ASEAN at 52
Achievements and Challenges Ahead
By Beginda Pakpahan

The Association of Southeast Asian Nations can look back at an impressive track record of preserving regional peace and enhancing economic prosperity. On a wide range of economic, security and social issues it has exceeded expectations.

But given issues ranging from the US-China trade war and competition in the Indo-Pacific region to the tragedy of Rakhine State in Myanmar, ASEAN has a full plate of challenges to address, writes Beginda Pakpahan.

ON AUG. 8, 2019, the Association of Southeast Asian Nations turned 52 years old. Marking the occasion is the launch of the new ASEAN Secretariat building in Jakarta to house member representatives and secretariat staff. Hopefully, this will strengthen relationships among ASEAN member states and enhance the bloc’s mission to preserve its centrality while facing new challenges.

In this article, I argue that ASEAN is a mature regional organization with many notable achievements but with stiff challenges ahead. For 52 years, it has provided peace and enhanced security in Southeast Asia. It has fostered economic development and has contributed to social progress for its people. But ASEAN now confronts numerous external and internal headwinds: the competition of major powers in the Indo-Pacific region; implications of the US-China trade war for ASEAN; and potential collective ASEAN humanitarian assistance in Rakhine State, Myanmar.

The article’s first part elaborates on several current achievements of ASEAN. The second part explains various crucial challenges ahead.

A NOTABLE TRACK RECORD
ASEAN has done a good job in key political-security, economic and socio-cultural areas over the last five decades. I will list five:

First, ASEAN has preserved peace and stability in the region. In 2015, ASEAN established the ASEAN Community, which consists of a political and security community, economic community and socio-cultural community. This was a substantial step toward regional integration. In addition, ASEAN has developed and expanded the Treaty of Amity and Co-operation in Southeast Asia as a foundation of inter-state relations that has been endorsed by 27 states within and outside Southeast Asia. ASEAN and China also reached a framework for the Code of Conduct in the South China Sea in 2017, a crucial phase for the formal conclusion of a Code of Conduct. Hopefully, both parties will finalize the Code of Conduct in the future (ASEAN Secretariat, 2018a).

ASEAN has also adopted two conventions to counter transnational crime: the ASEAN Convention on Counter-terrorism in 2007 and the ASEAN Convention against Trafficking in Persons in 2015. ASEAN has established the ASEAN Defense Ministers Meeting (ADMM) and the ADMM-plus for external partners as foundations of intra-ASEAN defense co-operation and military co-operation between ASEAN and its external partners. There are numerous areas of potential co-operation: maritime security, humanitarian assistance, peace keeping operations, disaster response, counter terrorism, cyber security and military medicine (ASEAN Secretariat, 2018a).
Second, ASEAN’s political and security achievements contribute positively to economic development. The ASEAN Economic Community (AEC) has established a single and open market with many economic opportunities since 2015. For business actors, the AEC decreases costs, supports free flow of goods and increases investment. ASEAN is working to integrate the association with the world economy and has developed free-trade agreements with several partners including Australia, China, Japan, India, South Korea and ASEAN is working to integrate the association with the world economy and has developed free-trade agreements with these above external partners (ASEAN Secretariat, 2018a).

The ASEAN Economic Community Blueprint 2025 provides a guide for member states to pursue regional integration. The Blueprint envisions 1) an integrated and cohesive regional economy; 2) a competitive and dynamic ASEAN; 3) enhanced connectivity and sectoral co-operation; 4) a resilient, inclusive, people-oriented ASEAN; and 5) a global ASEAN (ASEAN Secretariat, 2019a).

Based on ASEAN’s selected basic indicators released in October 2018, it has a huge population of around 6.42 million people as of 2017. The grouping’s gross domestic product growth increased from 4.8 percent in 2016 to 5.3 percent in 2017. Total trade value grew from US$2.238 trillion in 2016 to US$2.574 trillion in 2017. Additionally, Southeast Asia is a favorite region for investors both from member states and outside, receiving a massive amount of foreign direct investment — US$122.6 billion in 2016 and US$135 billion in 2017 (ASEAN Secretariat, 2018b). This demonstrates that its economic prosperity has attracted enthusiastic external partners (Pakpahan, 2018a).

Third, ASEAN is focused on building socio-cultural relationships among member states through the ASEAN Socio-Cultural Community, which positively contributed to social progress by reducing the proportion of people living on less than US$1.25 a day from one in every two persons to one in every eight within two decades and minimizing infant and maternal mortality in the region. Life expectancy in ASEAN has risen from 55.6 years in 1969 to 70.9 in 2016 (ASEAN Secretariat, 2018a). The ASEAN Socio-Cultural Community also attempts to build ASEAN’s identity and character, both of which are people-centered. One other project, the ASEAN Co-ordinating Center for Humanitarian Assistance on Disaster Response and Management (AHA Center), is seeking to develop regional disaster risk management and climate change adaptation capabilities (ASEAN Secretariat, 2018a).

DANGERS AHEAD
Despite ASEAN’s positive record, it faces continued challenges and must respond to uncertainty in the world (Pakpahan, 2018c and 2019). I focus here on three main areas.

First is the rising struggle among major powers in the Indo-Pacific region. The US and China are competing on South China Sea issues and the current dynamics in the Pacific and Indian oceans. China has recently expanded its sphere of influence into South Asia and Africa. The US, together with Japan, Australia and India, have established The Quadri-lateral Security Dialogue (QSD) (CSIS, 2018) in order to mitigate and balance the geopolitical shift in the Indo-Pacific region.

Second, the US-China trade war started in July 2018 ... The challenge for ASEAN and its partners is to resolve their differences and conclude the RCEP trade pact quickly.

Third, ASEAN’s humanitarian assistance for the repatriation of displaced persons from Rakhine State and sustainable development in that province are potentially collective actions.
is to see how its member states and its external partners work together to implement the outlook in an effective way. Second, the US-China trade war started on July 6, 2018. The US imposed a 25 percent tariff on steel imports and a 10 percent import tariff on aluminum. China responded with a 15 percent import tariff on fresh fruit, wine and nuts and 25 percent on pork and aluminum scrap. The total value of affected products was US$32.34 billion per year (Kompas, 2018b). On Sept. 24, 2018, the US expanded its 10 percent import tariff to 5,745 imported products from China with a total value of roughly US$200 billion. China responded by imposing an import tariff on 2,507 products from the US with a total value of US$6.6 billion (Kompas, 2018c).

On May 10, US President Donald Trump employed additional tariffs with a total value of US$200 billion. In June, he added a 25 percent import tariff on Chinese products for a total of US$225 billion per year (Kompas, 2019b). At the G-20 Summit in June, the US and China agreed to impose a 15 percent import tariff on fresh fruit, wine and nuts in an effective way.

In order to improve exports and maintain competitiveness, Japan imposed a 10 percent import tariff on steel imports and a 10 percent import tariff on Chinese motorcycles. At the end of 2018, ASEAN and its partners is to resolve their differences and conclude the trade pact quickly.

Third, ASEAN’s humanitarian assistance for the repatriation of displaced persons from Rakhine State and sustainable development in that province are potentially collective actions. ASEAN supports co-operation with the Myanmar government to facilitate the process of repatriation from Bangladesh to Myanmar and to contribute to development in Rakhine State. ASEAN hopes the MoU between the Myanmar government, the office of the United Nations High Commissioner for Refugees (UNHCR) and the United Nations Development Program (UNDP) and the dialogue between the Myanmar and Bangladesh governments on the repatriation process will bear fruit. ASEAN supports the efforts of Myanmar to create peace, reconciliation, and the rule of law as a path to harmony among the various communities in Rakhine state (ASEAN Secraretariat, 2019c). At the end of 2018, ASEAN Secretary General Lim Jock Hoi visited and made a preliminary report on ASEAN’s humanitarian assistance for member states. At the ASEAN Foreign Minister’s Meeting, participants agreed for the secretary general to implement a preliminary needs assessment that focuses on basic services in Rakhine state and capacity building (ASEAN Secretariat, 2019d).

However, the Rakhine state issue is quite sensitive for Myanmar. In fact, ASEAN member states still preserve the principle of non-interference in domestic affairs and thus ASEAN cannot directly intervene. ASEAN may implement positive engagement with Myanmar but this remains a tough challenge.

To respond to the challenges above, ASEAN must preserve its centrality and unity in the evolving regional architecture of the Indo-Pacific. The challenges are complex but ASEAN’s past should predict a bright future.

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