Towards a New ASEAN Regionalism: Navigating the Outlook on Indo-Pacific in Post-RCEP Beyond 2020

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Abstract

The adoption of the Regional Comprehensive Economic Partnership (RCEP) has brought the Asia Pacific region into a new paradigm of ASEAN regionalism. The global economic competition between China and the western world significantly impacts Southeast Asian countries regionally due to geographical factors and regional integration towards the ASEAN community. The changing regional order then happened after RCEP increased China’s interest in the Southeast Asian geopolitical landscape and ASEAN – China’s role in post-pandemic global governance. The authors discussed how China’s soft power influences ASEAN’s regionalism through the RCEP and vice versa. Further, it investigates how the dynamics impact the ASEAN Outlook on Indo-Pacific. Using the concept of soft power and institutional neoliberalism, this article has concluded that China is now ascending its inter-regional cooperation to capture a more significant interdependence to challenge the Western’s rule of global order. The rivalry between the U.S. and China, ASEAN external partners, the Belt and Road Initiative (BRI), and the political cases concerning said stipulations of the AOIP hence identify the impacts and how ASEAN can navigate the region amid global uncertainties.

Keywords: RCEP, ASEAN, Regionalism, China, Political Economy


Kata kunci: RCEP, ASEAN, Regionalisme, Tiongkok, Ekonomi Politik
INTRODUCTION

The ASEAN success story on the multilateral stage was also shown by how ASEAN has succeeded in submitting proposals in the economic and trade fields. It was later pinned as the historical moment in November 2011, leading to a free trade agreement under The Regional Comprehensive Economic Partnership (RCEP). Of course, this is an event in which ASEAN dares to position itself as an organization most reckoned within the free trade area in East Asia. The initial idea was for ASEAN to try to increase the implementation of its centrality. As Acharya (2004) said, ASEAN is the most proportional and potential place in the collective strength provided by its member countries. However, ASEAN's "hands-off policy" often becomes the center of attention. The idea brings criticism from Jones and Smith (2007) regarding the need to consider how the mechanism can genuinely solve the regional problem. The author sides with the mentioned argument since ASEAN must have complete readiness if there are new dynamics from a superpower country, such as "The Rise of China." Among many reasons, the author highlighted it as the most formidable policy challenge ASEAN may face (Beeson, 2016b).

Before RCEP was implemented, Indonesia, India, and China were among the countries with good economic growth during and after the crisis. As Chia (2014) also said, it is interesting that this makes a positive key for these countries to open economic cooperation with countries inside or outside the region. ASEAN countries want to open their markets to the international world without obstacles and accept imported goods according to their needs. Furthermore, Itakura (2013) also stated that the economic liberalization continues to be intensified within ASEAN countries by entering into free trade agreements with other countries to improve both the internal economy and the region.

ASEAN still needs to deal with a tremendous struggle considering the political aspect. The member configurations that are potentially "contested" by many external parties in the region will pose a challenge. As Hong (2013) mentioned, the Indo-Pacific region is most likely to be "the fields of the fangs." For instance, we often hear the media shouting about the neverending case of the South China Sea that involves these two actors that are still happening today (Buszynski, 2003).

Formally, ASEAN views the Southeast Asian Region as a strategic area in terms of trade and natural and human resources. This can be identified in the exchange numbers between ASEAN and China, multiplied from USD 235.5 billion in 2010 to USD 507.9 billion in 2019. The number even quadrupled since implementing the ASEAN-China Exchange in Merchandise Assentation in 2005 (ASEAN, 2020). As the author has mentioned before, countries in the Southeast Asian region have shown a positive response by opening up to liberalization and following many trade cooperation agreements with countries outside the region. Thus, the ASEAN Initiative to collaborate with countries around its region is a new and courageous step to improve its economy and political values.

The great desire proposed by ASEAN is indeed based on the facts stated by Storey (2013) to be a shock to ASEAN at that time, namely the financial crisis, which is considered to be a short-term crisis. With the domination of China to play and actualize its narrative, the situation will test the internal relations of ASEAN itself (Yuan, 2006). The case above presented a challenge to ASEAN.
regarding navigating in the RCEP. As the initiator of this economic cooperation agreement, ASEAN leads quite well in this cooperation that puts the United States aside (Ye, 2015). Also, Storey (2013) stated that ASEAN Way is also set to the test. Thus, it indicates that centrality is the biggest issue at stake.

In addition to that, as the author has previously explained, amid the struggle between two major countries that are currently disputed, many scholars believe that the norms of the ASEAN way are following China's foreign policy agenda (Acharya, 2005). Acharya (2005) also added that these norms offer a sustainable security order, and worth saying that the ASEAN way is a way to manage the rise of China in Asia. An exciting definition since nowadays, regionalism discourse related to China offers three systematic explanations.

First, Chung (2010) called this an "initiative," which explains that many multilateral institutions in Asia are initiated or promoted by countries other than China. Chung seems to point out the direction toward the U.S. to provide match rivalry. Meanwhile, Johnston (2008) also talked about the focus of the Asian regional economic cooperation itself, which implies the existence of political and strategic interests. The author argued that China's reaction towards other regional organizations dwells in four categories: implementing coercion, imposing competition, soft persuasion, and consistent socialization (Johnston, 2008). Therefore, the author intends to present this article to analyze to what extent China's impact on ASEAN in its RCEP on ASEAN's views on the Indo-Pacific region. Is ASEAN more focused on its regional interests by concentrating on individual member countries, or is ASEAN still thinking about its credibility in front of the United States as China's arch enemy?

The ASEAN Outlook on Indo-Pacific (AOIP) adoption aimed to set ASEAN's harmonized outlook in navigating the region's hot peace situation. Indonesia initiated the AOIP to gradually manifest its concept of "collaborative strategic outlook" diplomacy (Jose, 2021). The grand idea is to bring Indo-Pacific as a considerable region in contemporary international politics. After the U.S. left TPP and the exclusion of China from CP-TPP, the Chinese involvement started to get firm. However, the grasp will eventually draw back ASEAN regionalism to the setting of the Cold War, where the liberal western countries led by the U.S. clashed with the communist conducted by China.

This paper intentionally focuses on RCEP as the main driving force of China's rising influence in the ASEAN, an area that the author believes needs more elaborating. The author also suggests investigating more profound the economic soft power, debt trap, and how China managed to successfully play their concept while rejecting the Indo-Pacific concept and embracing their own extensive Indo-Pacific socialization concept to the region (Beeson, 2006a).

THEORETICAL FRAMEWORK
Institutional Neoliberalism

Institutional Neoliberalism is described in the study of international relations as a school of thought that observes a strong correlation between institutions, economic cooperation, and peace. The basic assumption of this theory is how institutional diversity in the international arena has a very significant influence on state behavior. Frequently, forms of cooperation can only be understood if only in the context of institutions that can help define the meaning and importance of a country's actions (Keohane 1988: p. 140).
In addition, Stein (2008: p. 32) provides three practical arguments to understand the used point of view. The first argument deals with causality. The higher the interdependence, the higher the demands for cooperation. Institutions are considered to provide solutions to various types of joint problems. Because of this assumption, norms, rules, and institutions are formed and decided to assist countries in dealing with everyday issues. Keohane and Martin (1995: p. 76) explained that institutionalists do not elevate an international regime that transcends the state. On the contrary, states created these regimes to achieve their goals, and governments demand international institutions to perform their interests through limited collective action. In conclusion, as Jackson and Sorensen (2016: p. 34) stated, the theory of institutional neoliberalism says that international institutions help promote cooperation between countries.

The second argument states that the state becomes the predominant actor in decision-making and further can be directed to uphold the calculation for loss (Schreuer, 1995). So, how can this theory carry out the process of regionalism? The author found the argument made by Cahill et al. (2018), and they then said that this theory looks at material problems or international policy externalities. That way, the impact is how a country can cooperate with other countries in terms of collective management, which is transferred to related international organizations as a bridge. In this case, facilitators make governments communicate with each other by providing information. Because in fact, regional cohesion strengthens relations between countries, and it is in line with new regional problems that arise and are increasingly complex (Schreuer, 1995).

**Soft Power**

This paper will also employ the soft power concept, which is central to the neoliberalism point of view. Establishing the balance of power in the anarchic system needs to combine the non-militaristic policies, culture, and the people (including the aspect of public diplomacy) (Nye, 2008: 80). The flawless diplomatic arts of persuasion to promote their country's images and cultural propaganda are fuelling the soft power's interpretation. Soft power and the process within is also needed to win the support of both the domestic community and foreigner (Wagnleitner, 1994: p. 44).

However, soft power requires great respect for multilateralism and the universality of altruism in international cooperation. The idea emerges since the soft power depends on a country’s attractiveness from its foreign policy – and any unilateralism can undermine the soft power ability in alliances and the achievement of diplomatic objectives (Nye, 2004a). Nye (2004b) argued that the U.S. increased unilateralism impacted their soft power by decreasing trust and undermining potential soft power efforts (Nye, 2004a). Political economy and geopolitical thrust need branding, and the attractiveness of these policies and reactions from the international community will be dependent on this factor.
RESEARCH METHOD
This article employs qualitative methods that draw data from secondary sources such as literature, relevant official documents, decision-makers public statements, and internet-based research. According to Bryman (2008: p. 20), qualitative research is used to develop analysis and the contentions according to the data found from the appointed source.

RESULTS AND DISCUSSION
The Quest of Indo-Pacific in the Multipolar World: Political Economy Impact of RCEP on ASEAN Regional Regime

Asia-Pacific is now emerging as the rising geopolitical power powered by China, Indonesia, and Japan as essential Asia’s largest economies. It is impossible to deny that the presence of US-China competition has dragged the region into another state of political economy. Deng Xiaoping’s open-door policy that propelled the four primary industries in China gradually enforced their revival in the global political economy landscape (Nadya et al., 2018). The China-US rivalry and geopolitical clashes on multiple fronts like Korean Peninsula, Myanmar, Vietnam, and the Indo-Pacific region are essential for both major powers to replace each other in the Asia-Pacific landscape (Fiori & Passeri, 2015). Thus, as the most considerable regional power, ASEAN has the evident urgency to navigate itself amid the new stage of political economy development in Asia-Pacific.

Soong (2016) argued that China had asserted its "walk-out" or big power relation strategy in the 21st Century. Furthermore, China pledged to support a 12 billion USD investment in 2015 that Xi Jinping described as the "China Dream" (Soong, 2016). This pledge reflects Chinese perpetual interests over ASEAN with its enormous capital and labor potential, thus linking the RCEP and BRI after the weakened ties of CP-TPP (Soong, 2016; Park, 2020). BRI’s financing policy in Southeast Asia will continue to smoothen the Chinese agenda of the China-Indochina peninsula economic corridor that will connect their geopolitical and trade relations to the IOR region (Iqbal, Rahman, & Sami, 2019).

Regarding RCEP, the prolonged negotiation and simultaneous multiple ASEAN+1 FTA upgrades have also brought the region to face more bureaucratic and diplomatic setbacks, exacerbated by the Covid-19 pandemic. RCEP may increase ASEAN dependency on China because the interregional trade made up to 79% of the ASEAN trade balance (Kusumawardhana & Daniel, 2017: p. 130). Hence, mega trade partnerships like RCEP will trigger ASEAN to fasten up before being pinned down, affecting the ASEAN 2025 integration vision.

With these pressing matters and increased polarization catalyzed by the Covid-19 pandemic, which managed to push RCEP to be adopted, Indo-Pacific has three quests to achieve. First, on how Indo-Pacific can push RCEP to cope with the standards of CPTPP (Johnson, 2019), while on the other hand addressing the scattered trade liberalization issues within the region. Second, through the outlook on Indo-Pacific, ASEAN has to preserve its regionalism and principles amid rising China’s involvement in the regional blocks, which will extend to the political-security spectrum. The last, how ASEAN refrained from the domestic peer pressure, just like India did when leaving RCEP, due to major agricultural protectionist policies, competition with China in Aksai Chin, and multiple trade deficits (year-on-year) with RCEP states (Panda, 2019).
China's Geopolitical Navigation in Indo-Pacific Region: From Myanmar to Indian Ocean Rim

In response to the issues discussed before, the Chinese People Liberation Army (PLA) build-up on their border with Myanmar reflects the signal that China is concerned with the recent development of the 2021 Myanmar coup. It has repeatedly asked the Junta regime to secure its 800 km oil pipelines in Kyaukphyu – Magwe – and Mandalay as the anti-China sentiment increased (The Irrawaddy, 2021). Myanmar is deemed vital by China as they are the only strategic allies that connect China’s BRI and other infrastructure cooperation from the mainland to the Indian Ocean region. With the rising tension in Sino-Indian relations, China can’t afford to lose its infrastructure and investment in Myanmar. Hence, they raise the demand that Junta prioritizes securing their asset.

Four conflictual parties triggered the potential threats against China’s pipeline: The Tatmadaw’s forces, United Wa State Army, and the Kachin Independence Army, and later exacerbated by environmentalist concerns (Isnarti, 2017). It is important because, from a geopolitical aspect, Myanmar plays a vital role in China’s oil supply in balancing India. Furthermore, to gain sympathy for its friendly presence from Pakistan in the Indian Ocean Region. The ASEAN needs to be concerned as both China and India are included in the ARF maritime security dialogue. Three ASEAN states, Singapore, Indonesia, and Thailand, joined the IORA cooperation. Those countries are essential to the stability of China’s Sea Lanes of Communications (SLOC), which connects IOR to the South China Sea via Malacca (Damayanti, 2019). It is all included in the interest of the ASEAN Maritime Security vision.

The prolonged Sino-Indian crisis was further contested on the Indian Ocean front while the U.S. was also considered the predominant power in the IOR. The current rivalry between major power countries like China-US, China – India, and China – Australia forced China to increase its geopolitical influence the same as in the cold war era (Mohan, 2012). Meanwhile, several countries tend to rely on China as their protector. In accordance, Beijing seems to be more eloquent for their assertion of power in Sri Lanka, Bangladesh, and Pakistan to surround India and disconnect U.S. maritime politics over the region with their allies. On the other hand, although Bangladesh-China military cooperation might be fluctuated (ANI, 2021), BRI in Bangladesh has been utilized by China to counterbalance India (Mardell, 2020). In addition, China also put Delhi's counterargument after they left RCEP under scrutiny.

ASEAN needs to ensure that China's efforts to barricade Indian strategic steps against Pakistan won't jeopardize the IOR's security. Consequently, It will contradict the Outlook on Indo-Pacific and be another dark memory for ASEAN's inability to the inevitable confrontation that involves many ASEAN external partners. We will see that the Maritime Silk Routes that China proposed are continuously being developed after China uses its debt-trap politics to acquire multiple naval ports along the IOR BRI routes. The essence of the China-centric system of ports (Brewster, 2015) will become another crucial consideration for the ASEAN states in implementing RCEP. This implies that BRI will yield significant growth in logistic connectivity for trading aside from military bases.

The Unbeatable Dynamics of China for ASEAN Regionalism: a Challenge
Discussing ASEAN’s leadership in the Indo-Pacific environment will eventually raise several questions. For example, the author points to how ASEAN has been behaving in this environment so well. This question arises because ASEAN faces a China-US rivalry from the front row. For example, the United States encourages its diplomats to carry out diplomacy in the Indo-Pacific region with a narrative of openness and freedom within the area. The same strategy is applied by China when it comes to BRI. The following discussion will explain ASEAN’s efforts to fortify itself in the wider region, which Kim (2012) proceeds as a hallmark of Indo-Pacific. It is in some way different from European and North American regionalism. In contrast to European and North American regionalism, the Indo-Pacific is led by ASEAN as a small power and another medium to significant hegemonic power (Kim, 2012). Thus, in this discussion, the author will take the reader to find out how ASEAN plays such an essential role in the Indo-Pacific region and the challenges discussed in the aftermath.

In this sense, one might dub ASEAN as “the brave little one” due to its various roles in determining the regional political constellation in the Indo-Pacific region. Anwar (2020) explained that the Indo-Pacific region covers the area between the west coast of the United States and the east coast of Africa. It also involves a third region between India, Australia, and Japan. The wide range of Indo-Pacific definitions indicates differences of opinion when it comes to constructing the Indo-Pacific. Heiduk and Wacker (2020) point out that India plays a significant role in international trade and transportation; thus, many dubbed India part of the Indo-Pacific region.

As the author has explained about the “brave little one,” which consists of 10 countries such as Indonesia, Brunei, Cambodia, Malaysia, Laos, Myanmar, Singapore, Thailand, the Philippines, and Viet Nam (Davies, 2014), this organization is being noticed amid daily rivalries. It is considered to affect the existence of peace, stability, and prosperity that ASEAN has long built in the Asia Pacific region. This will also shake ASEAN’s ability to maintain its centrality (Graaff & Apeldoorn, 2018). Acharya’s (2009) important point is that the ASEAN test to maintain its centrality has been pursued in such a way by the organization by taking a proactive role in constructing a more inclusive architecture in building its plans in the Asia Pacific region. It sparks urgency due to ASEAN’s various roles in promoting several steps in building trust, making preventive diplomacy efforts by holding cooperation, and getting focused on friendship rather than opposing party.

The above notion implies that cooperation is ASEAN’s core value. Discussing it, one can not neglect the significant role of Indonesia. As a member of ASEAN, Indonesia has an active role in driving ASEAN to focus on its path, which is the ASEAN Outlook on Indo-Pacific. In Anwar’s (2020) perspective, it is a trick to avoid the Thucydides trap, a condition in which China is so challenging the presence of the United States in this arena. Inline, Weatherbee (2019) also considered that the grand narrative of the United States regarding freedom and openness in the Indo-Pacific is viewed as a challenge because of the assumption that China is such a significant threat to the country’s great power status. Moreover, this is compounded by the fact that China has condemned the political attack by the United States by becoming increasingly ambitious in building its silk road in October 2013 (Weatherbee, 2019).

Regarding the centrality that the author has described as part of the
existing challenges, this can impact the changing the security architecture in the Southeast Asian region because the penetration of the strategies and visions of major powers makes the relationship between one another getting more complex. As the author has stated before, the centrality movement is driven by the presence of Indonesia, as the founding father of ASEAN, which, said Weatherbee (2019), needs a stable region to realize its national interest. Therefore, the centrality movement is also a firm manifestation of how far ASEAN can continue building and maintaining good relations among members to avoid all existing challenges.

Among other factors, the non-intervention principle is essential to support good relations among members. ASEAN, which Indonesia drives, chooses to reject conservative realism styles that rely on violence and threats but instead choose to employ cooperation (Asmara, 2019). This can be seen from the official statement put forward by the ASEAN Secretariat (2019), stating that the organization emphasizes the involvement of other actors outside ASEAN (specifically in the Indo-Pacific), which will continue by emphasizing and maintaining the dialogue and cooperation.

The author argues that this will potentially harm the regions since two major power has their agenda toward ASEAN; The BRI and The FOIP. In addition, the author also put afront a much bigger problem that ASEAN is considered unable to protect its spirit from the principle of non-interference, which has become so controversial in academic discussions. According to Huxley, ASEAN Elites emphasize non-interference because they describe domestic upheaval not flowing from their own countries’ social, economic, and political contradictions but from external ‘subversion’ by China and the Indochina countries (Huxley, 1983). At that time, minimal outside support was received—this raises a question about principle relevance.

**ASEAN Prospects to the Indo-Pacific after the RCEP**

Despite the deployment of the non-intervention principle, ASEAN still arguably excludes the U.S. and embraces China to RCEP. The main reason is to maximize external support from China and maneuver around China's BRI (Ye, 2015). In addition, Ye (2015) also emphasized that RCEP represents the success of Asian regionalism, such as ASEAN + 3, the East Asia Summit, and the China-ASEAN Free Trade Agreement (CAFTA). This indicates that the U.S. TPP of the economy and international trade is obsolete (Emmerson, 2017). Ye (2015) further stated his two explanations. First, China has learned a lot about multilateral institutions in the past and adapted them to the needs of its country. Second, China no longer has heavy thoughts because it has power, wealth, and even valuable experience in many regional and global institutions. This makes China so preoccupied with the RCEP amidst ASEAN's focus on including China as a strategic partner for the region (Terada, 2017).

However, there are some things to note about the significant differences between RCEP and China's new Silk Road. RCEP, as one of ASEAN's main projects, thus, it cannot be separated from the word consensus containing trade and investment promotion. Meanwhile, the new Silk Road is not the case. But in the new Silk Road, the primary sectors are infrastructure and manufacturing, which touches on the flow of investment, currency, and energy trade, which is both good news and bad news for ASEAN (Vines, 2018). The good is very strategic for this organization. Yet, the worst is always haunting it since
the condition of ASEAN that does not allow it to continue to side with one external will threaten the centrality of ASEAN itself, both in RCEP and on the new Silk Road. Acharya (2017) defines centrality as the closeness of relations between ASEAN member countries that cohesion with each other to access resources and other problems. However, the author believes it is difficult to create and maintain a balance and even proposition under cohesion. Caballero-Anthony (2014) also says that the network is an alternative to exercising actor power. Moreover, it will worsen the condition of ASEAN itself.

On that note, the process of trade liberalization will take ASEAN into account. Yet, the forecasting prospect will be dim without ASEAN's desire to be more vocal. It goes hand in hand with Terada's (2018) argument that Japan will benefit more from RCEP because it will create a wider Japanese production network. He continues that if this agreement were to run, this number would increase due to the reduction of complex structural barriers and the application of simplified rules and procedures related to customs and trade-related infrastructure. Thus, this implies a limited technical view of ASEAN in terms of connectivity, which makes the author argue that RCEP is only a channel to exercise power over ASEAN. The notion leads to questionable ASEAN's role in the region through providing connectivity plans. Mueller (2019) also raised a question regarding ASEAN's failure to create a progressive mechanism for external parties.

However, this prospect becomes potentially brighter when ASEAN now begins to realize the meaning of centrality described by Acharya (2017) as unifying with the establishment of the ASEAN Economic Community in the trade sector and more coherence in it. Meanwhile, if it is relevant to ASEAN’s view in the Indo-Pacific, this is very synergistic considering that Japan will reap many benefits (Terada 2018). However, ASEAN must perform assertively in response to conflicts involving the United States and China and become more objective. Quoting Mueller (2019), connectivity will strengthen centrality that is better and more independent, and ASEAN can significantly enhance its position in the external environment in the field of policy.

CONCLUSION

Despite the problematic aspect of the non-intervention principle, the ASEAN stability and cohesion are maintained in two layers, bilaterally towards China and multilaterally in the Indo-Pacific. However, the ASEAN maneuver in RCEP indicates that it put a lot of concern internally instead of externally in the Indo-Pacific regions.

RCEP is a breakthrough for ASEAN. On the one hand, it is expected to benefit ASEAN and China as a friendly partners. Yet, on the other hand, it diminishes U.S. presence in the region. Thus, it unravels the strategic competition between BRI and FOIP. As a result, Asia Pacific was drawn more broadly into a large region that involved other external powers, such as India. Thus, this article realizes that ASEAN’s prospects when discussing RCEP and the ASEAN Outlook on Indo-Pacific are like two sides of a coin that can not be merged into one. In the end, ASEAN is facing a dilemma between preserving the non-interference principle and honing the strategic benefit from outside major powers. It chose to sacrifice centrality to side with RCEP due to strategic consideration. Thus it violates the ASEAN ways over potential beneficial external partners under the RCEP agreement.
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