

# The Rise of 'Minilateralism': The ASEAN and its Struggle for Centrality in the South China Sea

*The paper analyzes the intersection of three key currents in Asian geopolitics, namely (i) the emergence Association of Southeast Asian Nations (ASEAN) as a fulcrum of pan-regional integration, (ii) the evolution of South China Sea disputes as the preeminent geopolitical conflict of the 21<sup>st</sup> century, if not the site of the next great war; and, (iii) full commencement of the New Cold War between the United States (US) and China, dispensing with four decades of 'constructive engagement' vis-à-vis Beijing.*

## Executive Summary

The paper analyzes the intersection of three key currents in Asian geopolitics, namely (i) the emergence Association of Southeast Asian Nations (ASEAN) as a fulcrum of pan-regional integration, (ii) the evolution of South China Sea disputes as the preeminent geopolitical conflict of the 21<sup>st</sup> century, if not the site of the next great war; and, (iii) full commencement of the New Cold War between the United States (US) and China, dispensing with four decades of 'constructive engagement' vis-à-vis Beijing. Once seen as the harbinger of an open, inclusive and multilateralist order in the Asia-Pacific, the ASEAN has struggled to assert its 'centrality' on two interrelated fronts: China's rising assertiveness in adjacent waters, most especially in the South China Sea but now extending across the Pacific and Indian Oceans, as well as the de facto breakdown in US-China détente, which provided a unique space for 'middle power diplomacy' in the post-Cold War era. In particular, the article looks at the ASEAN's evolving response to these geopolitical shocks, namely its response to the

Quadrilateral Alliance (QUAD) and the amorphous “Free and Open Indo-Pacific” doctrine, and growing ‘minilateral’ coordination among key regional states, namely Vietnam, Indonesia and the Philippines, and likeminded external powers. The article explores the future of regional order, and the ASEAN’s quest for centrality, within this rapidly shifting landscape - further exacerbated by the COVID-19 pandemic and, in turn, China’s turbocharged efforts to shape the Asia-Pacific security architecture in times of unprecedented crisis and strategic uncertainty.

### **The China Challenge**

Reflecting on the future of the region’s security architecture, the late Singaporean Prime Minister Lee Kuan Yew cautioned, “The size of China’s displacement of the world balance is such that the world must find a new balance. It is not possible to pretend that this is just another big player. This is the biggest player in the history of the world. [\[i\]](#) “Beyond just a tactical ‘balance-of-power’ readjustment, Lee warned, China’s re-emergence as a great power portends a systemic shock to the post-World War II international system.[\[ii\]](#)

In the past decade alone, China has rapidly ‘weaponized’ its artificial islands through the deployment of advanced assets, including HQ-9B surface-to-air-missiles (SAMs), YJ-12B anti-cruise ballistic missiles (ACBMs), and electronic jamming equipment to the Spratlys, while conducting increasingly regular large-scale military exercises across the South China Sea. And more recently, we have witnessed what can be termed as China’s “militia-ization” of the disputes -- deploying an ever-larger number of para-military forces to swarm and intimidate smaller claimant states.

This represents a new and dangerous phase in China's maritime policy in the South China Sea, as rivals scramble to construct an appropriate response without provoking unnecessary escalation. The militia forces, however, continue to represent the tip of the dagger of China's modernizing conventional forces. In short, we are seeing a new China, which is no longer bound by Deng Xiaoping's dictum of strategic temperance, namely to "hide our capabilities and bide our time, [and] never try to take the lead," but instead driven by a new level of assertiveness embodied by Xi's bid for a "Chinese Dream" of "great [national] rejuvenation" – namely, Chinese strategic primacy in the 21<sup>st</sup> century.[\[iii\]](#)

None of China's remarkable achievements, however, necessarily portend Chinese world domination, not even hegemony in Asia. To begin with, China suffers from acute structural vulnerabilities, including an impending demographic winter and excessively leveraged financial sector, which portend an almost inevitable economic slowdown, if not worse, in the short-to-medium run.[\[iv\]](#) Not to mention, more accurate measurements of actual Chinese power -- namely its '*net power*' of surplus resources, as opposed to *gross resources*, for projection of force in times of war -- reveal significant, if not widening, gap with more developed rivals such as the US, which still boasts the largest pool of cutting-edge industries, Nobel laureates, and high-quality human capital and strategic natural resources.[\[v\]](#)

At the same time, the fundamental geopolitical reality is that China is simply too big to be 'contained' in the Kennan-like 20<sup>th</sup> century Cold War fashion.[\[vi\]](#) And unlike the

Soviet Union, China is deeply embedded in and pivotal to the integrity of the global economy. Instead, a more feasible alternative is what political scientist Gerald Segal termed as 'constraint' strategy, which "is intended to tell [China] that the outside world has interests that will be defended by means of incentives for good behavior, deterrence of bad behavior, and punishment when deterrence fails."[\[vii\]](#)

This approach, as Segal argues, will work if the US and its partners "act in a concerted fashion both to punish and to reward China." In many ways, the US' push for a rules-based Free and Open Indo-Pacific (FOIP) resembles a constraint strategy against China. It draws on a combination of diplomatic pressure, economic cooperation, and deepening military countermeasures in tandem with likeminded powers, which have been perturbed by a revisionist China's frontal challenge to the existing order.

### **The ASEAN Dilemma**

In Southeast Asia, however, the whole Indo-Pacific and FOIP discourse is often seen, rather skeptically, as thinly-veiled containment strategy by the so-called 'Quad' grouping of Australia Japan, India and the US against a revanchist China.[\[viii\]](#) There is profound anxiety over broader implications for the ASEAN and its 'centrality' in shaping the regional security architecture. From a more skeptical standpoint, many in Southeast Asians even interpret the Indo-Pacific -- and the corollary re-emergence of the Quad -- as *de facto* marginalization of the ASEAN, with big powers effectively stating: "Step aside [little] guys, let the big boys handle this [China problem]!" A fog of uncertainty is fueling suspicion and dismay. To begin with, there is a generalized sense of perplexity vis-à-vis the whole Indo-Pacific concept and, by extension, what

the FOIP truly stands for. After all, as one Southeast Asian expert notes, “there is no common understanding or authoritative definition of the term even among its proponents”.

In response, the ASEAN, thanks to Indonesia’s tireless efforts, adopted the ASEAN Outlook on the Indo-Pacific (AOIP). The ASEAN categorically rejects any narrow definition of China as a hegemonic threat that has to be contained by a counter-coalition of powers. In short, ASEAN primarily views China through the prism of money (engagement-economic axis) rather than missiles (threat-deterrence axis).

The AOIP calls for an ASEAN, which will “continue to maintain its central role in the evolving regional architecture in Southeast Asia and its surrounding regions”, and serve as an “an honest broker within the strategic environment of competing interests”. The AOIP underscores ASEAN’s commitment to an “open”, “transparent”, “inclusive”, “rules-based” order anchored by “respect for international law.”<sup>[ix]</sup> It reaffirms the ASEAN’s long-held post-Cold War aspiration to “lead the shaping of their economic and security architecture and ensure that such dynamics will continue to bring about peace, security, stability and prosperity for the peoples in the Southeast Asia as well as in the wider Asia-Pacific and Indian Ocean regions or the Indo-Pacific.” And it underscores ASEAN’s emphasis on conflict-prevention/management through “avoiding the deepening of mistrust, miscalculation, and patterns of behavior based on a zero-sum game.”

But the AOIP appears at best defensive and, at worst, a desperate attempt at reasserting

ASEAN centrality. Instead of just *asserting* centrality, and engaging in hermeneutic debates on its laudable geopolitical aspirations, the ASEAN should *achieve and earn* a pivotal role in shaping the emerging 21<sup>st</sup> century order in the Indo-Pacific. The reality is that the ASEAN's refusal to choose represents a choice itself, potentially leading to its peripherality in regional affairs. And in many ways, the ASEAN facilitates China's revanchism by its stubborn neutrality. Not to mention, the ASEAN has chosen sides on certain issues already, having criticized the US and India, the other two major regional powers, on trade protectionism issues.

### **ASEAN Needs to Level Up**

The path forward should begin by first acknowledging and, accordingly, remedying the ASEAN's institutional decay. To be fair, the ASEAN has had remarkable achievements, especially ending the dark days of *Konfrontasi* and intra-regional armed conflict as well as finalizing the ASEAN Free Trade Area ahead of schedule. It also boasts a myriad of assets, especially its 'convening power': namely, the establishment and preservation of multilateral mechanisms, which have mediated, with considerable success, broadly peaceful relations among great powers. The ASEAN Regional Forum (ARF) is among few multilateral platforms where all major Indo-Pacific powers and actors, including North Korea, can collectively negotiate the rules governing inter-state relations in the Indo-Pacific.

Yet, the ASEAN is credibly suffering from what can be termed as a "middle institutionalization trap," whereby the very decision-making modalities and institutional arrangements, which allowed the ASEAN to integrate among the world's

most diverse nations, is proving insufficient, if not counterproductive, vis-à-vis new geopolitical realities, namely the rise of China. In particular, the ASEAN's operational interpretation of consensus (*Muafakat*) as unanimity, especially in the realm of politico-security affairs, has proven to be a recipe for division, dissonance, and collective paralysis. In contrast, other regional organizations such as the European Union have operationalized the consensus principle through more optimal arrangements, including [qualified majority voting](#). The ASEAN's unanimity-based, decision-making process gives de facto veto power to each ASEAN member irrespective of the immense divergence in threat perceptions and degree of interest among Southeast Asian nations. This makes the regional body extremely vulnerable to sabotage, since an external power can simply lean on the "weak links" within the regional body to prevent a unified pushback.

The challenge for Vietnam, the current ASEAN chairman, is to harmonize divergent positions within the region vis-à-vis the South China Sea disputes. While Malaysia and Indonesia have stepped up their efforts to resist Chinese intrusion into their waters, the Philippines' strategic acquiescence remains to be a major obstacle to a unified and robust regional pushback against Beijing's worst instincts. Fortunately, recent history shows that China responds to robust pressure, while the Philippines' position is far from fixed. From its decision to [forego veto\[x\]](#) powers within the Asian Infrastructure Investment Bank amid Western pushback to greater emphasis on debt sustainability and major [concessions](#) to Malaysia over 'debt trap' concerns vis-à-vis the Belt and Road Initiative[xi], Beijing has shown its willingness to recalibrate in face of concerted pushback. Absent a coordinated and coherent resistance among key regional states,

China will likely continue its current course of transforming the regional maritime and geopolitical landscape in its own image. In response to the strategic challenges posed by the rise of an assertive China, the ASEAN and its key international partners should consider the following recommendations:

**Optimizing Consensus-Building:** *Consensus should not be mistaken as unanimity, which is increasingly impossible on high-stakes geopolitical challenges.* The way forward is for the ASEAN to contemplate alternative and more optimal decision-making modalities, including the expanded adoption of the *majority-driven* “ASEAN Minus X” formula;[\[xii\]](#) in particular, *majority-based voting* (*X being a dissenting member or two*), which proved successful in trade negotiations, where gaining unanimity was seen as an impractical obstacle to broader regional integration. More ambitiously, the ASEAN can examine the utility of the [qualified majority voting](#) modality[\[xiii\]](#), which incorporates differential (demographic, economic, geopolitical) weight of member states, thus ensuring the will of the majority and most concerned members prevails. Obstinate sticking to status quo is simply a recipe for institutional paralysis on issues that matter the most.

**Embracing Minilateralism:** Crucially, the ASEAN can more proactively adopt ‘*minilateralism*’, whereby core, likeminded Southeast Asian countries can adopt more expedient and robust responses to shared threats, including in cooperation with external powers. In recent years, we have seen “osmotic integration”, most notably in the case of the ASEAN Counter-Terrorism Convention,[\[xiv\]](#) where minilateral arrangements were later adopted on the collective, multilateral level. Minilateral



initiatives such as Indonesia President Joko Widodo's call for joint patrols[xv], Malaysian Prime Minister Mahathir Mohamad's call for [demilitarization](#) in disputed waters, and the proposal for an intra-ASEAN Code of Conduct (COC)[xvi], anchored by the UNCLOS, seem much more sensible and promising than the status quo.

**Expanded Partnerships:** Perhaps, the time has also come for considering the impossible, namely negotiating *associate membership*[xvii] for 'far neighbors' such as Australia and New Zealand. The ASEAN will either have to embrace creative solutions or risk fast fading into irrelevance amid festering Sino-American competition in the Indo-Pacific. Crucially, it's important for the QUAD powers to continue and deepen their *capacity-building initiatives* in Southeast Asia, particularly maritime security capabilities of frontline states such as the Philippines, Vietnam, Malaysia and Indonesia, who have been grappling and even resisting Chinese maritime aggression.

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**Notes:**

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