

ASEAN Centrality and Indonesian Leadership in a Contested Indo-Pacific Order

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The Asia-Pacific, reconceptualised as the 'Indo-Pacific', in recognition of Beijing's strategic reach into the Indian Ocean and East Africa, as well as the demographic, political and economic significance of Indian Ocean states, demands new visions and modalities of cooperation to sustain regional stability and prosperity. Located at the crossroads of a two ocean system, the conceptions and agency of Southeast Asian states in regional political affairs matter. Maintaining the prerogative for shaping the emerging architecture, norms and cooperative initiatives of the Indo-Pacific region is of vital importance to Indonesia, lest external powers seek to bypass ASEAN altogether. Indonesia's exercise of diplomatic initiative and leadership, albeit belated, has seen ASEAN regain the driver's seat on the vision for the emerging Indo-Pacific order. However, critical questions remain about ASEAN's unity and resolve.

As Australia's strategic policy community grapples with the uncertainties of a transitional regional order with its attendant challenge to US hegemony, established norms and modes of governance, understanding Southeast Asian perceptions of major power competition becomes increasingly important. The Asia-Pacific, reconceptualised as the 'Indo-Pacific', in recognition of Beijing's strategic reach into the Indian Ocean and East Africa, as well as the demographic, political and economic significance of Indian Ocean states, demands new visions and modalities of cooperation to sustain regional stability and prosperity. Located at the crossroads of a two-ocean system, the conceptions and agency of Southeast Asian states in regional political affairs matter. For states straddling key maritime and land corridors between the Indian Ocean and South China Sea, their geographic location underpins their strategic importance to the region's major powers, including the United States, India, Japan, China and Russia.

Southeast Asia is no stranger to the uncertainties posed by major power contest. From the 1950s to the early 1990s, the subregion was the site of protracted armed conflict in the Indochinese states of Vietnam, Laos and Cambodia. These conflicts were propelled by proxies of the major powers: the United States, China or the Soviet Union. United States and Chinese forces were also engaged in direct military campaigns against the Vietnamese. Cold War ideological rivalries played out in dramatic terms in Malaysia's and Indonesia's domestic politics. In the latter case, around half a million alleged Indonesian Communist Party (PKI) supporters were annihilated following a 1965 counter coup, which brought the military-backed Suharto regime to power.

Southeast Asian perceptions of major powers vary depending on geographic location, national political conceptions and levels of economic dependence on external powers.

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Singaporean Prime Minister Lee Hsien Loong differentiated Southeast Asian perceptions through their relative geographic proximity to China: “If you are a landlocked state on China’s borders, you see the world differently from an archipelagic state which is further away and does business not only with one major partner, but with many different partners”.² Academics and regional political analysts tend to draw a distinction between mainland and maritime Southeast Asian states when characterising differences in strategic perceptions. ASEAN-China historian Geoff Wade, for example, characterised Laos, Cambodia and Myanmar as effective “client states” of China. Noting China’s “long tradition ... [of] keep[ing] neighbouring polities either divided from each other or incorporated within [a] Chinese polity”, he predicted the inevitable division of ASEAN into mainland and maritime blocs.³

The contemporary reality is somewhat more nuanced and complex, however. Mainland Myanmar has demonstrated pushback against Beijing in recent years, as symbolised by Naypyidaw’s stalling on the controversial Chinese-funded Myitsone Dam project and through enhanced maritime cooperation with the Indian Navy.⁴ Through renegotiation of the terms of the Chinese-funded Kyaukpyu deep-water port and industrial zone in 2018, with support from a specialist US government team of economists, diplomats and lawyers, Myanmar was able to reduce its debt burden from US\$7.3 billion to 1.3 billion.⁵ Maritime Southeast Asian state, the Philippines, previously Southeast Asia’s most vocal critic of China for its permanent maritime presence in its Exclusive Economic Zone (EEZ), has, under President Rodrigo Duterte, been more critical of the US treaty relationship and sought to expand economic ties with Beijing.⁶ Vietnam, which for centuries has lived with the looming threat across its northern border, balances a fraternal relationship with the neighbouring Chinese Communist Party, while hedging against Beijing’s assertiveness in the Paracel and Spratly islands through strong defence partnerships with Russia, India and the United States.⁷ In Cambodia, recent reports of a secret pact with China, which would provide the People’s Liberation Army (PLA) exclusive rights to Cambodia’s Ream naval base located in the Gulf of Thailand, has alarmed some in Southeast Asia, concerned about the erosion of core principles in ASEAN’s Zone of Peace, Freedom and Neutrality (ZOPFAN) and Phnom Penh’s willingness to cede ever greater sovereignty to Beijing.⁸

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- 2 Lee Hsien Loong, Prime Minister of Singapore, in ‘ASEAN countries Must Deal with China Tensions: Singapore’s Lee Hsien Loong’, *The Australian*, 16 March 2018, <www.theaustralian.com.au/nation/foreign-affairs/asean-countries-must-deal-with-china-tensions-singapores-lee-hsien-loong/news-story/f13d599881d4d36e93f27a0044f7cfaf> [Accessed 20 March 2019].
 - 3 Geoff Wade, ‘ASEAN Divides’, *New Mandala*, December 2010, <www.newmandala.org/wp-content/uploads/2010/12/Wade-ASEAN-Divides.pdf> [Accessed 19 June 2013].
 - 4 Collin Koh, ‘Opinion: How Myanmar is Benefiting from the China-India Rivalry’, *South China Morning Post*, 2 December 2017, <www.scmp.com/news/china/diplomacy-defence/article/2122187/opinion-how-myanmar-benefiting-china-india-rivalry> [Accessed 9 April 2019].
 - 5 Ben Kesling and Jon Emont, ‘U.S. Goes on the Offensive Against China’s Empire-Building Funding Plan’, *Wall Street Journal*, 9 April 2019, <www.wsj.com/articles/u-s-goes-on-the-offensive-against-chinas-empire-building-megaplan-11554809402> [Accessed 14 August 2019].
 - 6 ‘Xi’s Manila Visit Yields Raft of Deals as Duterte Furthers Embrace of China’, *Japan Times*, 21 November 2018, <www.japantimes.co.jp/news/2018/11/21/asia-pacific/xi-manila-visit-yields-raft-deals-duterte-furthers-embrace-china/#.XK1M5KazZDM> [Accessed 9 April 2019].
 - 7 Wu Shang-Su, ‘Deterrence under the Dragon’s Shadow: Vietnam’s Military Modernisation’, *The Interpreter*, Lowy Institute, 28 March 2018, <www.lowyinstitute.org/the-interpreter/deterrence-under-dragon-s-shadow-vietnam-s-military-modernisation> [Accessed 20 March 2019].
 - 8 Indonesian diplomats are reportedly very concerned about the Ream development and the erosion of core principles around ‘neutrality’ inherent in the 1971 ZOPFAN declaration. Confidential discussion with Indonesian foreign ministry (Kemlu) official, 19 August 2019. The *Wall Street Journal* first reported on the Ream pact in July 2019, citing US intelligence reports. See Kesling and Emont, ‘U.S. Goes on the Offensive’.

Notwithstanding differences in strategic perceptions, a collective Southeast Asian view of major power competition is best expressed through the Association of Southeast Asian Nations (ASEAN) and its strategic buffer function vis-à-vis major powers considered external to Southeast Asia. Established initially as an anti-communist grouping by Indonesia, Malaysia, Singapore, Thailand and the Philippines in 1967, ASEAN became a vital tool for managing the regional distribution of power. Declaratory non-alignment, an abiding commitment to multilateralism and the imperative to preserve strategic autonomy has fundamentally shaped Southeast Asia's collective response to major power competition. Throughout its five-decade history, ASEAN has been influenced strongly by Indonesia's independent and active (*bebas-aktif*) foreign policy disposition, and its leadership and agency in Southeast Asian diplomacy. In Indonesia's conception of the regional order, national and regional resilience were inextricably linked. President Suharto articulated Indonesia's vision for Southeast Asia vis-à-vis major powers in the early 1970s; a vision which remains equally relevant today.

In the long term, we want the nations of Southeast Asia to have the joint capacity to manage their own future and not let that future be determined or interfered with by external powers. A [strong] Southeast Asia can achieve welfare and prosperity for its peoples; it can possess a regional resilience which in turn, will provide a bigger contribution to world peace generally.⁹

Through ASEAN, Southeast Asian states have sought to maintain both a US strategic commitment to the region and enmesh China in norms of peaceful dispute resolution and a web of regional multilateral fora.¹⁰ Preserving ASEAN's centrality through multilateral fora like the ASEAN Regional Forum (ARF), the East Asia Summit (EAS) and the plethora of other ASEAN-anchored mechanisms can be understood as a way of maintaining ASEAN's relevance and capacity to manage the regional distribution of power. As one Indonesian foreign policy intellectual conveyed it: "Having India, Australia and New Zealand in the EAS by default enables ASEAN to be in the middle. We don't want Asia defined by race. We want membership open so China cannot be dominant".¹¹

ASEAN has long been focused on an enmeshment strategy of China, but its socialisation of Beijing into Southeast Asian norms of dialogue and consensus appears to have ultimately failed to constrain Beijing.¹² Impelled, however, by national development objectives, Southeast Asian governments seek to leverage the immense opportunities inherent in China's signature infrastructure and connectivity program, the Belt and Road Initiative, while trying to preserve a degree of political and strategic policy autonomy. For a number of Southeast Asian states, the China threat, as expressed through the South China Sea territorial disputes, Illegal Unreported and Unregulated Fishing (IUU), the presence

9 President Suharto, speech to the People's Representative Council (DPR), August 1973 in Departemen Luar Negeri, *Sejarah Diplomasi Republik Indonesia: Dari Masa ke Masa, Buku IVA Periode 1966-1995* [Diplomatic History of the Republic of Indonesia: From Era to Era, Book IVA, Period 1966-1995], (Jakarta: Panitia Penulisan Buku Sejarah Diplomasi Republik Indonesia, 1996), pp. 193-94.

10 Evelyn Goh, 'Great Powers and Hierarchical Order in Southeast Asia: Analyzing Regional Security Strategies', *International Security*, vol. 32, no. 3 (Winter, 2007/2008), pp. 113-57.

11 Confidential interview with Indonesian foreign policy expert, Jakarta, 2012.

12 Huong Le Thu, 'Why the Region Has Given Up on 'Shaping China'', in *Disruptive Asia 2018*, *Asia Society*, <asiasociety.org/australia/why-region-has-given-shaping-china> [Accessed 9 April 2019]. For analysis of China's socialisation by international institutions see Alastair Iain Johnston, *Social States: China in International Institutions, 1980-2000* (Princeton: Princeton University Press, 2008).

of Chinese migrant workers and large trade deficits, conflate with the highly sensitive domestic political issue of ethnic Chinese minorities. This typically results in reticence by Southeast Asian governments to publicly criticise Beijing, lest such criticisms incite latent anti-Chinese sentiment amongst the region's domestic polities.¹³

In response to China's seemingly inexorable rise and doubts about the US commitment to the region, particularly under the Trump administration, leading ASEAN states, such as Indonesia, continue to pursue a range of soft balancing strategies through defence engagement and maritime infrastructure development cooperation with India and Japan. In accordance with its traditional leadership role and *primus inter pares* status in ASEAN, Jakarta has recently taken the lead in reconceptualising the place of ASEAN at the centre of a broader Indo-Pacific order, but not without some pointed criticism domestically. In 2016, a group of prominent Indonesian foreign policy actors issued a statement of concern in response to a perceived dearth of leadership by Jakarta in response to China's growing militarisation of the South China Sea and Beijing's *divide et impera* tactics within ASEAN.¹⁴

Indonesia's recognition of the increasing geopolitical fusion of the Asia-Pacific and Indian Ocean regions was first evident in foreign policy discourse around a decade ago.¹⁵ However, it was the 2014 election platform (*visi, misi dan program aksi*) of Indonesian presidential running mates Joko Widodo and Jusuf Kalla that firmly posited Indonesia at the centre of the emerging Indo-Pacific order, declaring itself as a 'Global Maritime Fulcrum' (*Poros Maritim Dunia, PMD*).¹⁶ The PMD, in essence a maritime development doctrine, committed to expanding Indonesia's defence, political and economic engagement with the Indian Ocean states, both at the bilateral and multilateral level — the latter through the Indian Ocean Rim Association (IORA). It prioritised the "consolidation of Indonesia's leadership in ASEAN" and committed to "strengthening ... the regional architecture (especially the East Asia Summit) in order to prevent the hegemony of major powers".¹⁷ The PMD was enunciated in greater substance in the 2017 'Indonesian Ocean Policy' (*Kebijakan Kelautan Indonesia*), which reaffirmed Indonesia's "full" sovereignty over its maritime domain and attempted a more coherent policy framework for maritime affairs.¹⁸

13 Joe Cochrane, 'Indonesia, Long on Sidelines, Starts to Confront China's Territorial Claims', *New York Times*, 10 September 2017, <www.nytimes.com/2017/09/10/world/asia/indonesia-south-china-sea-military-buildup.html?module=inline> [Accessed 7 December 2019].

14 See Evan A. Laksmiana, 'A Statement on the South China Sea Ruling', *New Mandala*, 27 July 2016, <www.newmandala.org/statement-south-china-sea-ruling/>, [Accessed 10 October 2017].

15 Anthony Milner and Astanah Abdul Aziz, 'Can Indonesia Rescue the Idea of the "Indo-Pacific", and Should It?', *The Strategist*, Australian Strategic Policy Institute, 2 November 2018, <www.aspistrategist.org.au/can-indonesia-rescue-the-idea-of-the-indo-pacific-and-should-it/>, [Accessed 25 March 2019].

16 3 'Berdaulat dalam bidang politik, berdikari dalam bidang ekonomi dan berkepribadian dalam Kebudayaan', *Jokowi-Jusuf Kalla 2014, Jalan Perubahan Untuk Indonesia Yang Berdaulat, Mandiri Dan Berkepribadian: Visi, Misi Dan Program Aksi*, [Path to Change for an Indonesia which is Sovereign, Self-sufficient and United: Jokowi-Jusuf Kalla 2014, Vision, Mission and Action Program], Jakarta, May 2014, <[kpu.go.id/koleksigambar/VISI_MISI_Jokowi-JK.pdf](http://koleksigambar/VISI_MISI_Jokowi-JK.pdf)>, 3. "Jalan perubahan untuk Indonesia yang berdaulat, mandiri dan berkepribadian: visi misi" [Accessed 21 October 2014].

17 Ibid.

18 *Dokumen Nasional Kebijakann Kelautan Indonesia, Lampiran 1 Peraturan Presiden Republik Indonesia Nomor 16/2018 Tentang Kebijakan Kelautan Indonesia* [Indonesian Ocean Policy National Document, Attachment 1 of Presidential Decree, No. 16/2017 on the Indonesian Ocean Policy], <sipuu.setkab.go.id/PUUdoc/175145/lampiran%201%20perpres%2016%20th%202017.pdf> [Accessed 18 August 2019].

The policy, however, came under subsequent criticism for failing to articulate clearly how it would “interact with and affect regional geopolitics” or would realise the seven GMF pillars “without a single, authoritative agency”.¹⁹

Prior to 2018, Indonesia’s leadership in response to regional geopolitical challenges at the multilateral level appeared wanting. With an executive distracted from late 2016 by the domestic political turmoil associated with the Jakarta gubernatorial and presidential elections, it seemed ASEAN had lost its prerogative in managing the destabilising effects of intensifying major power competition. Spurred in part by concerns over the 2017 re-establishment of the US, Australia, Japan and India-convened Quadrilateral Security Dialogue (now referred to as the ‘Quad’), espousing its ‘Free and Open Indo-Pacific’ concept, Indonesia’s Ministry of Foreign Affairs (Kemlu) commenced refinement of an alternate Indo-Pacific framework for cooperation in early 2018. Rebadged at a March 2019 High Level Dialogue in Jakarta as simply ‘IPC’ (Indo-Pacific Cooperation), the IPC mandate mirrored PMD objectives in bridging “ASEAN-led mechanisms, particularly the East Asia Summit (EAS) with other non-ASEAN regional mechanisms in the Indo-Pacific region”.²⁰ Its emphasis on transparency and inclusivity was an attempt by Indonesia and other ASEAN states to counter the formation of perceived anti-China coalitions, such as the Quad, which Southeast Asian states believed would further undermine trust and escalate strategic rivalries.²¹

In line with Indonesia’s preference to ‘lead from behind’ in ASEAN, Kemlu committed to presenting the IPC as an ASEAN, rather than unilateral Indonesian initiative. The IPC was formally endorsed by leaders at the 34th ASEAN Summit as the ‘ASEAN Outlook on the Indo-Pacific’. The Outlook, which is more of a vision for the Indo-Pacific, is focused strongly on areas of functional cooperation in the maritime domain, climate change and disaster risk reduction, sustainable development and economic cooperation.²² Although it reaffirms ASEAN centrality, the Treaty of Amity and Cooperation and adherence to UNCLOS, the Outlook does not prescribe any concrete measures to mitigate escalating major power tensions or prevent China’s coercive conduct in the South China Sea. Nevertheless, it has been welcomed by the United States, Australia and Japan, considered external to the sub-region, but vital parties, nevertheless, to an open, rules-based Indo-Pacific order. Australian Prime Minister Scott Morrison acknowledged “Indonesian President Widodo’s vision and leadership in developing ASEAN’s ‘Outlook on the Indo-Pacific’”, declaring Australia’s “vision of the Indo-Pacific has ASEAN at its core”.²³

19 S. F. Muhibat, ‘Indonesia’s New Ocean Policy: Analysing the External Dimension’, *Maritime Affairs: Journal of the National Maritime Foundation of India*, vol. 13, no. 2 (December 2017), pp. 50–61; and E. Laksmiana, ‘Indonesian Sea Policy: Accelerating Indonesia’s Global Maritime Fulcrum?’, *Asia Maritime Transparency Initiative*, 23 March 2017, <amti.csis.org/indonesian-sea-policy-accelerating/> [Accessed 15 March 2019].

20 Retno LP Marsudi, ‘Insight: Time to Deepen Indo-Pacific Cooperation’, *The Jakarta Post*, March 2019, <www.thejakartapost.com/academia/2019/03/20/insight-time-to-deepen-indo-pacific-cooperation.html> [Accessed 15 March 2019].

21 S. F. Muhibat and M. H. A. Dzakwan, ‘Indonesia and the Quad: Can’t or Won’t Decide?’, *The Strategist*, Australian Strategic Policy Institute, 7 December 2018, <www.aspistrategist.org.au/indonesia-and-the-quad-cant-or-wont-decide/> [Accessed 15 March 2019].

22 Association of Southeast Asian Nations, ‘ASEAN Outlook on the Indo-Pacific’, <asean.org/storage/2019/06/ASEAN-Outlook-on-the-Indo-Pacific_FINAL_22062019.pdf> [Accessed 11 July 2019].

23 Hon. Scott Morrison, PM Australia, Address to Asialink ‘Where We Live’, <asialink.unimelb.edu.au/stories/australia-and-the-indo-pacific-an-address-by-prime-minister-scott-morrison> [Accessed 17 July 2019].

The US State Department issued a press release which saw a “strong convergence between the principles enshrined in ASEAN’s Indo-Pacific outlook — inclusivity, openness, a region based on rule of law, good governance, and respect for international law — and the vision of the United States for a free and open Indo-Pacific”.²⁴

Maintaining the prerogative for shaping the emerging architecture, norms and cooperative initiatives of the Indo-Pacific region is of vital importance to Indonesia. Jakarta’s exercise of diplomatic initiative and leadership, albeit belated, has seen ASEAN regain the driver’s seat on an inclusive vision for the emerging Indo-Pacific order. However, critical questions remain about ASEAN’s unity and resolve. With growing pressures from China on states’ political, territorial and economic sovereignty, the normative foundations of ASEAN as a strategic buffer against external powers are facing increasing pressure. Such pressures mean that the material capabilities and diplomatic agility of influential Southeast Asian states, such as Indonesia, but also Singapore and Vietnam, to balance external power influence will acquire greater significance. As ASEAN’s *primus inter pares* actor, how Indonesia exercises its leadership unilaterally, bilaterally and multilaterally in Southeast Asia will inevitably shape the stability and prosperity of the Indo-Pacific order.

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24 US State Department US Mission to ASEAN, ‘The United States Welcomes the “ASEAN Outlook on the Indo-Pacific”’, <asean.usmission.gov/the-united-states-welcomes-the-asean-outlook-on-the-indo-pacific/> [Accessed 14 August 2019].