

MULTILATERAL MATTERS

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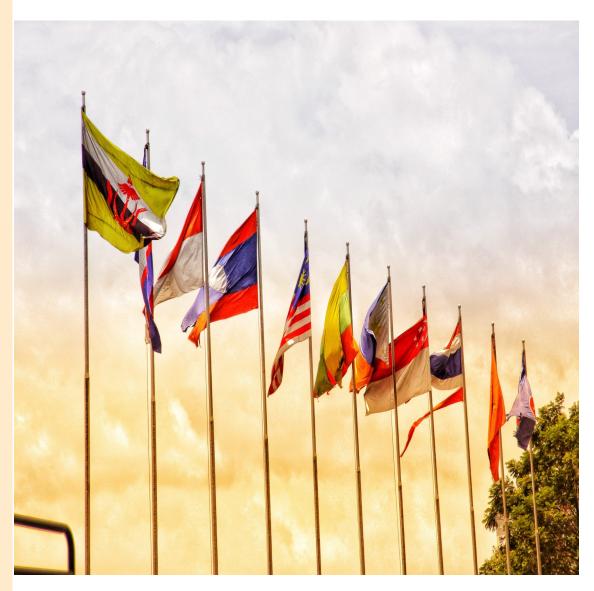
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ASEAN Centrality: Tipping or Hanging in the Balance?



Is ASEAN Centrality a potential victim of US-China tensions in ASEAN's own backyard or an indispensable factor in either side's vision for regional order? Photo taken from Pxfuel.

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FEATURED COMMENTARY

ASEAN as Pivotal Actor: Balancing Centrality and the Indo-Pacific

By Joel Ng



President Trump and President Xi Jinping pose for photos at the G20 Osaka summit in 2019, amid escalating geopolitical tensions that have impacted various regions including Southeast Asia since. Photo taken from the official White House Flickr account and tagged under a public domain licence.

"ASEAN Centrality" has previously been defined as ASEAN being the "least objectionable" actor to lead. However, in a wider Indo-Pacific of resident competing powers, ASEAN may well be rethought of as the pivotal actor to enable their goals to be accomplished.

Commentary

WHILE THE COVID-19 pandemic brought many countries together in common cause, for the world's two superpowers, China and the United States, tensions have continued along their pre-pandemic trajectory – with gradual

but noticeable escalations between them.

ASEAN once again finds itself in rather familiar territory of being pulled in different directions as more assertive major powers lean on the regional grouping to be more supportive of their overtures or recognise their claims. While China's pressure on the South China Sea issue has been longer running, the "Quad" powers of Australia, India, Japan and the US have more recently been trying to get their definitions of a "Free and Open Indo-Pacific" (FOIP) recognised by ASEAN states. ASEAN's response has been familiar, even predictable.

ASEAN Centrality Under Pressure

The 10-member group called for open and inclusive multilateralism, and for rivals to resist unhealthy-competition or confrontation. Yet as major external powers do as they will, ASEAN is perennially wracked by the question of its putative centrality. Why should the small and medium states of the region dictate terms to the larger ones?

Historically, the traditional conception of ASEAN centrality emerged from the

idea that ASEAN was the "least objectionable" actor in the Asia-Pacific, which made it a default interlocutor for security affairs of the wider region. Bigger powers did not trust each other sufficiently to accept the others' overtures, so it fell upon ASEAN to adapt such initiatives to an acceptable format for all.

At the end of the Cold War, hopes were high that despite ideological differences, the major powers would converge on common interests and cooperative outcomes. Today, however, China and the US are drifting apart, and

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only the most optimistic can hope that they will come back to facing the same direction without some major changes in policy.

The question for ASEAN is whether "least objectionable" is still a sufficient factor to maintain its centrality, and moreover, whether that logic still works when external powers are moving further apart rather than becoming more cooperative.

A recent major change, originally conceptualised by Japan but gradually being accepted by others, was to redefine the "Asia-Pacific" as a broader "Indo-Pacific" that brought Australia, India, and the US more clearly into the region as resident powers. In this wider Indo-Pacific, ASEAN members fear that their presence will be diluted as major powers redefine themselves as natives rather than outsiders, as had traditionally been understood of "East Asia".

Indigeneity brings with it claims of legitimate domestic stakes in the region, which explained its reticence with the term. The region has now accepted the nomenclature through the ASEAN Outlook on the Indo-Pacific and must deal with Quad countries being more assertive in regional affairs.

ASEAN as Pivotal Actor in Indo-Pacific

However, every change brings new opportunities. In geographical terms, ASEAN While analysts have looked sits at the pivot between the back to the first Quadrilat-Indian and Pacific Oceans. and this feature is not lost on those who ascribe to its centrality. But there is even more to this than meets the eye.

In political science, the

"pivotal actor" is defined as the actor who tips a legislature past the threshold needed to pass legislation. One must bear in mind that the rules of the domain such as what majority is needed, or how votes are cast – affect the definition of the "pivotal actor".

Given the pivotal actor's support, the preferences of the rest of a divided legislature are irrelevant as success is assured. In the Indo-Pacific, ASEAN's strategic position between the major powers as well as its geographic centrality offers it the pivotal role for the Indo-Pacific - if it can recognise its own strength, as well as the potential pitfalls.

ASEAN states now find themselves as actors whose support is required for external powers to secure a threshold of support to achieve their goals. China cannot claim its "Belt and Road Initiative" stands to benefit the region without the region acknowledging and approving the projects.

Quad countries cannot assert that their insistence on the FOIP is in the region's interests without echoing ASEAN's position on the necessary norms and rules as outlined in the ASEAN Outlook on the Indo-Pacific; all Quad members give ASEAN a front-and-centre role to play in their strategic visions.

A "Quad Plus" without ASEAN?

eral Security Dialogue that flopped as a litmus test of whether the Quad 2.0 will succeed, it may be worth bearing in mind an even earlier externally-driven project that failed to consult ASEAN.

In 2008, Australia's thenprime minister Kevin Rudd proposed to establish an "Asia-Pacific Community", perhaps with one eye on ASEAN's newly established community pillars, to expand the cooperation in APEC. The regional reaction was icy, receiving an unusually frank dismissal as "dead in the water" by a senior Singaporean official - simply on the grounds that insufficient discussion had taken place with regional members.

In March this year, the Quad held a virtual meeting to discuss the pandemic response, inviting only Vietnam from amongst the ASEAN members, as well as two traditional ASEAN Plus Six members – New Zealand and South Korea, to participate. The Quad's moves to try to selectively invite some ASEAN members or find a "coalition of the willing" through a "Quad Plus" shows they are mindful of the pivotal power of ASEAN.

But a fragmented ASEAN loses that pivotal power, where tipping points may be reached with just enough members peeled away, and where the remaining members do not have the heft to influence major powers in any direction. The benefits only come from staying united, without which ASEAN Centrality will also wither away.■

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- The Indo-Pacific concept widens the geographical space we are supposed to imagine is a given 'region'. that conveniently places several major powers - the Quad powers – inside rather than outside the region. These powers are implicitly claiming a right to occupy and influence this geographical space.
- Germany recently joined a very exclusive club of only a handful of states with an official Indo-Pacific strategy.
- The four Quad powers are set to participate in the annual Malabar naval exercises in November.

RSIS Dual Book Launch Webinar of "Critical Reflections on China's Belt and Road Initiative" and "China's Belt and Road Initiative: Impacts on Asia and Policy Agenda"

Keynote Address by Ambassador Ong Keng Yong 29 September 2020

Good afternoon, Ladies and Gentlemen

- 1. China's Belt and Road Initiative (BRI) was officially unveiled in 2013. It is now President Xi Jinping's signature foreign and economic policy initiative to achieve improved connectivity and interconnected economic development on a transcontinental scale.
- 2. The BRI has raised China's profile to greater prominence. From the perspective of Asian countries, the BRI presents both benefits as well as costs.
- 3. The BRI has the potential to bring huge amounts of investments and loans to participating countries that suffer from infrastructure funding shortages. China and BRI participating countries are also opening up the market-place, allowing people to transact businesses across territories which they could not do so previously. On the other hand, there is no doubt that China expects some kind of favourable treatment by the beneficiaries of the BRI to facilitate growth of its geopolitical clout across Asia.
- 4. Large-scale BRI infrastructure projects will also have significant fiscal, labour and environmental sustainability implications that must be addressed collaboratively by China and its BRI partners. China needs to communicate more with the host governments, and the host governments in turn need to do more to participate effectively and benefit from the BRI ventures.
- 5. Initially, the BRI vision was announced with few details and was difficult to comprehend at first. The issues are now becoming clearer. Through two BRI Summits held in Beijing, China has gradually clarified its vision and plan with respect to the

- Belt and Road cooperation and acknowledged various constructive criticisms of the BRI. At the April 2019 BRI summit, for example, President Xi pledged to reform the BRI including placing emphasis on 'high quality', green and clean infrastructure projects that would be inclusive, market -driven and sustainable
- 6. The BRI has been adversely affected by the COVID-19 pandemic. With the massive community lockdowns and border restriction measures put in place by various BRI countries to curb the spread of the coronavirus, the physical dimensions of the BRI have been put on hold. Many participating countries have also had difficulties in repaying debt to China. China has therefore focused on pushing forward with the Digital Silk Road and the Health Silk Road.
- 7. Once the pandemic is over, there is no doubt that China and BRI participating countries will once again restart the physical BRI to build transportation networks, industrial parks, power plants and so on. In that sense, COVID-19 is providing an opportunity for China to reflect on its Belt and Road Initiative while contemplating ways to improve it.
- 8. Today, RSIS is pleased to launch two books on the BRI and its associated issues.
- 9. The first is titled, *Critical* Reflections on China's Belt and Road Initiative. This is edited by Alan Chong & Quang Minh Pham. It offers perspectives from various directions, not excluding historical investigations, human geography approaches and neo-Marxist inclinations.
- 10. The BRI represents one of the biggest geopolitical visions since the Cold War and offers the possibilities of an intercontinental vision of Aid politics, along with prospects for "pan-Asianism". By and large, any

- to foster inter-regional dialogue and materialist development of peoples and economies is bound to have its flaws. The Belt and Road Initiative bears hallmarks of the socio-political tradition of Chinese authoritarian infrastructure politics while also offering a possible alternative to the so -called 'Washington Consensus' of free markets, deregulation and a shift towards liberal democracy.
- 11. Additionally, the Belt and Road Initiative brings about wide open intellectual spaces for dialogue among Asians, Arabs, Africans and Westerners on the meaning of inclusive intercontinental relationships in philosophy, geography and economics.
- 12. The second book is titled, China's Belt and Road Initiative: Impacts on Asia and Policy Agenda. This is authored by Pradumna Rana and Jason Xi. It reviews the evolution of the BRI, alerts Asian countries to a menu of alternative infrastructure funding opportunities, empirically estimates the potential macroeconomic impacts of the BRI corridors, surveys opinion leaders on various aspects of the BRI. and carries out regional case studies on the BRI's effect on Southeast Asia, South Asia and Central Asia.
- 13. Pradumna Rana and Jason Xi conclude that the BRI is a potential force for good. But in order for that to happen, both China and BRI stakeholder countries will have to implement a number of policy reforms. Accordingly, the authors have proposed a comprehensive set of reforms for policy-makers in the region to consider. I believe that with the implementation of those policy recommendations, there is a greater chance that an improved BRI 2.0 will be mutually beneficial and give rise to winwin situations as envisioned by Beijing.

- geopolitical vision that purports 14. Let me conclude by saying something on the role of Singapore in the BRI. As an important business, financial and transportation hub in the region, Singpore could usefully contribute to and benefit from the BRI. Singapore is located strategically along the Maritime Silk Road and at the tip of the overland China-Indochina Peninsula Economic Corridor that connects China and mainland Southeast Asia. As such, Singapore has taken a positive approach towards the BRI. Given its experience in infrastructure and economic development, Singapore is well positioned to offer more ideas and suggestions for BRI ventures.
 - 15. Two areas may be particularly relevant. Singapore can convene meetings of interested investors and raise funds for the construction of related projects. There are many banks and financial institutions operating from Singapore into the surrounding regions. They can attract more international funding participation from the rest of the world.
 - 16. I also see great opportunities for Singapore to help build technical capacity, upgrade relevant skills of the human resources involved, and maintain logistical order in collaboration with China and other BRI stakeholder countries. For example, in January 2019, China Council for the Promotion of International Trade and Singapore International Mediation Centre signed an MOU for jointly establishing a multilateral mediators' panel to settle comercial disputes arising from the BRI. The range of professional services available in Singapore is significant and these will save time, effort and mobilisation of resources needed for BRI projects.
 - 17. Thank you. ■

RSIS Webinar Series on "ASEAN's Outlook on the Indo-Pacific, COVID-19 and the **Future of ASEAN Centrality**"

alism Studies (CMS), RSIS, organised a webinar on "ASEAN's Outlook on the Indo-Pacific. COVID-19 and the Future of ASEAN Centrality" from 4-6 August 2020. Discussions focused on the nexus between ASEAN's Indo-Pacific narrative, ASEAN -led mechanisms and a post-COVID-19 world which stands to further escalate Sino-US tensions.

Part I of the three-day webinar addressed the theme "Multilateralism after COVID-19" where speakers highlighted that Part II of the webinar

The Centre for Multilater- COVID-19 is as much a local crisis as it is global, and that multilateral mechanisms are among the first casualties. As much of ASEAN centrality has been attributed to its convening power, speakers deliberated on how ASEAN could make its impact felt in a virtual setting and whether digital diplomacy could fill the gap. The panellists noted that ASEAN has fully embraced digital diplomacy, having successfully held two summits and several highlevel meetings with Dialogue Partners.

held around the theme "ASEAN and the AOIP -The Role of Multilateralism and Defence Diplomacy" addressed the evolving Indo-Pacific concept and its variants put forward by Australia, Japan, India and the United States. Panellists noted how the ASEAN Outlook on the Indo-Pacific (AOIP) has the best chance of becoming a platform for cooperation because major powers will not be able to garner each other's support for their own respec- ing". tive regional visions. Since the AOIP does not endorse the creation of a new mechanism, it is likely to be a good convening platform but a

weak negotiating forum for the entrenching of a new rules-based order for the region.

The theme for the third segment of the webinar "ASEAN Centrality in the Indo-Pacific: Forecasting Trajectories" had panellists conclude that as ASEAN faces increasing pressure to choose sides, ASEAN and its members could engage in "issue-based multilateralism" or "strategic tilt-

RSIS Webinar Series on Multilateralism Studies on "WTO: Between COVID, Reform Debate and a New Leadership"

On 14 August 2020, the RSIS' Centre for Multilateralism Studies hosted Dr Olaf Wientzek, Geneva Office Director for Konrad Adenauer Stiftung, for a seminar on sudden resignation of the World Trade Organization's (WTO) current state of play. Apart from sluggish multilateral negotiating and rulemaking, the past few years has seen an uptick in economic nationalism and protectionism, along with greater politicisation and deadlock of WTO processes. Reform is of the essence, a task made difficult by diverging interests among major powers and the broader membership.

COVID-19 has only add-

ed to the stress: 2020s Ministerial Conference a key platform for ministers to push forward trade agendas — has been postponed. The Director-General Roberto vis-à-vis an interim ap-Azevedo has also left a leadership void, which will be hard to fill considering the geopolitical tensions colouring the appointment of his successor.

Dr Wientzek added, however, that there are silver linings. Countries are defending, and continue to attempt reforming, the WTO and multilateral trade. The WTO remains a significant platform for countries to push trade initiatives, such as keep-

ing supply chains open during the pandemic, and continues to monitor protectionism in line with the rules-based order. Several countries are also trialling reform measures peal arrangement rather than devolving into might if contentious issues -makes-right adjudication, or simply replicating the existing dispute settlement mechanism that is heavily contested.

However, much work can be done going forward. Countries should continue to defend multilateralism by playing constructive roles in the ongoing WTO Joint Initiatives, such as on e-commerce, and sending good representatives to the WTO.

He then noted the importance of choosing the right candidate for Director-General — who must be both a reformist and an excellent diplomat but also the reestablishment of trust between WTO members such as state subsidies and development statuses, which have led to deadlock, are to be resolved. Ultimately, an excellent Director-General can only do so much if WTO members refuse to cooperate.

RSIS Panel Webinar on "COVID-19 and the World Economy"

On September 16, the Cen-credit, as well as to provide tre for Multilateralism Studies (CMS) organised a webinar on COVID-19's impact on domestic economies and economic multilateralism. To begin. Assistant Professor Jikon Lai, CMS, elaborated on the factors influencing economic recovery policies. Through an ongoing assessment of over 100 coun- and self-sufficiency, which tries, he tentatively concluded that thus far, governments leaned on deploying macroprudential and fiscal policies to stave off the worst of the pandemic's socioeconomic ramifications. Beyond **Gross Domestic Product** (GDP), levels of good governance are most significant in explaining these choices to mainly create

liquidity and income support.

Following this, Assistant Professor Gong Xue, China Programme, presented on COVID-19's implications for the United States-China trade war. Given an uptick in economic nationalism COVID-19 exacerbated, she noted that China will face an increasingly pessimistic trade landscape. There is greater willingness to reset trade relations with China, especially among the Indo-Pacific powers. Trends of restructuring global value chains will also accelerate, with "China+1" type supply chains becoming more likely.

Finally, Visiting Associate Professor Dr Pradumna Rana spoke on how COVID -19 is heralding a different form of fragmented economic multilateralism. Previously, global economic institutions underwent decentralisation: governments dissatisfied with the slow pace of negotiations in multilateral fora, such as the World Trade Organization, increasingly turned towards plurilateral or regionalbased economic and financial agreements and institutional arrangements. However, while these multiple levels of economic cooperation were functionally complementary, COVID-19 threatens to usher in arrangements that instead catalyse unhealthy competition due to increasing pro-

tectionism, economic nationalism and geopolitical rivalries.

When asked whether recovery will be swift, the panellists agreed that various factors could delay or hasten economic rebounds, such as a second wave of infections. Overall, GDP levels may return to prepandemic numbers circa 2022-2023. Though a multilateral response will be important to facilitate a speedier recovery, they further noted that a Biden presidency may not reverse US-China tensions. Rather, it will simply ameliorate its intensity considering bipartisan consensus on the China threat within Washington.■

RSIS Dual Book Launch Webinar of "Critical Reflections on China's Belt and Road Initiative" and "China's Belt and Road Initiative: Impacts on Asia and Policy Agenda"

On 29 September 2020, Associate Professor Alan Chong and Visiting Associate Professor Pradumna Rana, Centre for Multilateralism Studies (CMS), introduced their new books on the Belt and Road Initiative (BRI) following a keynote address by RSIS Executive Deputy Chairman Ambassador Ong Keng Yong.

Assoc Prof Chong introduced his co-edited book, "Critical Reflections on China's Belt and Road", as a volume exploring alternative perspectives on the BRI. It analyses President Xi Jinping's signature foreign policy project through a variety of distinctly Asian,

debates away from broadly framing the BRI as problematic and towards how it is changing regional connections.

Meanwhile, Visiting Assoc Prof Rana's highlighted how his co-edited book, "China's Belt and Road Initiative: Impacts on Asia and Policy Agenda", provides a snapshot of how the BRI is unfolding, its motivations and possible implications. Additionally, the book expounds on policy recommendations via an opinion leader survey of over one thousand respondents. Among the recommendations, he noted, are en-

non-Western lenses to shift hancing BRI transparency and governance, as well as securing multilateral and major power support.

> Following this, Dr James Dorsey, Senior Fellow, and Assistant Professor Gong Xue, China Programme, offered broadly positive reviews of the books. Echoing Amb Ong, they noted the timely and relevant contributions of both volumes towards understanding the BRI as a new modality of post-Western, global governance, as well as providing empirical observations on the BRI's economic and financial governance structures and processes.

Both reviewers and the audience, however, questioned how COVID-19 may impact the BRI's progress. In the discussion, the panel consisting of both authors and both reviewers noted that the BRI is likely to be recalibrated in light of the pandemic, following tweaks made pre-pandemic in response to, for instance, claims of debt-trap diplomacy. Nonetheless, the panellists agreed that COVID-19 hardly spells the end of the BRI, though China may focus more on domestic infrastructure and industries for the time being.■

Multilateral Matters: News Roundup

As US Hones Its Indo-Pacific Strategy, South Asian Nations Come into Focus

South China Morning Post | 18 October 2020 | Full Report

Forget Counterterrorism, the United States Needs a Counter-Disinformation Strategy

Foreign Policy | 15 October 2020 | Full Report

China Faces 'Difficult Trade-off' as WTO Leadership Race Heads into Final Round South China Morning Post | 08 October 2020 | Full Report

Is There Still Time for a Brexit Trade Deal?

The Guardian | 02 October 2020 | Full Report

World Health Organization Unveils Plan for Distributing Coronavirus Vaccine, Urges Cooperation

The Washington Post | 22 September 2020 | Full Report

The Mega Disruption: Satellite Constellations & Space-based Internet

Centre for International Governance Innovation | 31 August 2020 | Full Report

Cyber Sovereignty Cuts Both Ways

The Interpreter | 07 August 2020 |

China's barricades against foreign tech helped its companies grow massive. Now they're being blocked in other markets. Full Report

SELECTED PUBLICATIONS

Sino-Indian Himalayan Misadventures: What Now for Regional Geopolitics?

Nazia Hussain | *RSIS Commentaries* | 18 September 2020

US-China tensions: ASEAN should actively address the fallout from their feud

Jikon Lai & Elina Noor | *South China Morning Post* | 16 September 2020

Rebuild the UN's Legitimacy
Joel Ng | Council on Foreign Relations
| 14 September 2020

What Causes Changes in International Governance Details?: An Economic Security Perspective Kaewkamol Pitakdumrongkit | Review of International Political Economy | 10 September 2020

Germany's Indo-Pacific Strategy: Can Berlin Contribute? Frederick Kliem | RSIS Commentaries |10 September 2020 Pandemic and Welfare Policies: Doling Out the Digital Amalina Anuar | RSIS Commentaries | 02 September 2020

Why Quasi-Alliances Will Persist in the Indo-Pacific: The Rise and Fall of the Quad
Frederick Kliem | Journal of Asian Security and International Affairs |
28 August 2020

A China Management Strategy with ASEAN at Its Centre Frederick Kliem | East Asia Forum | 27 August 2020

Regionalism and COVID-19: How EU-ASEAN Inter-regionalism Can Strengthen Pandemic Management Frederick Kliem | RSIS Policy Report | 26 August 2020

BRI & Indo-Pacific: Geopolitics of Multilateralism? Nazia Hussain & Amalina Anuar | RSIS Commentaries | 13 August 2020 5G in Singapore: Is the Tide Turning Against Huawei?
Amalina Anuar | East Asia Forum | 11
August 2020

COVID-19 and Its Impacts - Managing Economic Fallout: ASEAN+3's Incomplete Effort
Kaewkamol Pitakdumrongkit | RSIS
Commentaries | 06 August 2020

COVID-19 and Its Impacts – Race for the Vaccine: Will ASEAN Be Left Behind? Joel Ng | RSIS Commentaries | 23 July 2020

Trade Multilateralism: Alive and Well Despite Trump
Pradumna Bickram Rana | RSIS Commentaries | 20 July 2020

Pandemic Recovery: No Need For US Leadership?
Frederick Kliem | RSIS Commentaries | 01 July 2020

The Centre for Multilateralism Studies (CMS) is a research entity within the S. Rajaratnam School of International Studies at Nanyang Technological University, Singapore. The CMS team conducts cutting-edge research, teaching/training and networking on cooperative multilateralism in the Asia Pacific region. The Centre aims to contribute to international academic and public discourses on regional architecture and order in the Asia Pacific. It aspires to be an international knowledge hub for multilateral cooperation and regional integration.

Multilateral Matters is the quarterly publication of the Centre for Multilateralism Studies (CMS), analysing the most recent developments regarding multilateralism by our team. It covers articles on relevant economic and political issues as well as programmes and latest publications from the research centre. The objective of the newsletter is to promote the research being done by our centre, raising awareness of the many events that we hold on a regular basis.

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