

PERSPECTIVE

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ASEAN Outlook on the Indo-Pacific: Old Wine in New Bottle?

*Hoang Thi Ha**

EXECUTIVE SUMMARY

- The 34th ASEAN Summit on 23 June 2019 adopted the ASEAN Outlook on the Indo-Pacific Outlook (AOIP), which embraces “Indo-Pacific” in ASEAN’s official lexicon.
- This nomenclature shift is consistent with and anchored in the principle of ASEAN centrality through ASEAN-led mechanisms, based on dialogue and cooperation, and aimed at the pursuit of an open and inclusive regional order.
- The AOIP emphasises economic-functional cooperation while distancing from strategic competition. This development-oriented approach views Indo-Pacific less as a security-driven phenomenon and more as an economic and connectivity-linked construct.
- The AOIP seeks to re-assert ASEAN centrality amidst competing narratives of the major powers regarding the emerging Indo-Pacific architecture. It provides a common script for ASEAN member states in response to external pressures to take a stand on “Indo-Pacific”.
- The AOIP will have little impact on the strategic outlooks of the major powers and the intensifying US-China strategic competition. It is also a limited guide for individual member states when faced with binary questions regarding their engagement with the US and China as the two economies are sliding towards de-coupling.

** Hoang Thi Ha is Lead Researcher II (Political & Security Affairs), ASEAN Studies Centre with ISEAS - Yusof Ishak Institute.*

INTRODUCTION

Since the roll-out of the Free and Open Indo-Pacific (FOIP) strategy by US President Donald Trump¹ and the revival of the Quadrilateral Security Dialogue or the Quad (comprising the US, Japan, India and Australia) in late 2017, the Indo-Pacific concept has gained a lot of traction in international relations discourse. Yet there is no common understanding or authoritative definition of the term even among its proponents. During the past two years, the US, Japan, India and Australia have laid out their own articulations of the Indo-Pacific as they incorporate this concept into their respective foreign policy.² China meanwhile shuns the Indo-Pacific discourse, suspecting that this is a China containment strategy.³

At the initiative and urging of Indonesia, ASEAN had held internal discussions to formulate a common ASEAN position on this issue. As a result, the 34th ASEAN Summit in Bangkok in June 2019 adopted the ASEAN Outlook on the Indo-Pacific (AOIP).⁴ This article examines the content of the AOIP and analyses what it may mean for ASEAN and its member states.

CONTINUITY OF ASEAN'S STRATEGIC CULTURE

The AOIP is in many aspects the same old wine in a newly packaged bottle. It continues ASEAN's open and inclusive outlook, and positions ASEAN as "an honest broker within the strategic environment of competing interests".⁵ Under the banner "An Indo-Pacific region of dialogue and cooperation instead of rivalry", the AOIP builds on ASEAN's longstanding policy that embraces all partners and friends, especially the major powers, in ASEAN frameworks, promotes their habits of dialogue and cooperation, encourages their self-restraint, and harnesses their capabilities and resources to address common challenges. The jury is still out on whether the ASEAN approach of dialogue and cooperation will be effective in the new context of US-China relations having taken a sharp turn towards strategic competition and even economic-technological de-coupling.

The AOIP prescribes ASEAN's longstanding principles with regard to the regional architecture, including "open", "transparent", "inclusive", "rules-based" and "respect for international law." The notion of "freedom" is also pronounced in the AOIP which "is meant to contribute to the maintenance of peace, *freedom*, and prosperity". Although there is no elaboration on what that "freedom" means, it could be read in conjunction with the principle of respect for sovereignty, non-intervention and equality in a subsequent paragraph. In this aspect, there is some convergence with the notion of "freedom" in the US' FOIP – which covers freedom from coercion or freedom to exercise sovereignty.⁶

The convergence however ends there. The FOIP "freedom" is meant for both international relations and domestic governance – the latter being defined by "free society, respect for individual rights and liberties, good governance" and "adherence to the shared values of the UN Charter and the Universal Declaration of Human Rights".⁷ Meanwhile "freedom" in the AOIP is mainly focused on inter-state relations, as reflected in the international treaties listed under the ambit of "respect for international law" that include the UN Charter, the 1982 UN Convention on the Law of the Sea, other relevant UN treaties and conventions, the ASEAN Charter and various ASEAN treaties and agreements and the EAS Principles for Mutually Beneficial Relations.⁸

Another indicator of the AOIP's normative focus on inter-state relations is the significance attached to the Treaty of Amity and Cooperation in Southeast Asia (TAC) as the code of conduct for states in the region, especially in terms of sovereign equality, peaceful settlement of disputes and renunciation of force. This again is a fundamental element in ASEAN's script to maintain civility and stability in the changing regional order. On top of the TAC, the Outlook leaves open the possibility of developing "an appropriate ASEAN document" for the wider Indo-Pacific region. This could be the Indonesian way of keeping alive the possibility of resuscitating the Indo-Pacific treaty proposal made by former Indonesian Foreign Minister Marty Natalegawa, in the future. Set aside since the change of government in Indonesia in 2014, the proposed treaty was meant to extrapolate the TAC principles for the broader Indo-Pacific context. In Marty's own words, it is a TAC-like framework for the wider EAS membership, externalising the ASEAN experience based on peaceful settlement of disputes and non-use of force to connect the outer dots – between and among the major powers, e.g. China, the US, Japan, and India.⁹

Institutionally, no new design is envisaged as the AOIP "is not aimed at creating new mechanisms or replacing existing ones." It "envisages ASEAN Centrality as the underlying principle for promoting cooperation in the Indo-Pacific region, with ASEAN-led mechanisms, such as the East Asia Summit (EAS), as platforms for dialogue and implementation of the Indo-Pacific cooperation."¹⁰ It is intended to reinstate ASEAN's convening and agenda-setting power for regional multilateral cooperation through ASEAN-led institutions at a time when unilateralism is on the rise and other alignment configurations (bilateral, trilateral, quadrilateral, minilateral) have emerged with growing prominence in Indo-Pacific.

The AOIP focuses on "strengthening and optimisation of ASEAN-led mechanisms" but does not prescribe how it can be done. On follow-up, the AOIP states that "Strategic discussions on this matter and practical cooperative activities can be pursued at ASEAN-led mechanisms including, among others, the EAS, the ASEAN Plus One mechanisms, ARF, and ADMM-Plus."¹¹ In contrast to the emphasis given to the EAS which is "clearly, inherently and purposefully Indo-Pacific in our outlook",¹² the AOIP does not mention the ASEAN Plus Three (APT) – "the main vehicle towards the long-term goal of building an East Asian community."¹³ One could technically reason that the APT membership is confined to the Pacific only, and is thus not a fit for the broader Indo-Pacific setting. Geography aside, this absence of the APT may send a geopolitical signal that there is little heart within ASEAN now for an East Asian community although it remains an official long-term goal. As ASEAN doubles down on its open regionalism from East Asia to Asia-Pacific and now Indo-Pacific, the East Asian identity as a geopolitical construct will continue to be further diluted, despite the fact that intra-East Asian economic integration is deepening (East Asia's share in ASEAN's value-added exports increased from 35% in 2005 to 40% in 2016 while the US' share decreased from 20% to 15%).¹⁴

This embrace of Indo-Pacific however does not mean that ASEAN's strategic outlook will now over-reach to the complex dynamics of international relations on the Indian Ocean's part; nor does it suggest that ASEAN-led mechanisms will soon be open to participation by the Indian Ocean Rim states since the AOIP clearly states that their current formats will be preserved. In other words, the AOIP remains Southeast Asia-centric while being more forthcoming in exploring "cooperation with other regional and sub-regional mechanisms in the Asia-Pacific and Indian Ocean regions on specific areas of common interests."¹⁵ One such mechanism is the Indian Ocean Rim Association (IORA) that has recently received a

resurging interest and active participation from Indonesia. This westward extension is also driven by a greater emphasis on the importance of India as an emerging centre of power in the regional order – whose economic potential and strategic weight must be reckoned with and leveraged to ASEAN’s benefit. This is a continuation of ASEAN’s strategic foresight, which early on helped secure India’s participation in the ARF, EAS and ADMM-Plus as well as in the ongoing Regional Comprehensive Economic Partnership (RCEP) negotiations.

NOMENCLATURE SHIFT WITH A DEVELOPMENT-ORIENTED APPROACH

Nomenclature shift to Indo-Pacific

The embrace of Indo-Pacific into the nomenclature of ASEAN is perhaps the most significant aspect of the AOIP. Throughout 2018 and until early 2019, this term remained the most contentious point in ASEAN’s internal debate. One key concern was that ASEAN’s embrace of “Indo-Pacific” might be construed as the endorsement of or bandwagoning on the FOIP, which would present a two-fold problem for ASEAN.

First, what the FOIP exactly means and how it will be executed especially under the ambit of the Quad remains unclear. As remarked by Singapore Foreign Minister Vivian Balakrishnan, “the so-called free and open Indo-Pacific has not yet fleshed out a sufficient level of resolution” and “we never sign on to anything unless we know exactly what it means”.¹⁶ Even among the four Quad members, despite their common ground on preserving the regional rules-based order and shared strategic concerns vis-à-vis China, each has provided different articulations on how they would pursue a free and open Indo-Pacific in their respective foreign policy. This might be a deliberate choice rather than a lack of coordination. Malcolm Cook points out that “the Indo-Pacific regional concept is much more post-modern than modern in approach. It is informal, undefined in form and direction, and contingent.”¹⁷

Second, the reluctance to embrace “Indo-Pacific” by ASEAN member states was directly out of the concern that adopting the term would invite China’s consternation. Beijing has not come to terms with the terminology yet even though “the maritime part of ‘Belt and Road Initiative’ is basically Indo-Pacific with Chinese characteristics.”¹⁸ Thus far, China has maintained a dismissive attitude towards the FOIP, with Chinese Foreign Minister Wang Yi calling it “the sea foam in the Pacific or Indian Ocean – they may get some attention but soon will dissipate.”¹⁹ And yet, underlying such apparent dismissiveness is Beijing’s strategic anxiety and apprehension of the “Indo-Pacific” as a terminology which “smacks too much of the US agenda to build an alliance with Japan, Australia and India – called the Quad – essentially to contain China.”²⁰ Given Beijing’s sensitivity to the term “Indo-Pacific” and ASEAN’s own reservations about the FOIP, ASEAN’s Indo-Pacific concept must be qualitatively distinguishable from the FOIP.

Development-oriented approach towards the Indo-Pacific

To be qualitatively different despite the adoption of the same nomenclature, the AOIP diverts attention from strategic competition to economic-functional cooperation. In other words, ASEAN wants to get around, and at the same time leverage, the major power competitive dynamic through a development-oriented approach. This approach emphasises

mutually beneficial cooperation for “an Indo-Pacific region of development and prosperity for all”.²¹ On the one hand, ASEAN recognises the security-economic nexus in the ongoing contestation in the region; that is for every major economic initiative by these major powers, there are underlying strategic drivers or implications, be it about trade or connectivity. On the other, ASEAN tries to play down the abstract strategic-security aspect and concentrates on practical economic-development cooperation.

The AOIP does not see the conjoining of the Asia-Pacific and Indian Ocean as a single geographic construct. This is a matter of fact given the vast diversity in the terrains, peoples, histories, socio-cultural configurations and international relations spreading across the two oceans. Instead, the AOIP views the convergence between the Asia-Pacific and the Indian Ocean regions from two perspectives – (i) a region of dynamic economic integration and connectivity, and (ii) a seamless maritime space.

The economic integration and connectivity perspective aims to realise economic potentials from a patchwork of existing or under-negotiation free trade agreements, including the RCEP, as well as multiple connectivity initiatives that are floating around the region. These include, among others, the China-led Belt and Road Initiative, the Japan-led Partnership for Quality Infrastructure, the US’ International Development Finance Corporation, the Asian Development Bank, the Asian Infrastructure Development Bank, the Master Plan on ASEAN Connectivity, and the Greater Mekong Sub-Region, among others.

This perspective explains the emphasis on connectivity as a key area of cooperation under the AOIP. It also illustrates the above utilitarian approach that seeks to leverage the competition among various infrastructure initiatives by the major powers, and at the same time evades the binary debate on the geopolitics of infrastructure development – one that pits the Belt and Road Initiative against Partnership for Quality Infrastructure for example. Instead of the either/or choice, ASEAN’s all-encompassing outlook attaches importance to “connecting the connectivities” – i.e. bridging and synergising different connectivity initiatives in the Indo-Pacific region. This makes sense economically. As noted by Jeffrey Wilson, “The scale of the region’s infrastructure gaps is so large that all can clearly be accommodated. No initiative is intrinsically better or worse than another, as each have distinct benefits and risks. Their different governance models instead hold the potential for a beneficial division of labour, with initiatives matched to the specific projects and countries that best fit their model.”²²

The second perspective sees Indo-Pacific as a seamless maritime space, hence the importance it attaches to “the maritime domain and perspective in the evolving regional architecture”.²³ Maritime cooperation is one of the AOIP’s three key areas of cooperation, together with connectivity and the sustainable development goals (SDGs). The AOIP however does not refer to Indo-Pacific as “a single geostrategic theatre” as originally proposed by Indonesia²⁴ – a term that has overtly military connotations. ASEAN probably wanted to avoid any reference that could be construed as its endorsement of or involvement in any military alignment/alliance in the Indo-Pacific.

This sense of caution is manifested in the specific issues listed under the ambit of maritime cooperation in the AOIP. Traditional security concerns (unresolved maritime disputes and freedom of navigation and overflight) are underwhelming compared to the broad array of economic and functional maritime areas, including unsustainable exploitation of maritime resources, maritime pollution, maritime transnational crimes, maritime connectivity and blue economy, and marine science collaboration.

The development-oriented approach that views Indo-Pacific less as a security-driven phenomenon and more as an economic and connectivity-linked construct helps present a neutral and innocuous ASEAN Indo-Pacific outlook – one that is not to be used to confront or contain any other country. This message is meant principally for China whose aversion to the term “Indo-Pacific” has been impressed upon ASEAN countries as Beijing believes that the Indo-Pacific strategy is aimed to contain China’s rise.

The AOIP’s development-focused approach also bears the imprint of Indonesia’s pragmatist foreign policy under the Jokowi administration. This foreign policy seeks to transpose Indonesia’s economic interests especially in terms of connectivity between the Pacific and Indian Oceans, and its maritime environment-resource concerns such as marine debris and IUU fishing, into ASEAN’s Indo-Pacific agenda. A good metaphor of this pragmatism is the coconut deal that sells Indonesian coconuts in Aceh to India’s Andaman and Nicobar Islands at low costs thanks to geographic proximity between the islands. Dr. Siswo Pramono from the Indonesian Ministry of Foreign Affairs saw this deal as a concrete manifestation of the ASEAN Indo-Pacific outlook: “This is the Indo-Pacific concept that we mean. It is directly felt by the people. It is not about who wants to contain whom.”²⁵

CONCLUSION

Even though the AOIP does not amount to a paradigm shift in ASEAN’s strategic culture, it is a useful document for ASEAN and its member states. It represents ASEAN’s own outlook amidst many competing narratives, thus providing a common script for ASEAN member states in response to external pressures to take a stand on “Indo-Pacific”. Furthermore, by adopting the AOIP which puts premium on ASEAN community-building and centrality, ASEAN member states choose the side of ASEAN, not the side of any major power even as they engage in the Indo-Pacific discourse. In this sense, ASEAN provides the regional anchor to keep its individual member states from drifting towards one major power’s design over another.

The AOIP also asserts ASEAN’s voice and agency in the Indo-Pacific, especially in tapping economic and connectivity potentials while managing strategic competition challenges. It is distinguished from, and yet seeks synergies and complementarity where possible with, other initiatives and platforms. It neither denounces nor embraces the FOIP or any other Indo-Pacific vision/strategy, but is open to opportunities for collaboration subject to a meeting of minds and interests. By ensuring ASEAN’s “open door” policy with all countries and partners, the AOIP doubles down ASEAN’s efforts to sustain multi-polarity in the region. While ASEAN must be careful not to overreach, extending its strategic horizons towards the Indian Ocean can open up new opportunities and partnerships for ASEAN and its member states while avoiding overdependencies or binary choices vis-à-vis the major powers.

It is however unclear if the AOIP will have any significant impact on the strategic outlook of the major powers, especially the United States and China. Both countries have voiced their support for ASEAN centrality while doubling down their strategic competition by all means short of war, e.g. unilateral tit-for-tat trade restrictions, technology export controls, military exercises with allies and like-minded partners, and stoking nationalism at home. In addition, although the AOIP is a balancing act in this contest, it is but a limited guide for individual member states in making national decisions on economic-security matters that

carry strategic implications, for instance: whether to use Huawei gear for the roll-out of the 5G network in face of the US ban. It is *pro forma* to say that the regional order must be inclusive and synergise different initiatives; yet it is increasingly difficult to keep to this principle while the global supply chain is at risk of bifurcating into two ecosystems – one led by the US and the other driven by China.

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² Please see Australia's 2017 Foreign Policy White Paper, <https://www.fpwhitepaper.gov.au/foreign-policy-white-paper>; Indian Prime Minister Narendra Modi's Prime Minister's Keynote Address at Shangri La Dialogue on 1 June 2018, https://mea.gov.in/Speeches-Statements.htm?dtl/29943/Prime_Ministers_Keynote_Address_at_Shangri_La_Dialogue_June_01_2018, Japan's Free and Open Indo-Pacific Strategy, <https://www.asean.emb-japan.go.jp/files/000352880.pdf>; US National Security Strategy, December 2017, <https://www.whitehouse.gov/wp-content/uploads/2017/12/NSS-Final-12-18-2017-0905.pdf>

³ Dingding Chen, "What China Thinks of the Indo-Pacific Strategy", *The Diplomat*, 27 April 2018, <https://thediplomat.com/2018/05/what-china-thinks-of-the-indo-pacific-strategy/>.

⁴ The ASEAN Outlook on the Indo-Pacific (AOIP), https://asean.org/storage/2019/06/ASEAN-Outlook-on-the-Indo-Pacific_FINAL_22062019.pdf

⁵ AOIP, Ibid.

⁶ The Department of Defense Indo-Pacific Strategy Report: Preparedness, Partnerships, and Promoting a Networked Region, 1 June 2019, page 4, https://media.defense.gov/2019/May/31/2002139210/-1/-1/1/DOD_INDO_PACIFIC_STRATEGY_REPORT_JUNE_2019.PDF

⁷ IISS Fullerton Lecture by Admiral Philip S. Davidson, Indo-Pacific Commander of the US, 7 March 2019, <https://www.iiss.org/events/2019/03/fullerton-admiral-philip-davidson>

⁸ AOIP, Ibid.

⁹ Speech by Dr. Marty Natalegawa at the IPS Singapore Perspectives 2019 conference, "Singapore.World", *Institute of Policy Studies, Lee Kuan Yew School of Public Policy*, <https://lkyspp.nus.edu.sg/ips/events/details/singapore-perspectives-2019-singapore-world>

¹⁰ AOIP, Ibid.

¹¹ AOIP, Ibid.

¹² Speech by Dr. Marty Natalegawa, Ibid.

¹³ Second Joint Statement on East Asia Cooperation - Building on the Foundations of ASEAN Plus Three Cooperation, 20 November 2017, https://www.mfa.gov.sg/Overseas-Mission/Manila/Mission-Updates/2007/11/press_200711_02

¹⁴ ASEAN+3 Regional Economic Outlook (AREO) 2019, *The ASEAN+3 Macroeconomic Research Office (AMRO)*, 2019, <https://amro-asia.org/asean3-regional-economic-outlook-areo-2019/>

¹⁵ AOIP, Ibid.

¹⁶ Charissa Yong, "Singapore will not join Indo-Pacific bloc for now: Vivian", *The Straits Times*, 15 May 2018, <https://www.straitstimes.com/singapore/spore-will-not-join-indo-pacific-bloc-for-now-vivian>.

¹⁷ Malcolm Cook, "Indo-Pacific ushers in a new era of post-modern regionalism", *ASEANFocus*, Issue 3/2018.

¹⁸ Rory Medcalf, "Goodbye Asia-Pacific. But why the sudden buzz over Indo-Pacific?", *South China Morning Post*, 31 December 2017, <https://www.scmp.com/week-asia/geopolitics/article/2126210/goodbye-asia-pacific-why-sudden-buzz-over-indo-pacific>

¹⁹ Charissa Yong, “Skepticism over free and open Indo-Pacific strategy”, *The Straits Times*, 12 August 2018, <https://www.straitstimes.com/asia/scepticism-over-free-and-open-indo-pacific-strategy>

²⁰ Arifi Saiman and Endy M. Bayuni, “Time for Asean to drive the Indo-Pacific process: Jakarta Post writers”, *The Straits Times*, 7 November 2018

²¹ AOIP, *ibid.*

²² Jeffrey Wilson, “Blueprints for the Indo-Pacific: Infrastructure and connectivity programs for regional integration”, January 2019, *Perth USAsia Centre*, http://perthusasia.edu.au/PerthUSAsia/media/Perth_USAsia/Speakers/Final-Blueprints-for-the-Indo-Pacific-PUASC-LOW-RES.pdf

²³ AOIP, *ibid.*

²⁴ Linda Yulisman, “Indonesia wants Asean to be axis of Indo-Pacific strategy”, *The Straits Times*, 10 January 2019, <https://www.straitstimes.com/asia/se-asia/indonesia-wants-asean-to-be-axis-of-indo-pacific-strategy>

²⁵ Wahyudi Soeriaatmadja, “Indo-Pacific push: ASEAN view seen in coconut deal”, *The Straits Times*, 14 February 2019, <https://www.straitstimes.com/asia/se-asia/indo-pacific-push-asean-view-seen-in-coconut-deal>

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