

# ASEAN-led Regional Institutions in the Era of “the Rest of Asia”

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## INTRODUCTION

The Asia-Pacific is now in a period of great transition. Competitive power politics, especially among the major powers, are coming back to the region. The distribution of power among the countries is changing and unstable, heightening a sense of unpredictability and uncertainty. Rapid military modernisation is underway in the name of protecting national sovereignty. Many states in the region have territorial and/or historical disputes with their neighbours. Serious security dilemmas exist among them.

The future of the Asian economy is also uncertain. The regional economic structure has been becoming more competitive. China, the Association of Southeast Asian Nations (ASEAN) countries, and India are competing against each other in attracting foreign direct investments and searching for new markets. Japan is, for the first time in modern times, facing serious economic challenges from other Asian nations. How the United States (US) intends to rectify its huge trade deficit with its Asian trading partners, which will potentially have an enormous impact on Asian economies, is uncertain. The US under President Trump is one of the major factors of uncertainty in the Asia-Pacific. China's assertive actions have been causing deep concerns among the countries in the region about its future development.

Several Asian countries, such as Thailand, the Philippines, and Myanmar, are facing the challenge of transforming their political regimes from authoritarian to democratic ones. Democratic transformation is often accompanied by domestic instabilities. Terrorism further aggravates internal instabilities. The absence of viable states makes the process of region-building difficult, because stable and resilient states are the basic foundation for effective regional cooperation. States remain the essential building blocks on which regional cooperative structures are built.

Furthermore, most Asians are not yet fully ready to adjust themselves to the internal and external changes that were caused by factors such as the rapid progress of economic globalization and changing power relations among the countries. Rapidly

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changing conditions are causing concerns about their futures among the people and such concerns are feeding nationalism. We have seen the danger caused by the convergence of nationalism and populism.

All these further feed a sense of insecurity and uncertainty among the political leadership and people. Reflecting these concerns and challenges, the countries in the region have been adopting a variety of strategies to protect their interests.

Fearing that Southeast Asia will become a strategic buffer zone, pulled in one direction or the other by the struggle among the major powers, ASEAN has tried to establish for itself a steering role in regional institution-building in the Asia-Pacific. Competition among the major powers has allowed ASEAN to take the opportunity to draw the major powers into a bidding competition for the hearts and minds of ASEAN. ASEAN has been playing a key role in regional institution-building in East Asia.

In spite of internal difficulties in maintaining unity and cohesion, ASEAN has emerged as the main driver for regional cooperation in the Asia-Pacific, as demonstrated by the formation of such ASEAN-led regional institutions as ASEAN+3 (ASEAN plus Japan, China, South Korea) and ASEAN+6 (ASEAN+3 plus Australia, India and New Zealand; also called the East Asia Summit).<sup>1</sup>

Based upon the “ASEAN+X” institutional framework, ASEAN has been “transplanting” their basic principles and norms (the “ASEAN Way”) to the Asia-Pacific as a whole. This is shown in ASEAN’s endeavours to invite non-ASEAN countries to sign the Treaty of Amity and Cooperation (TAC). Signing the TAC is regarded as a pre-condition for joining the East Asia Summit (EAS). The prime purpose of ASEAN’s approach is to share the basic norm of resolving disputes without using military means.

The pressing challenge facing the Asia-Pacific is whether we can sustain and enhance the rules-based regional order that has provided the basic foundation for peace and prosperity for the last few decades, or leave the region to the mercy of power politics among the major powers. The Asia-Pacific needs regional institutions underpinned by internationally endorsed rules, norms, and principles that promote much deeper collaborations so as to respond to the challenges facing the region. The region should be an area where disputes are resolved by rules, not power.

This article explores how the countries in the region have been and should be responding to the challenges through regional institutions. The dynamics concerning regional institutions will be examined. I would argue that the roles of the ASEAN-led regional institutions have been quite modest in terms of the extent that the regional institutions bind state behaviours. Because of the uncertainty and unpredictability of the strategic future of the region, all the countries in the region are not making strong commitments to any specific regional institution. They want to maintain as many institutional choices as possible in order to respond to the future uncertainty. Thus, we have

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<sup>1</sup> The East Asia Summit was originally designed as a forum where East Asian countries would participate on an equal footing, not an ASEAN-centred one.

been witnessing the emergence of multiple overlapping regional institutions whose roles and functions with respect to regional peace and stability are quite modest.

But, in order to respond to the rising strategic tensions between the major powers, the Asia-Pacific needs much stronger regional institutions within which naked power play is constrained more effectively. ASEAN stands at a critical juncture where it can either be a major player or be marginalized in an evolving environment.

I would argue that, contrary to the conventional view, the future of Asia will be defined by neither the US nor China nor US-China relations, but by “the rest of Asia.” “The rest of Asia” refers to all the countries and institutions in the region other than China. ASEAN is a critical part of “the rest of Asia.” The role of ASEAN is critically important to sustaining and enhancing the rules-based regional order. ASEAN can contribute substantially to enhancing the rules-based regional order if its member countries free themselves of the old-fashioned mindset that they are small and weak powers sandwiched between the major powers, recognize their potential as a constructive regional player in the evolving regional politics of the Asia-Pacific, and act collectively as a group, overcoming differences among the member countries. A restructuring of ASEAN’s institutional system according to the ASEAN Community plan of action is important in this regard, given that ASEAN-led regional institutions cannot go beyond ASEAN.

The structure of this article is as follows. The first part analyzes the existing institutional architecture in the Asia-Pacific, especially those institutions that are led by ASEAN. This part points out the political, economic, and security factors underpinning today’s regional institutional shape: multiple overlapping institutions addressing similar issue areas.

The second part analyzes the role of ASEAN in strengthening ASEAN-related regional institutions. In particular, this part will review the unique characteristics of Asian international relations.

The third part will address the ASEAN Community-building efforts, especially the ASEAN Political and Security Community (APSC). Strengthening ASEAN’s institutional structure is a critical precondition for strengthening ASEAN-related regional institutions. ASEAN-led regional institutions cannot go beyond ASEAN itself. The enhanced role of EAS will be discussed in this part. This part will be followed by the concluding section, with some remarks on the institutional innovation of ASEAN.

## 1. EXISTING REGIONAL INSTITUTIONS IN THE ASIA-PACIFIC

### (1) The Proliferation of Regional Institutions

We have been witnessing the proliferation of regional institutions for the last two to three decades. The ASEAN+3, established in 1997 as a response to the Asian financial crisis, has been developing a regional framework for currency swaps to respond to

the merciless power of international capital, in order to avoid a second Asian financial crisis.

ASEAN has been struggling to enhance its institutional premises by adopting the ASEAN Charter, realizing its goal of establishing an ASEAN Community, and establishing a new framework including non-ASEAN major powers, such as through the ASEAN Defence Ministers plus (ADMM+), to address a variety of security issues facing the region at its own initiative, thereby maintaining its centrality in regional institution-building and managing these regional institutions to respond to the increased tensions among the major powers.

The East Asia Summit was established in 2005 to provide a venue for the leaders of the region to address a broad range of issues facing the region. The expanded EAS, with the inclusion of the United States and Russia in 2011, was expected to be the prime regional institution dealing with politico-security issues in the Asia-Pacific.<sup>2</sup> In the meantime, a new concept of “the Indo-Pacific”, connecting the Pacific and Indian Oceans, is emerging. Indeed, the expanded EAS should be regarded as a regional institution covering the “Indo-Pacific”, connecting the Pacific and the Indian Oceans, mostly focusing on maritime affairs.<sup>3</sup>

## (2) Multiple Overlapping Regional Institutions

The proliferation of regional institutions reflects complicated strategies adopted by the countries in the region to respond to the increased insecurity and uncertainty that are being caused by three structural changes and challenges taking place in the region and the world: (1) increased economic competition among the economies in the region; (2) a shift in the relations among the major powers, becoming more tense, unstable, and unpredictable; and (3) increased competition over normative foundations regulating international relations. There exist distinct differences among regional countries in terms of policy preferences, especially concerning issues in domestic affairs, such as democracy, human rights, good governance, and rule of law.<sup>4</sup>

The countries in the region are adopting a variety of national strategies to respond to these changes and challenges. Given the uncertainty and unpredictability of the future shape of international relations in the region, all the states in the region want to maintain a variety of institutional choices to respond to their uncertain futures. They

<sup>2</sup> Dick K. Nanto, “East Asian Regional Architecture: New Economic and Security Arrangements and the US Policy,” CRS Report for Congress, The United States Library of Congress, Code RL33653, 18 September 2006.

<sup>3</sup> Michael Auslin, *Security in the Indo-Pacific Commons: Toward a Regional Strategy*, The Report of the American Enterprise Institute, December 2010.

<sup>4</sup> Tsutomu Kikuchi, “New Japan-ASEAN Cooperation for Institution Building in the Asia-Pacific: Beyond the Fukuda Doctrine?,” in Lam Peng Er (ed.), *Japan's Relations with Southeast Asia: The Fukuda Doctrine and Beyond*, London and New York: Routledge, 2012, pp. 140-157.

avoid making firm commitments to any specific institution and keep other options open so as to hedge against future risks. Thus, multiple overlapping regional institutions have emerged in Asia in the last few decades.

### (3) Two Uncertain Powers

What makes institution-building so complicated in the Asia-Pacific is the fact that there are two major and uncertain powers to whom regional countries have to respond through regional institutions: the United States and China. There are fundamental differences in their political, social, and economic values, and foreign policy orientations. This makes the bargaining game for regional institution-building more complicated and competitive.

On the one hand, countries in the region have to respond to the rise of China. China provides plenty of economic opportunities. Therefore, they have to engage China economically. At the same time, economic competition with China is increasing. Given the huge disparities in economic size (and, therefore, in bargaining power), engaging China collectively through regional institutions may be better than bilateral dealings in which power relations between two countries may force the smaller countries to accept disadvantageous positions.

At the same time, the future of the Chinese economy is uncertain, given the fact that the Chinese development model may not be sustainable any more. Furthermore, too much dependence on the Chinese economy may erode room for diplomatic manoeuvring in relations with China, and lead to greater vulnerability to economic fluctuations in the Chinese economy. Thus, although enhanced economic relations with China are important, Asian countries have to maintain other forms of relations as well. The regional institutions provide alternative channels to maintaining economic exchanges.

Thus, Asian countries have to reserve their “fall-back” positions, maintaining good economic relations with such economies as the United States, the European Union (EU), and Japan through other institutional arrangements. They seek to be part of other regional institutions that include important economic partners. In fact, many countries in the region have been seeking to join a variety of regional and sub-regional free trade agreements (FTAs) and economic partnership agreements.

Furthermore, given China’s massive military modernization, there is a concern that it may use its modernized military power against its neighbours once it has attained military supremacy. There are many hot spots in Asia, most of which are along the Chinese land and maritime borders. Asian countries have to be prepared for rising tensions and potential conflicts with China. In such a scenario, the US could play an important role in applying a variety of constraints on China as its forward military presence provides security common goods to the region, constraining the use of force by China. The recent enhancement of security relations between several Asian coun-

tries and the US demonstrates that China's assertive behaviours have been pushing these countries closer to the US.

Predicting the rise of China's economic and military power, many countries in East Asia desperately need the US to continue its military and economic engagement in the region so as to hedge against risks created by China. In fact, as pointed out above, many Southeast Asian nations are hedging against economic dependence on China by concluding FTAs with the US, Japan, India, the EU, and others. Several ASEAN members' military and security relations with the US and Japan were enhanced recently.

At the same time, some countries in the region have to deal with (possible) "hegemonic" behaviour by the United States. The attitudes of Asian countries to US power and influence have been ambivalent. Some Asian countries have expressed deep concerns regarding US-led military actions carried out in the name of fighting against international terrorism. They are concerned about US unilateralism and "hegemonic" behaviour, such as US intervention in internal affairs under the aegis of protecting human rights, promoting democracy and good governance, and fighting against terrorism. There are also concerns that global institutions such as the International Monetary Fund (IMF) and the World Bank, led by the United States, may "intervene" in the internal affairs of countries in the region. In this regard, Asian regional institutions that exclude the United States may be expected to serve as an additional policy shield for East Asian countries to protect themselves against the US's unilateral actions and collectively balance against US power. In addition, East Asia-based regional institutions (that exclude the US) serve as an indigenous regional self-reliance mechanism. In this regard, China may be a useful partner in constraining the US's unilateral "hegemonic" behaviour.

At the same time, although Asian countries generally welcome the US's engagements in Asia, there are deep concerns about the sustainability of its commitment to Asia, given the US's commitments to other regions, the serious budget cut, the ambivalence in the US public concerning international engagements by the US, and divided politics in Washington. The inauguration of the Trump administration further aggravates uncertainty regarding US engagements in Asia. This further complicates the attitudes of Asian countries toward the US.

Thus, most Asian countries have been taking quite ambivalent positions towards the US and China respectively. They are concerned about China's rising military power, and therefore welcome the US's military engagement in Asia as a form of constraint on China. At the same time, they are concerned about the rising military tension between the US and China, and the potential for actual conflicts. For some, the US's "pivot" strategy is too provocative to China, causing undue tensions in the region.

The concept of "dynamic equilibrium" prescribed by the former Indonesian foreign minister Marty Natalegawa as a guiding principle for Indonesia's foreign relations indicates a strategic sense shared among Southeast Asian countries. For Indonesia (and

most ASEAN members), Asia desperately needs to avoid new political and military fault lines so that the rise of some powers are not seen as challenges to be overcome or contained.<sup>5</sup>

#### (4) No Institutional Competition /Institutional Convergence

The roles and functions of the current regional institutions have been quite modest. The amalgamation or convergence of a variety of overlapping regional institutions into a single (or a few) “authoritative” and effective institution(s) through “institutional competition” has not taken place. There are several regional institutions whose agendas and memberships are overlapping.

It is quite natural for similar and overlapping institutions to compete with each other. Through “institutional competition”, effective institutions survive and inefficient ones die, thereby leaving a single or a few authoritative and effective regional institution(s).<sup>6</sup> But this has not happened in the Asia-Pacific. Given shifting power relations among the major powers, almost all the regional countries will not make firm commitments to any specific regional institution whose future is still uncertain. They continue to participate in a variety of regional institutions and engage in many functional cooperation activities in such areas as economic and non-traditional security issues, but they remain cautious not to become entangled in a specific regional institution in such a way that their future freedom of action might be constrained. They will continue to adopt multiple institutional strategies, ranging from institutional engagement to soft-balancing and risk-hedging.

Thus, overall, the roles and functions of these regional institutions have been and will be quite modest in term of regulating the strategic behaviours of countries in Asia.

## 2. RISING REGIONAL TENSIONS AND THE ENHANCED ROLE OF ASEAN

### (1) ASEAN at a Critical Juncture

ASEAN has benefited from the competition and division among the major powers, which prevented any major power or coalition of major powers from taking a leadership role in regional multilateral institutions. Growing competition among the major powers continues to provide ASEAN with an opportunity to take a leadership role in establishing and managing regional institutions in the region.

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<sup>5</sup> Ahmed Rizky Mardhatillah Umar, “A Critical Reading of ‘Natalegawa Doctrine’,” *The Jakarta Post*, 7 January 2011.

<sup>6</sup> Vinod K. Aggarwal (ed.), *Institutional Designs for a Complex World*, Ithaca: Cornell University Press, 1998.



ASEAN has been developing a diplomatic practice of maintaining a flexible balance in its relations with major powers. This has been critically important for ASEAN countries in their efforts to retain their autonomy in a region where the interests of major powers are interwoven.

Tensions and rivalries among the major powers have been consistently increasing, affecting the regional security and economic environments. The future of Southeast Asia is increasingly defined by how ASEAN and ASEAN countries will interact with extra-regional powers. Indeed, a strategic rivalry among the major powers is becoming more palpable and has the potential to polarize ASEAN.

If ASEAN becomes polarized due to the increasing rivalry and competition between the major powers, its autonomy will be seriously compromised. ASEAN's role as a key institution to manage regional institutions will be damaged. ASEAN's space for manoeuvring in its relations with the major powers will be severely constrained by the choices made by the major powers. ASEAN will be marginalized in the evolving regional relations. Now is the time for ASEAN to further enhance the ASEAN-led regional institutions, within which ASEAN can take initiatives to constrain the power politics among the major powers, to promote cooperation, and to maintain ASEAN's regional autonomy and independence. Unity and cooperation among ASEAN member countries is a precondition for responding to this challenge.

## (2) Beyond US-China Relations

Is there any room for regional institutions such as ASEAN to play substantial roles in international relations in the Asia-Pacific?

It is common to argue that the growing tension among the major powers, especially between the United States and China, has become a key regional issue defining the security environment of the region. Indeed, competition between the US and China continues to intensify. But, we need to look beyond US-China relations to address the challenges facing the Asia-Pacific.

Asians are too preoccupied with the mindset/mental framework of seeing the future of the Asia-Pacific only from the perspective of the US-China rivalry. People in Southeast Asia often say that they are "sandwiched" between the US and China. This mindset prevents ASEAN countries from creatively thinking of how they can play a role in enhancing the rules-based regional order.

In this regard, I would argue that international relations in the Asia-Pacific today differ from those of the past (in the history of world politics), when the major powers defined the regional order.

It is popular to discuss the future of Asia from the perspective of a "power transition."<sup>7</sup> According to this perspective, the key players defining the future of Asia are the

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<sup>7</sup> Hugh White, *The China Choice: why we should share power*, Collingwood, Australia, Black Inco., 2012.



US and China. There are many scenarios for Asia based upon the state of US-China relations, including continued US hegemony; regional hegemony by China; a G2/US-China combination of power; and a Cold War-style confrontation.

However, these scenarios will not happen in the foreseeable future. The US is no longer a full-fledged regional hegemon. China is not a full-fledged rising power. Both the US and China have numerous vulnerabilities and constraints internally and externally. Indeed, there are many pressing domestic agendas to address in both countries. The instability of domestic politics in both countries will continue to prevent them from creatively exercising their powers externally.

The divided politics in Washington and the inward-looking attitude of the US public against foreign engagements make us very much concerned about continued US engagement in Asia. Ironically, China is struggling to maintain its domestic stability after decades of remarkable economic growth. A possible economic slowdown will further aggravate China's internal contradictions. Thus, neither the US nor China will sustain the Asian regional order alone.

Given the huge differences in their policy preferences and basic values, the emergence of a firmly consolidated G2/US-China condominium providing the strategic structure for Asia will be impossible as long as China has a communist regime.

Finally, given the deepened economic interdependence and the dense bilateral institutional mechanisms for policy coordination between the US and China, a Cold War-style confrontation is also difficult to imagine. Many bilateral mechanisms for dialogue and policy coordination between Washington and Beijing have been developed. In spite of deep mutual suspicion and policy differences, both the US and China have had deep experiences managing difficult relations for nearly half a century.

### (3) ASEAN in "The Era of the Rest of Asia"

Both the US and China need help and support from "the rest of Asia." "The rest of Asia" refers to countries and institutions in Asia other than China. Indeed, there are several countries in Asia that have substantial political, economic, and military power. They are not just pawns in the US-China rivalry. They have the willingness, strength, and determination to affect the future of Asia.

How the "rest of Asia" steer their respective policies in the coming years will significantly affect the future of Asia. In this regard, I would argue that Asia is now entering into the "era of the rest of Asia."

In fact, the US and China have been struggling to win the hearts and minds of "the rest of Asia" through a variety of initiatives, such as the US's pivot/rebalance policy and China's Asia Infrastructure Investment Bank (AIIB) and "One Belt One Road" (OBOR) initiative. The US and China need the support and cooperation of "the rest of Asia" to pursue their respective policy agendas in the region.

The Trump administration seems to be providing a reassuring message to Southeast Asia that the United States remains committed to the region. At a meeting with ASEAN foreign ministers in Washington in May 2017, Secretary of State Tillerson mentioned that the Asia-Pacific was a top priority of the Trump administration and that ASEAN was an essential partner. Secretary Tillerson and the ASEAN foreign ministers also reaffirmed their adherence to a rules-based order in the Asia-Pacific.<sup>8</sup>

Furthermore, Asian economies are interconnected through dense networks of cross-border production and distribution. To sustain these networks, the US and China need the support of the other countries. This is clearly demonstrated in the negotiations for the Trans-Pacific Partnership (TPP) and the Regional Comprehensive Economic Partnership (RCEP). This economic and security reality gives “the rest of Asia” much room for manoeuvrability and strengthens their bargaining position in their respective relations with the US and China.

Put simply, the future of the Asia-Pacific will largely depend upon how “the rest of Asia” responds to the emerging challenges.

For “the rest of Asia,” the rules-based regional order is indispensable, because this rules-based order protects them. Strong rules protect smaller countries more than bigger ones. Disputes will be resolved by rules, not power.

ASEAN is a critical part of “the rest of Asia.” It has been argued that ASEAN will be divided, that ASEAN’s internal unity and cohesion will not be maintained, and that ASEAN will be forced to be marginalized in the international affairs of the region if US-China relations slide into tense rivalry. Indeed, the changing relations among the major powers have the potential to polarize ASEAN, undermining Southeast Asia’s regional autonomy. Southeast Asia will become a venue for major powers’ competing influence. “ASEAN centrality” will be lost. ASEAN member states will be forced to take sides in the major powers’ competition (especially in the competition between the US and China), becoming entangled in the major powers’ competition and conflicts.

### 3. ASEAN POLITICAL AND SECURITY COMMUNITY (APSC) IN ASIA-PACIFIC INTERNATIONAL RELATIONS

#### (1) ASEAN and Regional Institution-Building in the Asia-Pacific

ASEAN could be a critical player to sustain and enhance the rules-based regional order. Today, ASEAN is engaged in establishing the ASEAN Political Security Community (APSC), one of the three pillars of the ASEAN Community.

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<sup>8</sup> Jonathan Soromseth, “Trump Reassures ASEAN, previews a broader Asia policy,” Washington: The Brookings Institutions, 12 May 2017, <https://www.brookings.edu/blog/order-from-chaos/2017/05/12/trump-reassures-asean-previews-a-broader-asia-policy/>.

The APSC has two aspects: an intra-ASEAN aspect and an extra-ASEAN aspect. First, APSC aims to harmonize the internal (domestic) institutions of member countries according to liberal principles such as democracy, human rights, the rule of law, and good governance. Shared liberal norms and institutions among the members serve as a foundation for security and prosperity in Southeast Asia.

Second, Southeast Asia is a region where extra-regional powers’ interests intersect. ASEAN’s security is, therefore, closely connected with what relationships are established between the ASEAN countries and extra-ASEAN powers. To sustain a stable regional security environment in Southeast Asia, ASEAN designed a security architecture that included ASEAN’s relations with extra-ASEAN countries, especially the major powers. Thus, ASEAN has established a variety of regional institutions centred on ASEAN that include the major powers.

ASEAN has been skilfully managing relations with the major powers through ASEAN-related regional institutions. ASEAN is proud of maintaining its “centrality” or “sitting in the driver’s seat” in managing regional institutions.

Now is the time for ASEAN to strengthen its efforts to further enhance the APSC, given that power politics is coming back to Asia. APSC will help to greatly enhance ASEAN’s institutional capacity to enable ASEAN-led regional institutions such as the EAS to discuss substantial security issues, thus contributing to strengthening the rules-based regional order and taming power politics among the major powers in the Asia-Pacific.

This, however, requires ASEAN countries to free themselves from the mindset or mental framework that they are “sandwiched” between the US and China. They need to recognize more clearly their potentials (room for manoeuvrability) in the international relations in the region.

If ASEAN countries can realize their potentials, a variety of regional institutions underpinned by APSC will be enhanced, contributing to managing power politics among the big players.

## (2) The role of the East Asia Summit (EAS)

The East Asia Summit is a critical part of ASEAN’s efforts to strengthen the ASEAN-led regional institutional architecture for regional peace and stability. The EAS is the ASEAN-led inclusive regional institution with all the major powers as members. This institutional form has potential as a forum for taming competitive dynamics and promoting confidence building. The annual summit provides a multilateral venue to deal with challenges as they emerge.<sup>9</sup>

<sup>9</sup> Malcolm Cook and Nick Bisley, “Contested Asia and the East Asia Summit,” *ISEAS Perspective* 2016 No. 46, Singapore: ISEAS-Yusof Ishak Institute, 18 August 2016.

The EAS was established in 2005 as part of the construction of an East Asian Community, together with the ASEAN+3 (Japan, China and South Korea). But, the institutional demarcation between the ASEAN+3 and the EAS was not clear. Both the ASEAN+3 and the EAS have been engaged in quite similar issue areas. Indeed, the EAS has dealt with a wide range of issues, such as environment, energy, education, finance, natural disaster, health, and ASEAN connectivity. Following the “ASEAN Way”, which emphasizes dialogue and consultation, contentious issues such as the South China Sea dispute were not on the EAS agenda. Deep concerns were expressed about whether the EAS would continue to attract the attention of political leaders if it did not address the pressing security challenges.

With US participation and rising tension in Asia, the agenda of the EAS shifted to more geostrategic concerns. The EAS is expected to play the role of promoting confidence-building and conflict prevention, especially among the major powers. The consistent participation and commitment of US President Obama to the ASEAN-related institutions, especially the EAS, had raised expectations that the EAS would be elevated into a premier regional institution dealing with politico-strategic challenges facing the region. Indeed, the EAS has been addressing some of the pressing security issues, such as the South China Sea dispute.

The EAS is a flexible forum for political and strategic dialogue by leaders on the critical issues facing the region. The EAS is the only regional mechanism that has brought the leaders of all the major powers together to discuss key concerns facing the region.

The participation of the United States has further shifted the EAS agenda towards strategic issues. The EAS, because it is a leaders-led forum with a correspondingly broad remit, can be seen as the logical forum to lead the way in adopting practices and procedures intended to enhance its influence and authority on regional political and security issues. As it includes all the powers with regional presence and interests, the EAS has the appropriate composition to evolve and uphold regional security principles and norms.

To be an effective regional institution, the EAS has to attract the attention of the countries in the region, especially the major powers. A more institutionalized EAS will provide ASEAN with an opportunity to reinforce its institutional relevance to address the challenges facing the region. We should review and adjust the existing procedures for agenda-setting to develop a clear and wider sense of ownership of a process directed at the challenge of preserving a stable and orderly region.

In this regard, ASEAN may consider joint chairmanship of the EAS with non-ASEAN member countries. We may consider the establishment of an EAS secretariat capable of helping to build continuity between summits and contributing to the qualities of responsibility to implement decisions and accountability. The concept of “ASEAN centrality” must be redefined in this regard. ASEAN cannot play the role of “a manager

of regional order” alone. The role of ASEAN will be further enhanced if it designs institutional arrangements that bind the relations with the major powers.

#### 4. CONCLUSION

The pressing challenge facing the Asia-Pacific is whether we can sustain and enhance the rules-based regional order that has provided the basic foundation for peace and prosperity for the last few decades, or must we leave the region to the mercy of power politics among the major powers.

The Asia-Pacific needs regional institutions underpinned by the liberal norms and principles that promote much deeper collaborations in order to respond to the challenges facing the region. It should be a region where disputes are resolved by established rules, not power.

The role of ASEAN is critically important to sustaining and enhancing the rules-based regional order. Contrary to the conventional view, “the rest of Asia” can play an important role in managing regional affairs. In this regard, we must look beyond the major powers’ relations, especially US-China relations. There is much room for “the rest of Asia” to play a constructive role in taming the power politics among the major powers and encouraging cooperation and confidence-building.

ASEAN can contribute significantly to enhancing the rules-based regional order if the member countries free themselves of the old-fashioned mindset that they are small and weak powers sandwiched between the major powers, recognize their potential as a constructive regional player in the evolving regional politics of the Asia-Pacific, and act collectively as a group, overcoming differences among the member countries.

Two premises that have been underpinning the ASEAN-led regional institutions must be reviewed. One is the premise underlined by the “ASEAN Way.” There has been an expectation that jointly dealing with non-contentious issues through informal consultation and dialogue would contribute to enhancing mutual confidence, leading to peaceful resolution of conflicts. But, the past few decades have demonstrated the limitations of the “ASEAN Way” as a guiding principle for regional institutions to manage contentious issues.

Given the rising tensions, the Asia-Pacific needs regional institutions that effectively tame power politics among countries and encourage them to resolve conflicts according to internationally endorsed rules and norms. It is a pressing task for the Asia-Pacific to develop regional institutions in which rules, commitment, and mechanisms are explicitly and clearly defined. We must go beyond dialogue and consultation.

In this regard, ASEAN’s joint endeavour to construct the ASEAN Community is critically important, given that it demonstrates ASEAN’s serious efforts to go beyond the traditional ASEAN Way, to construct a rules-based regional order in Southeast Asia.

Another premise to be reviewed is the concept of “ASEAN centrality,” reflecting ASEAN’s deep concern of being entangled in the major powers’ competition/rivalry and losing its autonomy in regional affairs. “ASEAN Centrality” is still a vision, not a reality. As I analyzed above, there is much room for ASEAN to manoeuvre in its relations with the major powers in the contemporary international relations of the Asia-Pacific. But, the major powers are engaged in their own ways of addressing their mutual relations. ASEAN may be marginalized, depending upon the dynamics of the major powers’ relations. In this regard, ASEAN should see “ASEAN Centrality” from a broader perspective, including the possibility of co-chairmanship with a non-ASEAN country of the EAS. This will enhance ownership by non-ASEAN countries of ASEAN-led regional institutions and encourage them to actively participate in ASEAN-led institutions.

ASEAN’s ambition to play the critical role in constructing and managing regional institutions will not be realized without being accompanied by the modification of the existing premises underpinning ASEAN cooperation. Even if the transformation process will be painful and difficult, a transformed ASEAN will be eligible to lead East Asian cooperation. In this regard, the ASEAN Community-building in general and APSC in particular are critically important in transforming ASEAN processes and institutional arrangements. A transformed ASEAN will constitute an essential part of the rules-based regional order in the Asia-Pacific.

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