessity of achieving an intra-regional accord (Acharya 2001).

Nevertheless, structural constraints of the sort neo-realists emphasise are plainly not without significance when considering what any state can do. The fact that the 'small', comparatively weak states of Southeast Asia had little individual capacity to autonomously determine their own fates, much less easily remake the regional structure in which they were embedded, is plainly a major part of any explanation of their behaviour especially in the fraught 1960s when the Cold War bipolar strategic architecture was at its most forbidding and implacable. And yet not only was the behaviour of the principal 'great power' protagonists in this epic struggle not inflexibly determined by the structure of the system, neither was that of its weaker members either. The (very real in the former's case) possibility that the UK and the US might make a strategic withdrawal from Southeast Asia and leave the putative region to its fate, focused the attention of political elites everywhere. But it was the domestic transformation that occurred within Indonesia following the downfall of Sukarno that really provided the final piece of an especially auspicious set of preconditions that allowed the eventual emergence of ASEAN. Even then, though, it required the active and energetic agency of key actors like Malaysia's Tun Razak, Thailand's Thanat Khoman and Indonesia's Adam Malik to really get the ASEAN show on the road (Ba 2009: 53–54).

The other feature of ASEAN's inauguration and subsequent trajectory that merits note from this early period is its much-noted diplomatic style. The so-called 'ASEAN way' of consultation, consensus and implicit sensitivity about the domestic circumstances of its members, has proved to be one of the most distinctive and influential aspects of Southeast Asian diplomacy. The reasons for its emergence are not hard to discern. A preoccupation with domestic stability and sovereignty – especially in ASEAN's formative years – has been one of the defining features of, and influences on, Southeast Asia's diplomatic practice. Shoring up fragile domestic sovereignty when national identity and security were often far from assured, were understandable concerns. As Jürgen Haacke (2003: 51) points out, "processes of reciprocal recognition of political identity among regional elites were particularly crucial for the emergence of the 'ASEAN Way' as a framework to mediate estrangement and insecurity."

Having acknowledged that the so-called ASEAN Way may have had instrumental value for the region's extant political elites, we also need to recognize that it was neither as seamlessly applied nor as universal as much of the commentary would have us believe. On the contrary, as Lee Jones has pointed out, not only has the norm of non-intervention been ignored at times by ASEAN members, but such violations reflect a complex interplay of domestic and international forces. Consequently, "when these domestic struggles are combined

with ASEAN's international crisis of 'relevance', ASEAN state managers have felt compelled to violate and even try to revise non-interference to defend their 'image' and 'reputation'" (Jones 2010: 495). As we shall, these underlying tensions continue to influence ASEAN's institutional trajectory as it seeks to accommodate intersecting internal and external pressures.

ASEAN's Comparative Implications

From its inception ASEAN has been something of an exception both in terms of its unique position as a pioneer of relatively successful regional institutionalisation in what is still patronisingly known as the 'developing world', and because of the distinctive diplomatic style it has developed in the process. As a result, ASEAN has a comparative and analytical status that arguably belies its material significance and helps to explain both the amount of scholarly attention it receives and the polarised views it engenders. As a relatively rare and enduring collective actor in the 'periphery', ASEAN offers a useful focus for exploring a number of theoretical claims about contemporary international relations generally, and the dynamics of East Asia's political development in particular.

While we might be unsurprised by the possibility that the political elites of relatively weak states operating in a hostile, uncertain and potentially highly unstable environment might seek solidarity and legitimacy in the mutual recognition of other similarly positioned states, it is far more contentious to suggest that such states might influence the behaviour of other more powerful actors as a consequence. And yet this is precisely what is claimed by some of the foremost observers of broadly conceived regional relations. For Amitav Acharya (2009), for example, ASEAN has become a vehicle for 'norm diffusion' in which local actors mediate and even transmit ideas and values that ultimately come to influence the conduct of international relations – even those conducted with more powerful states.

It is worth emphasizing how counter-intuitive this claim is, how much it remains at odds with much of the prevailing wisdom in international relations scholarship, and just how important the ASEAN case is – in a comparative analytical context, at least – as a consequence. Even though scholars operating within a broadly constructivist framework have usefully drawn attention to both the increased importance of ideas and norms in a post-Cold War era characterised by a decrease in inter-state warfare, increasing economic integration, and a general intensification of trans-border processes associated with 'globalisation' (Clark 1999; Ruggie 1993), brute material reality continues to matter. Some of the most persuasive and sophisticated analyses of the importance of ideas have tied their influence to the dominant position of the US and its ability to compel or persuade other states to acquiesce to its dominance and normative preferences (Cox 1987). In other words, states went along with US hegemony because they either had little power to resist it, or because there was something in it for them. The conventional wisdom as far as US-ASEAN strategic relations

are concerned is the US has been a force for stability in the region, which the ASEAN states are keen to see continue (Goh 2008).

The potentially transformative impact of the US's ideational dominance was clearly evident in that other – far more geopolitically and analytically significant – great experiment with regionalism in Western Europe. Despite the fact that the EU's developmental trajectory has been very different from ASEAN's, from a comparative point of view it is significant because there is no doubt that the EU *has* exercised considerable ideational and regulatory influence over its members (Checkel 2001; Diez 2005). Paradoxically, it has also exercised considerable influence over ASEAN, although not as a role model: the EU's authority over its members and the associated pattern of 'sovereignty pooling' were anathemas to ASEAN's members, to be studiously avoided rather than emulated (Beeson 2009a). ASEAN misgivings about EU-style integration will have been reinforced by the current crisis in Europe. The general significance of the EU in the context of this discussion is that it demonstrates how much influence regional authorities can potentially wield, either directly or as a normative influence. The question, therefore, is whether ASEAN has had the capacity, desire, or opportunity to play a similarly influential role in Southeast, and perhaps even the broader East Asian region.

Before considering how effectively ASEAN has grasped this opportunity, it is worth emphasising a couple of final comparative points. Despite the destructive impact of the Second World War on Western Europe in particular it was, nevertheless, generally a region populated by states with a long history of independence, advanced political structures (albeit ones prone, at times, to morbid symptoms), and high levels of economic development. When combined with the positive, direct support of an American superpower bent on creating a unified bloc of independent capitalist states, the prospects for success and the willingness to deemphasise national priorities in Europe were significant. ASEAN's initial internal political and economic development has occurred in less auspicious geopolitical circumstances. Even now, Southeast Asia faces capacity constraints and regional hurdles that make its possible role as a driver of a wider, East Asian process of cooperation and integration far from certain.

ASEAN AND THE POLITICS OF ECONOMIC INTEGRATION

Given the complexity of ASEAN's regional development and integration, it makes sense to divide the discussion into broadly economic and political dimensions. This is, of course, an inherently artificial exercise as such processes are deeply intertwined everywhere; nowhere more so than East Asia. Further complicating such analytical niceties, is the reality that ASEAN's political development has been shaped by the wider geopolitical context within which it is embedded. Indeed, I would argue that we need to consider economic, political

and security questions simultaneously if we are to capture the complex dynamics that have shaped the region's history (Beeson 2007). Nevertheless, we must begin to unravel the story of ASEAN's possible impact on wider processes of regionalisation somewhere, so it is as well to start with economic issues because the recent reality has been that the principal threat and opportunity to emerge within East Asia as far as the smaller states of Southeast Asia have been concerned has been economic rather than strategic. The emergence of first Japan and more recently China as major regional economic actors highlights many of the contradictions facing policymakers from less powerful states. It is worth examining each in turn.

Making Friends from Enemies?

Although Japan is currently synonymous with economic stagnation, political ineptitude and general decline, things were not always thus. On the contrary, throughout the 1980s in particular, it was common, almost obligatory, to see Japan as the epicentre of, and driving force behind the entire 'Asian miracle', a potential role model for other would-be industrial success stories, and a fundamental challenge to the dominance of neoliberal capitalism (Lee 2008). Unlikely as it may seem to some from today's perspective, the reputation was deserved and its economic prominence intended. It needs to be remembered that Japan's industrial renaissance after World War Two was planned, and not just by its famously interventionist 'developmental state'. Japan's place as the engine room of post-war capitalist expansion in Asia was in part, at least, an artefact of American foreign policy and the desire to create a political-economic bulwark against perceived Soviet expansion (Schaller 1982). In other words, Japanese economic hegemony in pro-capitalist East Asia was the intentional consequence of American geopolitics and Japanese neo-mercantilism (Beeson 2007).

Whatever the 'big picture' may have been from an American or a Japanese perspective, the net effect on Southeast Asia was contradictory. Certainly, the eventual spread of Japanese manufacturing into Southeast Asia had the effect of spurring the industrialisation process in places like Malaysia and Thailand in particular, but it also created a regional production hierarchy with its apex in Japan (Hatch and Yamamura 1996). Japanese companies have been notoriously reluctant to pass on technology and play the sort of role the 'flying geese' model of economic development might have led us to expect. In reality, industrial deepening in Southeast Asia was often partial, and some countries like Indonesia were significant primarily as sources of raw materials. Even though Japanese corporate strategies have changed significantly of late, it is important to emphasise that this has come about primarily as a consequence of Japanese decision-making, rather than as a consequence of anything ASEAN might have done. Changes in the nature of production process and the unsustainable nature of Japan's hierarchical corporate structures in the face of growing competition have left Japanese firms with little option other than to change (Ernst 2006).

As far as the more overtly political dimension of ASEAN's relationship with Japan is concerned, it is noteworthy that significant progress on formalising economic cooperation on a state-to-state basis made little progress until the rapid emergence of China as the region's pivotal economic and strategic actor catalysed regional relations more generally. Japan's foreign policy elites were clearly caught flat-footed by both the material and diplomatic implications of China's remarkable rise, and have scrambled to respond. The effectiveness of that response mirrors the ineptitude of Japanese foreign and domestic policy more generally, and the impact of ASEAN-Japan Comprehensive Economic Partnership (AJCEP) has been "limited at best" (Corning 2009: 640). From an ASEAN perspective the principal implication of Japan's policy is that it is primarily attuned to the actions of China rather than Southeast Asia, something that is reflected in Japanese policy toward East Asia's various emerging regional groupings. For Japan, the principal goal is to offset Chinese ascendancy and its possible dominance of the region through the auspices of ASEAN + 3, which includes China, Japan and Korea in addition to ASEAN.

As Takeshi Terada (2010) points out, China's proposed free trade agreement (FTA) with ASEAN changed the way Japanese foreign policy officials viewed the region and its nascent institutional architecture. An expanded ASEAN + 6 that includes Australia, New Zealand and India might be expected to dilute China's influence, allowing Japanese officials more latitude to pursue their own regional vision. From an ASEAN perspective, the implications of this great power manoeuvring were ambiguous: on the one hand, Japanese policy was a sobering reminder of limited significance of ASEAN as a factor in the calculation of Japan's national interest. On the other hand, however, the regional leadership rivalry between China and Japan offered ASEAN the opportunity to play a more prominent role in shaping the region's emergent institutions. There are striking parallels with the Cold War period in this regard: ASEAN has the potential to play off one regional great power against another and skilfully exploit the competition between its more powerful neighbours. But as the Cold War period reminds us, this is a delicate task and one largely dependent on the – inherently unpredictable – actions of others. In the case of China, its sudden re-emergence at the centre of regional affairs means that it remains the key test for ASEAN's still nervous regional elites.

Responding to Economic Reality

China's unprecedented economic transformation has been subjected to extensive analysis but its principal features merit repetition because they are at the centre of the threats and opportunities that confront the much smaller economies of ASEAN. The first point to emphasise is that 'China' has an enduring, established presence and impact on the Southeast Asian region that no other country can match. Not only has China been at the centre of what we now think of as East Asia for hundreds, if not thousands of years, but the Chinese diaspora that has

been such a pivotal part of the Southeast Asia's economic development continues to distinguish political relationships in the region, as well. For some observers, the millions of ethnic Chinese in Southeast Asia provide an important mediating factor between local and international capital, and a network of connections that has underpinned economic development across much of the region (Arrighi 2007; Chung and Hamilton 2009). Despite doubts about the sophistication and depth of the industrialization process in Southeast Asia (Studwell 2007) – and even China itself, for that matter (Breslin 2005) – there is little doubt that ethnically Chinese entrepreneurs have played a disproportionately influential role in the region, and this provides an important backdrop for ASEAN-China relations.

More recently, of course, it has been the immediate, direct impact of China's rapid economic expansion that has presented the principal challenge for ASEAN. It is not simply the much remarked, rapid relative growth of China's domestic economy that is of significance here, but the fact that it is potentially a direct threat to many Southeast Asian economies. Unlike Japan's earlier period of regional economic dominance which was characterised by a vertical division of labour, China's economy directly competes with ASEAN in many of the same labour-intensive industries that are pivotal to Southeast Asia, such as textiles and electronics. Moreover, China's potentially massive economies of scale, its potentially enormous domestic market, and what had until recently seemed like an inexhaustible pool of surplus labour, all seemed certain to undermine the comparative advantage of many ASEAN economies. One of the key concerns here was the fear that much-needed foreign investment would be diverted from the region to China. While this remains a real concern, the evidence is mixed with some observers downplaying the impact (Ravenhill 2006), whilst others point to the negative impact Chinese competition is having on countries such as Indonesia (Wines 2009).

The reality is that, while China's impact may be contradictory and complex, its smaller neighbours have little choice other than to try and make the best of it. China has rapidly become the centre of the region's trade relations and production processes (Das 2009; Gaulier and Unal-Kesenci 2006), a material reality that has increased ASEAN's dependency on the mainland, and which underlies the inauguration of the China-ASEAN Free Trade Area (CAFTA). However, while growing trade ties and China's economic primacy may help to account for ASEAN's willingness to participate in a formal trade agreement, the terms and development of the CAFTA are a revealing insight into both Chinese foreign policy priorities and to ASEAN's geopolitical significance. As Ravenhill and Yang (2009) suggest, China does not have an unlimited diplomatic capacity to embark on complex deals of this sort, nor does it have a uniform template to apply to every trade agreement. Its privileging of ties with ASEAN is, therefore, symbolically and practically significant. Chin and Stubbs (2011: 292) reinforce this point when they argue that "the CAFTA is as much about economic statecraft and geoeconomics as purely economics." In other words, China's

willingness to offer Southeast Asia an 'early harvest' of trade access to its own growing domestic market is more significant as an expression of China's 'charm offensive' and desire to reassure its smaller neighbours than it is as a narrowly conceived economic initiative (Kurlantzick 2007a).

How successful China will actually prove to be in reassuring its neighbours about the implications of its growing material presence in the region is at this stage unclear. Much will depend on its ability to convince the ASEAN states that its economic rise does not presage a similar increase in its strategic importance, not to say threat, to the region. This will not simply be a test of the efficacy of China's increasingly sophisticated diplomacy, however; it will also provide a major examination for the region's security architecture and ASEAN's claims to be at its centre.

ASEAN AND THE DYNAMICS OF STRATEGIC CONTESTATION

The underlying strategic dynamics of the East Asian region with which the ASEAN states must contend present a complex, rapidly evolving picture that resists easy characterisation. On the one hand, the region is widely seen as inherently unstable and containing some of the world's most enduring sources of instability and tension. Not only are there the more obvious 'flashpoints' such as the Korean peninsula, competing territorial claims in the South China Sea, and the unresolved status of Taiwan, but there are a growing list of 'new' threats to the security of the Southeast Asian states in particular, which lead many observers to question whether the region can remain stable and relatively peaceful (Dupont 2001; White 2008). And yet despite such gloomy prognostications, the reality has been a largely unbroken period of stability since the end of the Vietnam War. For admirers of ASEAN, it deserves some of the credit for bringing this about (Kivimaki 2001). Others remain deeply sceptical about the grouping's historical role and its capacity for managing intramural conflicts, let alone determining geopolitical outcomes in the wider East Asian region (Jones and Smith 2007). To understand why it is possible to come to quite such different conclusions about the region generally and ASEAN's role in particular, it is necessary to say something about the wider, historically specific, geopolitical context of which Southeast Asia is a part.

Multilateralism with Southeast Asian Characteristics

As we have seen, ASEAN emerged from inauspicious circumstances and was a largely a product of geopolitical circumstances over which it had little control. The reactive nature of regional politics remains a feature of contemporary institutional initiatives in East Asia and provides a telling reminder of the constraints with which states in the region must deal (Beeson 2003). However, this has not meant that there has not been an interest in developing institutions with a more

distinctively East Asian flavour. On the contrary, the emergence of a range of potentially competing institutional initiatives such as ASEAN + 3, the East Asia Summit, and the East Asian Community are testimony to the continuing interest in developing new institutions with which to represent and define the contours of the region itself (see Dent 2008).

Deciding which countries ought to be included in any putative region is a key issue and reflects the potentially incompatible and overlapping visions of regional order held by key states such as China and the US (Rozman 2012). It is especially significant, therefore, that the ASEAN Regional Forum (ARF) – the principal security grouping to emerge in the region and which notionally has ASEAN at its centre – is based on a conception of the Asia-Pacific, rather than the more narrowly conceived East Asian region (Yuzawa 2012).

The origins of the ARF provide an illuminating reminder of just how much external forces have shaped the development of what ostensibly might be thought of as Southeast Asian initiative. The central feature of East Asia's post-war security architecture is the 'hub and spokes' network of alliances established by the US which had its epicentre in North America rather than East Asia (see Cha 2010; Tow and Taylor 2010). The principal reason this underlying structure has been modified and built upon with the establishment of the ARF was because of the efforts of policy entrepreneurs from outside East Asia. Australia's Gareth Evans and Canada's Joe Clark were the principal architects of the ARF initiative, and ASEAN's leadership role came about because "no other regional player was in a position to propose the development of a multilateral security dialogue" (Emmers 2003: 31). This pattern of leadership by default continues to explain ASEAN's prominence in regional forums; it also explains the fact that the price for its 'leadership' has been the adoption of the 'ASEAN Way,' even for institutions that are not exclusively East Asian.¹

There are a number of important comparative and theoretical points that emerge from the ASEAN experience. First, realists may be correct to point out that ASEAN's capacity to demonstrate leadership is heavily dependent on the behaviour and interests of more powerful states. ASEAN's celebrated resolution of the Cambodian crisis was, as Jones and Smith (2006: 54) rightly point out, achieved largely because ASEAN "aligned itself with China and the United States in their geopolitical conflict with the Soviet Union". In other words, without such a coincidence of interests, ASEAN would have found it far more difficult to influence the behaviour of the region's major powers. And yet there is plainly more to the way the region's security relations play out than a simple neorealist reading of material capabilities and consequent state

¹The principal manifestation of the ASEAN Way's impact on institutional development other than the ARF has been the Asia Pacific Economic Cooperation (APEC) forum. APEC has been notoriously ineffective largely as a consequence of its inability to deliver on policy initiatives, something that reflects the non-binding, consensual nature of its ASEAN-style *modus operandi*. See Webber (2001).

behaviour. Indeed, it is arguably the remarkable strategic stability that characterises inter-state relations around the world – highlighted most dramatically by the decline of inter-state warfare – that is most consequential for the less powerful states of Asia and elsewhere. Whether this is attributed to a shift in the way states calculate their national interests or a recognition of the futility of war in an era of weapons of mass destruction (see respectively, Mueller 1989; Väyrynen 2006), the net result is to limit the efficacy of one hitherto decisive aspect of great power status, potentially opening a space for other less materially powerful actors to play a more prominent international role.

Under such circumstances, it is hardly surprising that constructivists claim that norms and diplomacy are likely to become more important determinants of state behaviour when recourse to more traditional modes of dispute resolution are effectively foreclosed. At its most sweeping, the constructivist perspective claims that smaller states play a crucial role in ‘localizing’ international ideas and can even shape the behaviour of more powerful states in the process. The most important example of this possibility in an East Asian context, according to Amitav Acharya, is ASEAN’s role in not only influencing the way the ARF developed and operated, but also in shaping the course of regional development more generally. For Acharya (2009: 148), it has been norms, “even more so than power and interest variables”, which have been the most important influences on the course of institutional development in East Asia. Indeed, Acharya argues that it has been the establishment and mutual recognition of the norm of “non-interference” that has made China a surprisingly enthusiastic participant in regional institutions (Acharya 2007: 36).

The Limits to Normative Influence?

In an East Asian context China represents the definitive test of this argument about the capacity of the Southeast Asian states acting collectively to constrain the behaviour of great powers through normative suasion. At one level, the constructivists clearly have a point: China’s engagement in regional institutions is itself an indication of the changing nature of Chinese foreign policy and reflects an increasingly sophisticated and diverse debate about policy options in China (Beeson and Li 2012). More importantly, perhaps, the process of engagement appears to be having precisely the sort of ‘socialisation’ effect that academics expect and regional policymakers hope for (Johnston 2003). China has, in fact, been “less belligerent than leading theories of international relations might have predicted for a state with its characteristics” (Fravel 2008: 45). However, there are plainly limits to this process. On the one hand China itself has embarked on a major program of military modernisation and expansion (Hille and Johnston 2010), in precisely the way many realist scholars predicted (Mearsheimer 2001). The response of other actors – including the ASEAN states – has been an equally predictable, as far as realists are concerned: there has been a

significant increase in military spending across a region palpably nervous about the implications of China's increasing power and assertiveness (Pomfret 2010a).

The strategic uncertainty generated by China's rise is not only unsettling to its smaller neighbours, however. The United States has become increasingly concerned about the possible security implications of China's more assertive behaviour and apparent desire to project power in its immediate neighbourhood. The US's willingness to take a more confrontational line with China has been sparked – in part, at least – by the concerns expressed by Southeast Asian nations. Significantly, Secretary of State Hilary Clinton's statement that the US regarded freedom of navigation in the South China Sea as a US 'national interest' came in the context of the recent ARF Summit in Vietnam (Pomfret 2010b). Equally significantly, China describes the South China Sea – the site of a number of unresolved territorial claims with Southeast Asian states – as a 'core national interest', and has begun to actively challenge the US's naval dominance of the region (Hartcher 2010).

The competing territorial claims and ambitions in the South China Sea which centre on the Paracel and Spratly Islands highlight the limits and possibilities of Southeast Asian diplomacy. Not only are there potentially competing claims to the sea's maritime zones *within* the ASEAN grouping as Malaysia, the Philippines, Brunei and especially Vietnam argue their historical connections, but there are plainly limits to how much the ASEAN states even acting collectively can influence China's behaviour. The most tangible manifestation of ASEAN influence has been the fact that China is a party to the ARF-inspired *Declaration on the Conduct of Parties in the South China Sea*, in which the parties agree to try and resolve differences without using force. Apart from some relatively minor clashes, China has gone along with the spirit of this declaration, despite its vastly superior military capacity. However, it was particularly noteworthy that Chinese foreign minister Yang Jiechi used the 2011 meeting of the ARF to argue that bilateral rather than multilateral negotiations were the key to resolving competing territorial claims in the South China Sea (Alford 2011). As Alan Collins (2003) points out, the declaration is not a code of conduct and there are doubts about whether it will prove sufficient to curb China's ambitions indefinitely, a possibility that China's recent aggressive behaviour toward Japan seems to confirm (Anderlini and Dickie 2010).

While there is every reason to suppose that China is serious about maintaining good relations with the states of Southeast Asia, the potential strategic importance of the South China Sea and its possible oil and gas reserves may provide an increasingly stern test of the efficacy of ASEAN diplomacy. The stark material reality is that China has gargantuan energy needs and the viability of the entire political and economic order in China is dependent on ensuring development continues at all costs. Indeed, the other noteworthy aspect of China's evolving foreign policy generally is its pursuit of energy security (Kennedy 2010). The potential for a non-negotiable clash of interests and priorities is clearly high,

and not just with the weaker Southeast Asian states. On the contrary, the contest for strategic dominance between a rising China and a US that appears to be in inexorable, relative long term decline is far from negligible (Beeson 2009b). Not only will this create foreign policy dilemmas for ASEAN as they struggle to balance economic and strategic imperatives, but such competing interests will play themselves out in the region's evolving institutional architecture. The key questions for ASEAN are what role they will play in, and how much will they influence the evolution of, the region's evolving institutional architecture.

ASEAN AND THE FUTURE OF REGIONAL COLLABORATION

Even if we accept that ASEAN has 'punched above its weight' and exerted an ideational and policy influence beyond what we might expect from its material capabilities alone, can it continue to do so in the future? Were the circumstances that underpinned ASEAN's inauguration and claimed successes unique and unlikely to be repeated? Although it is impossible to predict what the course of regional development in East Asia is likely to be, it is possible to identify some of the factors that are likely to determine whether the ASEAN states can cope with, let alone manage, the actions of its more powerful neighbours and the rapidly changing geopolitical circumstances within which they are embedded.

Staying in the Driving Seat...?

The central dilemma for ASEAN is to retain its notionally influential position at the centre of the region's evolving institutional architecture – be it centred on East Asia or the Asia Pacific. Thus far it has achieved this fairly successfully as the *modus operandi* of the various forums that have emerged there testify. For APEC as well as the ASEAN + 3 grouping, ASEAN and its distinctive diplomatic style have been essential parts of their development. However, the very existence of so many initiatives and potentially competing regional forums suggests that there is little real agreement on what these institutions are for or even who should be in them. China has expressed a strong preference for ASEAN + 3 (Xinbo 2009), an institution which it has the potential to dominate, which excludes non-Asian states, and which promises to reinforce both China's traditional material and ideational dominance of the East Asian region as a consequence. Some American observers argue it is pointless for the US to try and oppose the development of an exclusively East Asian grouping as this will only increase China's relative appeal (Kurlantzick 2007b). But for the ASEAN states, the calculation of their interests, and the implications of China's rise are not as clear cut – especially if they are to retain their notional leadership position.

One of the most noteworthy features of intra-regional relations across both the East Asian and Asia Pacific regions has been an increase in 'strategic hedging'. In an effort to accommodate the rise of China and the strategic tensions

this generates, the US has sought to use its alliance relationships in East Asia to offset China's growing influence and power. This strategy has direct implications for a number of Southeast Asian states as the US has sought to bolster defence cooperation and generally reinforce strategic ties (Medeiros 2005–06). But China, too, is keen to recruit the Southeast Asian states to its cause, and its enthusiasm for the CAFTA and its willingness to sign on to ASEAN's Treaty of Amity and Cooperation (TAC) is testimony to the lengths to which it is prepared to go to ingratiate itself with its neighbours. The fact that the US also ultimately felt obliged to sign up to the TAC is arguably indicative of ASEAN's ability to influence its more powerful interlocutors when their interests clash.

Yet despite the symbolic importance of the TAC, in reality it is debatable how much influence it is likely to have. Both China and the US look to be more constrained by each other and the very real consequences of strategic miscalculation during a period of major systemic change than by concerns about violating ASEAN's norms (Chan 2008), although China's recent more assertive behaviour has begun to unsettle some of its neighbours and encouraged a strengthening of strategic ties with the US and even Japan (Hookway and Koh 2011; Pomfret 2010a). Nevertheless, in the absence of direct conflict between the US and China, there would seem to be potential for ASEAN to play a more influential role. The question then becomes: does ASEAN actually have an agenda that is likely to influence the institutional evolution of the region and the behaviour of its major powers?

...or on a Road to Nowhere?

Given that ASEAN cannot hope to be the ultimate determinant of the behaviour of states such as China and the US unless it suits them to appear so, can ASEAN become a source of policy initiatives that are sufficiently compelling to allow it act as a 'norm broker' or 'policy entrepreneur' in the way some hope (Katsumata 2009; Stubbs 2008)? To judge from the organization's own internal actions and its record as a source of influential policy advice, the answer is probably not. As its own actions are the one area in which the organisation can actually exercise effective control, this is a particularly telling indictment of the organisation. It is worth spelling out why.

ASEAN's most grievous failing, and the biggest single reason for thinking that it has very little capacity to influence the behaviour of external actors on a consistent basis and in the face of great power recalcitrance, is the fact that it cannot – or will not – consistently influence the behaviour of its own members. Despite the occasional interest in developing 'flexible' forms of engagement that would allow intervention in the affairs of members, there is little evidence that anything concrete is about to change as far as ASEAN practices or outcomes are concerned. The continuing failure to 'socialise' Burma into more acceptable forms of behaviour, or to curb its propensity for brutal

repression and corruption is perhaps the most telling failure in this regard (Kuhonta 2006). The recent thaw in Burma appears to have been driven by internal politics, rather than external pressure (Myers and Fuller 2011). For all the uplifting rhetoric contained in the much ballyhooed ASEAN Charter, especially regarding the commitment to good governance and democracy, the reality is that the Charter is predicated upon a continuing commitment to respecting the principle of non-interference in the internal affairs of its members (Beeson 2009a). In other words, despite having been in existence for more than forty years ASEAN remains dedicated to the same principles that obtained at its inauguration, the profound changes that have occurred in the normative climate and structural basis of the external international system notwithstanding. The net effect, as T.J. Pempel (2010: 211) points out, is that “most regional bodies in East Asia continue to reflect the pre-eminence and driving force of individual state strategies rather than any collective predisposition toward regionalism or multilateralism *per se*.”

One change in the international system is likely to consolidate this tendency, and make any the chances of a substantive alteration in ASEAN's underlying principles even more remote. ASEAN's non-interference principle is something authoritarian regimes are unlikely to find threatening, which is plainly one reason why China has felt increasingly comfortable operating in regional institutions that subscribe to the 'ASEAN Way.' The remarkable success of the 'Chinese model' of development is similarly appealing to Southeast Asian elites who were never enthusiastic about the economic and political reforms associated with US-sponsored institutions such as APEC. With China on the rise and the US in apparent decline and potentially exercising a reduced influence (Beeson 2008), the likelihood that political – or even economic, for that matter – liberalism will be enthusiastically promoted in East Asia is significantly reduced (Beeson 2012).

The possibility that China's rise will tend to reinforce ASEAN's illiberal tendencies and reluctance to embrace meaningful reform would be significant enough in itself, but when combined with a formidable and growing array of public policy challenges in the region, scepticism seems warranted. It is not just the intractable nature of the problems created by environmental degradation and rapid population increase that induces pessimism, but the capacity of states such as the Philippines, Cambodia, Thailand, and even democratic Indonesia to respond to such challenges. It is entirely possible that the still modest state capacities of the so-called CVLM states in particular may be overwhelmed by the scale of some of the problems they face (Jasparro and Taylor 2008). Such challenges are likely to provide yet another formidable test of regional solidarity and the ability of ASEAN as an organisation to offer anything more substantial than platitudes and uplifting rhetoric.

CONCLUDING REMARKS

Despite the profound challenges that confront the states of ASEAN, it is important to acknowledge that they can point to collective achievements that are not inconsiderable. The fact that the organization continues to exist, and that none of its members have gone to war with each other is noteworthy – even if it is difficult to be quite certain just how much this outcome reflects ASEAN's direct influence or a more general systemic transformation in which interstate warfare has become less frequent. It is not unreasonable to assume that the frequent interactions between ASEAN members has indeed been a powerful confidence building measure and made intra-regional conflict less likely. However, it is less clear whether this pattern of institutionalised interaction and limited cooperation can be transposed to the wider East Asian region. Here the interactions are less numerous and routine, and the conflicting institutional initiatives mean that there is less sense of collective purpose. More fundamentally, perhaps, the different material weight of the Southeast Asian states – even when acting collectively – means that they simply do not have the strategic, economic or political leverage of some of their giant neighbours.

This does not mean that ASEAN is without influence, however, or incapable of either exercising some normative sway or achieving outcomes that are in keeping with their interests. Much depends – as it always has done as far as Southeast Asia is concerned – on developments in the wider international system in which ASEAN is embedded. The decisive test of ASEAN's influence will be its capacity to accommodate the rise of China. Fortunately for ASEAN, perhaps, China remains preoccupied with the US, and this presents ASEAN with some potential room for manoeuvre as both the US and China seek to enlist the Southeast Asians in their larger geopolitical contests. While ever this contest remains unresolved and stops short of outright military conflict, there would seem opportunities for ASEAN to take advantage of this strategic standoff. Whether ASEAN has the capacity to avail itself of the opportunity in a consistent and coherent way is another question. The historical record suggests that its own internal weaknesses and nervousness about the sovereignty-encroaching implications of greater political coordination may be at least as greater constraint for ASEAN as the actions of its more powerful interlocutors.

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