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Outlook on Indonesia's Chairmanship in ASEAN:
Will China's Charm Offensive Undermine
Consensus-Building under ASEAN?



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Executive Summary

China's rise presents both opportunities and challenges to ASEAN. Beijing's economic strength and close engagement with a number of ASEAN member states are often perceived as a threat to ASEAN's consensus-building process. Beijing's alleged intrusion during the 2012 ASEAN Foreign Ministers' Summit in Cambodia is often regarded as an example of its covert attempt to influence decision-making in ASEAN.

This ASEAN Brief discusses to what extent such a challenge might undermine ASEAN's adherence to consensus-building during Indonesia's 2023 ASEAN Chairmanship, particularly in addressing regional tensions. Understanding its long-standing position as an interlocutor and natural leader of ASEAN, Indonesia might be capable of avoiding potential disruptions to the consensus-building process, particularly in tackling contentions surrounding the South China Sea Dispute. However, it is also observed that discussions on issues which directly correspond to the national interests of external powers, particularly China, might be prone to disruptions. In this respect, more caution will be needed if ASEAN, under Indonesia's chairmanship, will have to address issues as precarious as tensions in the Taiwan Strait, for instance.

ASEAN Consensus-Building Process

Southeast Asia is a demographic melting pot and consists of varying degrees of economic power. Historically, the region was also a hotspot for Western powers' colonial and ideological rivalries, especially during the Cold War. These impacts have lasted until today, as Southeast Asian nations continue living with differences, yet with the presence of collective memory of struggle towards decolonization. The differences and collective past have consequently served as an important ground for the regional integration process to take place in Southeast Asia. Therefore, the establishment of ASEAN as a regional integration instrument is fashioned to preserve the sovereignty of each nation in the region¹ and comes with some key norms, including independence and non-interference. The latter, in fact, is perceived to be the crux of the matter for ASEAN conduct.²

ASEAN distinctive characteristics are also visible in the recognition of consultation and consensus. Based on the traditional values

of *musyawarah* and *mufakat*, the norms have contributed significantly to the formation of cultural norms in Southeast Asia.³ The consultation-based consensus building is perceived as a solution for ASEAN's cooperation. Among the reasons is that the mechanism could progress at "a pace comfortable for all" amidst the diversity of perspectives and interests bearing in mind existing regional disputes.⁴ Moreover, with varying degrees of economic power and capital, it is inevitable that a gap still exists between big and small member states. Consultation-based consensus building bolsters the confidence of these small member states that their big counterparts cannot impose their will upon them and it reassures the big member states that the small counterparts will not gang up against them,⁵ and, thus, leaving no room for the member states to interfere in each other's internal affairs and prevent the escalation of conflict among them.

1 Vatikiotis, M. R. (1999). ASEAN 10: The political and cultural dimensions of Southeast Asian unity. *Asian Journal of Social Science*, 27(1): 77–88. <https://doi.org/10.1163/030382499x00200>

2 Jones, L. (2010). ASEAN's unchanged melody? the theory and practice of 'non-interference' in Southeast Asia. *The Pacific Review*, 23(4): 479–502. <https://doi.org/10.1080/09512748.2010.495996>

3 Acharya, A. & Layug, A. (1970). Collective identity formation in Asian regionalism: ASEAN Identity and the construction of the Asia-Pacific Regional Order. *Semantic scholar*. Retrieved from <https://www.semanticscholar.org/paper/Collective-Identity-Formation-in-Asian-Regionalism-Acharya-Layug/e488fcee63dfb82b6d658781422605684d427d3e>

4 Feraru, A. S. (2016). ASEAN decision-making process: Before and after the ASEAN charter. *Asian Development Policy Review*, 4(1), 29. <https://doi.org/10.18488/journal.107/2016.4.1/107.1.26.41>

5 Kausikan, B. (2020, September 24). ASEAN's Commitment to Consensus. *Australian Institute of International Affairs*. <https://www.internationalaffairs.org.au/australianoutlook/aseans-commitment-to-consensus/>

The Rise of China and ASEAN

The changes in Chinese foreign policy in the late 20th century were directed toward multilateral cooperation.¹ The institutionalization of the ASEAN-China dialogue partnership in 1996 had largely been proof of how China shifted its foreign policy in that very period, in addition to the initiation of the China-EU annual meeting in 1998. China's greater engagement with international actors had shaped its rise in the global political chessboard. Some also mentioned its prevailing position to exert diplomatic pressure on other countries to prevent recognition of Taiwan until today.²

Since the late 20th century, China has shown its potential to become an economic powerhouse. In the economic sector, ASEAN's neighbor to the north marked a surge in Foreign Direct Investment (FDI) to the country and skyrocketing economic growth in the early 1990s. China's policy to gradually liberalize foreign investment in the 1980s helped to increase the incoming FDI to \$24 billion in the early 1990s,³ thus gaining ground for economic growth at a rate above 10% from 1992 to 1995.⁴

To commensurate with its economic rise, China undertook notable measures to strengthen its military and defense sector in the late 1990s. Chinese military expenditures increased from US\$ 15.7 billion in 1997 to US\$ 20.47 billion in 1999.⁵ Up until the early 2010s,

Chinese military expenditures had increased by around 600%, and became the world's second-largest defense spender just behind the United States (US).⁶ Moreover, the role of the People's Liberation Army was shifted to concentrate mainly on running its deterrence and war-fighting functions by divesting it from any commercial activities in 1997.⁷

The rapid diplomatic leap marks China's presence in ASEAN in the 21st century. China acceded to the Treaty of Amity and Cooperation in Southeast Asia and leveled up its partnership with ASEAN to a strategic partnership in 2003. Moreover, it has continued to maintain its active engagement in ASEAN-led platforms, such as the ASEAN Regional Forum (ARF), East Asia Summit (EAS), ASEAN Plus One, and ASEAN Plus Three mechanisms. To date, ASEAN and China have established 46 mechanisms at various levels.⁸

Not only by taking a diplomatic leap, but China also utilized its economic rise for a much stronger presence in ASEAN in the 21st century. In 2004, the ASEAN-China Free Trade Area was implemented and China has currently become ASEAN's largest trading partner with the trade volume of goods reaching US\$ 878.2 billion in 2021.⁹ China even holds a greater position in the economic aspect in the Greater Mekong subregion. Chinese economic presence in the subregion is proven by the fact that China supplies around 25%

1 Aoyama, R. (2021). Structural Changes in Chinese Foreign Policy: From "Prosperous Nation Diplomacy" to "Strong Nation Diplomacy." *Japan Review*, 4(2), 3.

2 Brown, D. (2022, August 8). China and Taiwan: A really simple guide. *BBC News*. <https://www.bbc.com/news/world-asia-china-59900139>

3 McGrattan, E.R. (2016, July 26). China's Foreign Investment. *Federal Reserve Bank of Minneapolis*. <https://www.minneapolisfed.org/article/2016/chinas-foreign-investment>

4 World Bank. (2022). *GDP growth (annual %) - China* [Data]. <https://data.worldbank.org/indicator/NY.GDP.MKTP.KD.ZG?locations=CN>

5 World Bank. (2022). *Military expenditure (current USD)* -

China [Data]. <https://data.worldbank.org/indicator/MS.MIL.XPND.CD?locations=CN>

6 Bitzinger, R. (2011). Modernising China's military, 1997-2012. *China Perspectives* (4): 7-15. <https://doi.org/10.4000/chinaperspectives.5701>

7 Ibid.

8 Chatterji, R. (2021). China's relationship with ASEAN: An explainer. *Observer Research Foundation*. https://www.orfonline.org/research/china-relationship-asean-explainer/#_edn7

9 Embassy of the People's Republic of China in Negara Brunei Darussalam. (2022). *Brief Status of China-ASEAN Economic and Trade Cooperation in 2021*. http://bn.china-embassy.gov.cn/eng/zwgx/202201/t20220129_10636735.htm

of the imports and demands between 10% and 25% of Cambodia, Lao PDR, Myanmar, and Vietnam exports.¹⁰ Moreover, through the “Belt and Road Initiative” (BRI), China’s charm offensive eyes more engagement in bridging infrastructure and business development in ASEAN. It was estimated in May 2022 that there are currently 95 active BRI projects in ASEAN, with a further estimation of 41 active projects present in the Greater Mekong subregion.¹¹

China’s rise in the military and defense sector has also been poignant to ASEAN. China’s engagement in ASEAN-led platforms has mainly been the most significant factor in its regional defense cooperation with ASEAN. Since the early 21st century, China has begun to contribute to the ARF Annual Security Outlook and even proposed the establishment of a joint Security Policy Conference.¹² As a party within the ASEAN Plus platform, China has also taken part in the ASEAN Defense Minister Meeting Plus in 2010. Furthermore, China and ASEAN recently convened their first joint naval exercise in 2018. As for technical cooperation, China has mostly dealt with the ASEAN Member States (AMS) in a bilateral manner. In fact, China was the largest arms exporter to a number of Greater Mekong countries between 2009 and 2013, such as Cambodia, Laos, and Myanmar.¹³

Chinese penetration into Southeast Asia is clearly not without competition. Following the rise of China and its engagement with

Southeast Asia, the policies of the US toward the region and the Indo-Pacific, in general, have always appeared as if it diminishing China’s presence in the region.¹⁴ At the same time, it is also important to remember that AMS also cannot move away from China’s aggressive approach in the ongoing South China Sea dispute. Added to the US’ response through maritime operations,¹⁵ the maneuvers have practically been impactful to security and stability in the region and even pushed ASEAN to the side. This has increasingly posed a great concern about the consequences of living side-by-side with such a giant force.¹⁶

AMS have responded to such concerns individually, particularly through what scholars observe as the hedging strategy. Through China’s participation in ASEAN-led mechanisms, it is easier for the AMS to hedge through the regional platforms that ASEAN offers. This political hedging was once carried out in 2005 when Indonesia, Japan, and Singapore pushed for the inclusion of Australia, India, and New Zealand into the EAS to countervail China’s increasing and potentially overwhelming domination of the platform after it offered its support to host the meeting the following year.¹⁷ On the other hand, the Philippines and Vietnam follow mixed hedging towards China, by engaging, confronting, and bandwagoning to benefit from China’s policies whilst preventing risks and unwanted impacts. Apart from relying on ASEAN-led mechanisms, the hedging strategies as

10 Mathai, K., Gottlieb, G., Hong, G. H., Jung, S. E., Schmittmann, J., & Yu, J. (2016). *China’s Changing Trade and the Implications for the CLMV Economies* (p. 52). International Monetary Fund.

11 Zheng, W. (2022). Assessing the Belt and Road Initiative in Southeast Asia amid the COVID-19 Pandemic (2021-2022). *ISEAS Perspective*, No. 57. <https://www.iseas.edu.sg/articles-commentaries/iseas-perspective/2022-57-assessing-the-belt-and-road-initiative-in-southeast-asia-amid-the-covid-19-pandemic-2021-2022-by-wang-zheng/>

12 Dodgson, J. (n.d.). China’s Security and Defense Cooperation in Southeast Asia. *MDPD Studies*. Konrad Adenauer Stiftung, p. 3.

13 *Ibid.*, pp. 4-21.

14 Nguyen, T. M. A., Walton, D., Akhmatova, A., & Bhutoria, A. (2020, 9 September). US-China rivalry in Southeast Asia need not be a zero-sum game. *Lowy Institute*. <https://www.lowyinstitute.org/the-interpretor/us-china-rivalry-southeast-asia-need-not-be-zero-sum-game>

15 *Ibid.*

16 Baviera, A.S.P. (2014). An ASEAN Perspective on the South China Sea: China-ASEAN Collision or China-US Hegemonic Competition? In Pavin Chachavalpongpon (ed.). *Entering Uncharted Waters? ASEAN and the South China Sea*. Institute of Southeast Asian Studies, pp 88-111.

17 Kuik, C. (2016). Variations on a (Hedging) Theme: Comparing ASEAN Core States’ Alignment Behavior. *Joint U.S.-Korea Academic Studies*, p. 15.

practiced by the Philippines and Vietnam are entrenched in omnidirectional relations, most notably with the US and Japan.¹⁸

Aside from major power rivalry, ASEAN has seen Chinese domination within ASEAN's consensus-building process as another shortcoming of Chinese presence in the region. ASEAN Foreign Ministers failed to issue a joint communique after their annual meeting in 2012 under Cambodia's ASEAN Chairmanship. Cambodia opposed certain references to the South China Sea. It argued that these references should be revisited on a bilateral level, therefore it found no necessity to be reflected in a joint statement.¹⁹

The maneuver reflected China's overt role by using Cambodia's economic dependency. China is known for its significant economic presence in Cambodia. This adds to China's urgency to push ASEAN, particularly Cambodia, to erase the South China Sea off the agenda as China wishes to deal with the issue in a bilateral manner.²⁰ A couple of repercussions have created tense deliberations regarding the stance of Cambodia from the perspective of some AMS and others since its 2012 ASEAN Chairmanship.²¹ As for ASEAN, it may need to see with clear eyes the potential partiality to one major power and take ASEAN's grounded norms of non-interference and independence.

18 Gerstl, A. (2022). The impacts of the belt and road initiative and the South China Sea dispute on the hedging strategies of the Philippines and Vietnam towards China. *The Twelfth International Convention of Asia Scholars* (ICAS 12), 192–195. <https://doi.org/10.5117/9789048557820/icas.2022.023>

19 Pitlo, L. B. (2022, February 20). Rebound or relapse: Will China foreshadow Cambodia's 2022 ASEAN chairmanship? *China - US Focus*. <https://www.chinausfocus.com/foreign-policy/rebound-or-relapse-will-china-foreshadow-cambodias-2022-asean-chairmanship>

20 Bower, E.Z. (2012, July 20). China reveals its hand on ASEAN in Phnom Penh. *Center for Strategic and International Studies*. <https://www.csis.org/analysis/china-reveals-its-hand-asean-phnom-penh>

21 Charadine, P. (2021). Towards Cambodia's Accession to ASEAN and 23 years on: Challenges, Prospects, and its Maneuverability. *Cambodia's Chairmanship of ASEAN: Challenging Perceptions, Concretizing Consolidations*. The Asia Foundation & Cambodian Institute for Cooperation and Peace, p. 36.

Failure in upholding these norms may result in lessened confidence in the ASEAN mechanism and the rise of minilateralism.²²

Indonesia's Leadership in ASEAN and Recent Regional Tensions

Indonesia has historically occupied a central role in ASEAN, with its self-identification as the "natural leader"²³ or "primus inter pares"²⁴ of the organization. Debates have emerged to attest to the limits of its leadership, although it remains true that Jakarta still sees itself taking multiple important roles in the region.²⁵ These roles do not only pertain to ASEAN's institutionalization or intramural relations but also involve improving ASEAN's standing in the international arena.

Indonesia has long played a crucial role in preserving regional stability and cohesion since the establishment of ASEAN. The normative underpinning of the organization's cohesion, as stated above, rests upon the concepts of *musyawarah* and *mufakat*, inspiring the organization's consensus-based decision-making mechanism.²⁶ Indonesia

22 Pitlo, Rebound or relapse.

23 Weatherbee, D.E. (2019). Indonesia, ASEAN, and the Indo-Pacific Cooperation Concept. *Perspective*. Retrieved 25 December 2022, https://think-asia.org/bitstream/handle/11540/10354/ISEAS_Perspective_2019_47.pdf?sequence=1; Permatasari, Y. (2020). Building Indonesia through ASEAN Economic Community. *Journal of ASEAN Studies*, 8(1), 81–93. <https://doi.org/10.21512/jas.v8i1.604>

24 Simon, S.W. (1998). Security prospects in Southeast Asia: Collaborative efforts and the ASEAN regional forum. *The Pacific Review*, 11(2): 195–212. <https://doi.org/10.1080/09512749808719253>; Khoo, N. (2004). Deconstructing the ASEAN security community: a review essay. *International Relations of the Asia-Pacific*, 4(1): 35–46. <https://doi.org/10.1093/irap/4.1.35>; Roberts, C.B. & Widyarningsih, E. (2015). Indonesian Leadership in ASEAN: Mediation, Agency and Extra-Regional Diplomacy. In C.B. Roberts, A. Habir, & L. Sebastian (eds.). *Indonesia's Ascent: Power, Leadership, and the Regional Order*. Palgrave Macmillan, p. 264.

25 Such a view is deeply entrenched within foreign policy-making circles in Indonesia. See: Fitriyanti, A. (2016, August 30). Indonesian MOFA's anniversary: facing more dynamic regional, global challenges. *ANTARA*. <https://en.antaranews.com/news/106473/indonesian-mofas-anniversary-facing-more-dynamic-regional-global-challenges>; Bonasir, R. (2021, March 1). Kudeta Myanmar: Mengapa Indonesia diharapkan membantu mengatasi krisis politik 'sahabat lama'? *BBC Indonesia*. <https://www.bbc.com/indonesia/dunia-56222076>

26 Acharya, A. (2009). *Constructing a security community in*



has continuously displayed its willingness and capability to mediate conflicts between member states. For instance, Jakarta's shuttle diplomacy and mediatory role were much credited with encouraging a peaceful settlement during the 2011 Thai-Cambodia border conflict.²⁷ Indonesia has also taken a similar role to resolve tensions with fellow AMS and external parties, as most aptly displayed by its diplomacy in addressing the South China Sea dispute. Jakarta took the initiative to hold the Managing Potential Conflicts in the South China Sea Workshops in 1990,²⁸ which has been routinely held until today.

However, Jakarta's leadership has come under greater scrutiny, especially after the 1997 financial crisis necessitated greater attention

toward its internal affairs and economic recovery.²⁹ Observers have explored whether other AMS, such as Vietnam³⁰ and Thailand,³¹ have managed to exercise leadership in the bloc. The crux of their argument rests upon the improved capacity that different AMS have in fulfilling leadership functions, particularly if one is to zoom into specific security issues.³² They also take Indonesia's leadership to have encountered greater resistance.³³

To some extent, these doubts could be countered by Indonesia's commitment

Southeast Asia: ASEAN and the problem of regional order (2nd Edition). Routledge, p. 55.

27 For former Foreign Minister Marty Natalegawa's own perspective on Indonesia's role, see: Khalik, A. (2011, February 9). Thailand and Cambodia still want to talk: Marty. *The Jakarta Post*. <https://www.thejakartapost.com/news/2011/02/09/thailand-and-cambodia-still-want-talk-marty.html>; Natalegawa, M. (2018). Indonesia Foreign Policy: Waging Peace, Stability, and Prosperity. In Fionna, U., Negara, S.D., & Simandjuntak, D. (eds.). *Aspirations with Limitations: Indonesia's Foreign Affairs under Susilo Bambang Yudhoyono*. ISEAS - Yusof Ishak Institute, p. 21-22.

28 Djalal, H. (2001). Indonesia and the South China Sea Initiative. *Ocean Development & International Law*, 32, 97-103. <https://doi.org/10.1080/00908320151100226>

29 Smith, A. (1999). Indonesia's Role in ASEAN: The End of Leadership? *Contemporary Southeast Asia*, 21(2): 238-260, <https://www.jstor.org/stable/25798455>. Aside from the 1997 financial crisis, the end of the East Timor conflict was also considered, see: Rattanaseevee, P. (2014). Leadership in ASEAN: The Role of Indonesia Reconsidered. *Asian Journal of Political Science*, 22(2): 113-127, <https://doi.org/10.1080/02185377.2014.895912>

30 Emmers, R. (2005). Regional Hegemonies and the Exercise of Power in Southeast Asia: A Study of Indonesia and Vietnam. *Asian Survey*, 45(4): 645-665, <http://doi.org/10.1525/as.2005.45.4.645>; Emmers, R. & Huong L.T. (2021). Vietnam and the search for security leadership in ASEAN. *Asian Security*, 17(1): 64-78, <https://doi.org/10.1080/14799855.2020.1769068>

31 Snitwongse, K. (1997). Thailand and ASEAN: Thirty years on. *Asian Journal of Political Science*, 5(1): 87-101, <https://doi.org/10.1080/02185379708434096>

32 Such arguments were most prominently put forward by Ralf Emmers. See: Emmers, R. (2014). Indonesia's role in ASEAN: A case of incomplete and sectorial leadership. *The Pacific Review*, 27(4): 543-562, <https://doi.org/10.1080/09512748.2014.924230>

33 Ibid.; Heiduk, F. Indonesia in ASEAN: Regional leadership between ambition and ambiguity. *SWP Research Paper*, N. RP 6/2016.

to reforming ASEAN during its post-New Order Era chairmanships. Resulting of its 2003 chairmanship, The Bali Concord II is often thought to be the primary example of Indonesia's success in initiating reforms in ASEAN, which outlines the framework for the ASEAN Community. The Bali Concord III was also adopted at the conclusion of Indonesia's 2011 chairmanship, forging a common position among AMS in the face of global challenges. Most prominently, despite not taking the chairman seat at that time, Indonesia played a substantial role throughout the formulation and adoption of the ASEAN Charter,³⁴ ultimately establishing ASEAN's legal personality in 2007.

Indonesia's prominent position within ASEAN is extended to its significant contributions in managing ASEAN's engagement with external parties, not least the great powers.³⁵ The inclusive nature of the EAS, as well as the participation of multiple major powers in the summit, have been accredited as Jakarta's achievements in expanding the scope of ASEAN's engagement.³⁶ Indonesia also has multiple records of displaying a willingness to facilitate extramural engagements with external partners in times when members would need external assistance, as exhibited by its role after the 2011 Cyclone Nargis in Myanmar.³⁷

Indonesia has also carried out these long-standing roles in addressing recent regional tensions. Indonesia has long promoted a regional solution to the South China Sea

dispute. Departing from the Declaration of Conduct (DOC), Indonesia's 2011 ASEAN chairmanship succeeded to achieve a "major breakthrough" with the consensus to adopt the Guidelines for the Implementation of the DOC. This achievement was subsequently succeeded with Indonesia's success in promoting ASEAN's Six Point Principles on the South China Sea in 2012 through shuttle diplomacy.³⁸ Indonesia has since stood at the forefront of efforts to finalize the formulation of the Code of Conduct, which Foreign Minister Marsudi noted will become one of Indonesia's priorities in carrying out its 2023 chairmanship.³⁹

The process leading to the adoption of ASEAN Outlook on the Indo-Pacific also served as an important reminder that Indonesia has continued to preserve its reputation as a pioneer for many concepts that make up the ideational basis of ASEAN. The document was drafted in Indonesia, resonating with multiple terminologies and concepts explicated in Indonesia's foreign policy texts, including the adoption of the geopolitical idea of Indo-Pacific which takes its root from former Foreign Minister Natalegawa's articulation of the concept.⁴⁰ Moreover, putting a particular emphasis on maritime affairs mirrored the Jokowi administration's pronounced focus on Indonesia's maritime identity.⁴¹

34 Rüländ, J. (2017). *The Indonesian Way: ASEAN, Europeanization, and Foreign Policy Debates in a New Democracy*. Stanford University Press.

35 Shekhar, V. (2018). *Indonesia's Foreign Policy and Grand Strategy in the 21st Century: Rise of an Indo-Pacific Power*. Routledge, p.195.

36 *Ibid.*, p. 13.

37 Loevy, K. (2015). The Legal Politics of Jurisdiction: Understanding ASEAN's Role in Myanmar's Disaster, Cyclone Nargis (2008). *Asian Journal of International Law*, 5, 83. <https://doi.org/10.1017/S2044251314000083>

38 Thayer, C.A. (2013). ASEAN, China and the Code of Conduct in the South China Sea. *SAIS Review of International Affairs*, 33(2): 79. <https://doi.org/10.1353/sais.2013.0022>; Kipgen, N. (2018). ASEAN AND CHINA IN THE SOUTH CHINA SEA. *Asian Affairs*, 49(3) 433-448. <https://doi.org/10.1080/03068374.2018.1487691>

39 The Jakarta Post. (2022, August 26). *Indonesia strives for peaceful G20, prepares for ASEAN chairmanship in 2023* [Video]. Youtube. https://www.youtube.com/watch?v=LwKhGE_FQZ8

40 Natalegawa's personal explanation is available at the following: Natalegawa, M. (2013, May 20). An Indonesian perspective on the Indo-Pacific. *The Jakarta Post*. <https://www.thejakartapost.com/news/2013/05/20/an-indonesian-perspective-indo-pacific.html>. See also Sidiq, M.H.F. (2022, October 5). Cornerstone No More? The Changing Role of ASEAN in Indonesian Foreign Policy. *The Diplomat*. <https://thediplomat.com/2022/10/cornerstone-no-more-the-changing-role-of-asean-in-indonesian-foreign-policy/>

41 Shekhar, *Indonesia's Foreign Policy*, p. 143-135.

While the trends above paint an optimistic picture of Indonesia's regional leadership, other cases such as the Myanmar Crisis and tensions surrounding the Taiwan Crisis have cast reasonable doubts towards Indonesia's leadership. ASEAN leaders have acknowledged the failure of the Five-Point Consensus and expressed their "concern and disappointment" toward the lack of progress in the implementation of the consensus.⁴² In this respect, criticism toward Indonesia's role in ASEAN predated the 2020 coup, as the domestic audience has also voiced their displeasure toward Indonesia's inability to aptly address the Rohingya humanitarian crisis in Rakhine State, Myanmar.⁴³

In addition to the internal issue, ASEAN has indeed published a collective response, following this year's Foreign Ministers' Meeting in response to the Taiwan crisis. However, issues surrounding the Taiwan crisis are especially precarious, bearing in mind that Indonesia upholds the free and active principle. Indonesia will have to grapple with the limits established by the One China Policy while mediating potential backlash from the domestic audience.⁴⁴ The latter concern also pertains to the growing perception of Indonesia's dependence on China.⁴⁵

42 Marsudi, R.L.P. (2022, October 27). *Press Briefing Menlu RI Special ASEAN Foreign Ministers Meeting Jakarta, 27 Oktober 2022* [Speech transcript]. Kementerian Luar Negeri Republik Indonesia. https://caracas.kemlu.go.id/portal/id/read/4100/siaran_pers/press-briefing-menlu-ri-special-asean-foreign-ministers-meeting-jakarta-27-oktober-2022

43 Saroh, M. (2016, November 25). Demo Hentikan Kekerasan Rohingya di Kedubes Myanmar. *Tirto.id*. <https://tirto.id/demo-hentikan-kekerasan-rohingya-di-kedubes-myanmar-b5Eu>

44 Such backlashes were most prominently exhibited by mass demonstrations protesting various issues pertaining to China, such as the influx of Chinese migrant workers and human rights violations against Uyghur Muslim populations. See: CNN Indonesia. (2020, March 18). *Demo Tolak 49 TKA China di Kendari Berujung Adu Jotos*. <https://www.cnnindonesia.com/nasional/20200318200118-20-484736/demo-tolak-49-tka-china-di-kendari-berujung-adu-jotos>; BBC News Indonesia. (2018, December 21). *Massa demo Kedubes Cina, tuntutan hentikan persekusi Muslim Uighur*. <https://www.bbc.com/indonesia/indonesia-46643055>

45 To read more about this discussion, see: Anwar, D.F. (2019). Indonesia-China Relations: To Be Handled With Care. *Perspective* (No. 19); Anwar, D.F. (2019). Indonesia-China Relations: Coming Full Circle? *Southeast Asian Affairs*, 145-161.

Regardless, Indonesia's ability to generate a collective response and pioneer regional solutions will be questioned in the case of potential spillover into the region.

Risks to Consensus-Building and Indonesia's Chairmanship

The chairmanship position typically grants the occupying member state ample room to set agendas and determine priorities.⁴⁶ As the upcoming chairman, Indonesia's agenda-setting capacity is well demonstrated by the priorities Indonesia has set for its 2023 ASEAN Chairmanship, which will inherit the agendas put forth during its G20 presidency in the previous year. Moreover, recent interviews with and statements by Indonesian high-ranking officials hinted at Indonesia's strong resolve to address the Myanmar Crisis and the South China Sea dispute.⁴⁷

Notwithstanding the chairman's seemingly decisive authority, "the chair's agenda-setting power has an informal, customary foundation"—owing to the lack of clarity on the chairman's authority and responsibility explicated by ASEAN documents.⁴⁸ The ASEAN Charter best depicts (although narrowly) the range of responsibilities and rights the ASEAN Chairman has, the most contentious among them being its role in times of "urgent issues or crisis."⁴⁹ At times,

46 Tobing, D.H. (2016). The Limits and Possibilities of the ASEAN Way: The Case of Rohingya as Humanitarian Issue in Southeast Asia. *The 1st International Conference on South East Asia Studies*. KnE Social Sciences, 148-174. <https://doi.org/10.18502/kss.v3i5.2331>; Suzuki, S. (2021). Can ASEAN offer a useful model? Chairmanship in decision-making by consensus. *The Pacific Review*, 34(5): 697-723. <https://doi.org/10.1080/09512748.2020.1727553>

47 The Jakarta Post. (2022, November 30). *Indonesia strives; "What Indonesia gets out of its 2023 ASEAN chairmanship*. <https://www.thejakartapost.com/adv/2022/11/30/what-indonesia-gets-out-of-its-2023-asean-chairmanship.html>

48 Suzuki, Can ASEAN offer a useful model?.

49 ASEAN. (2007, November 20). *The ASEAN Charter*. <https://asean.org/wp-content/uploads/images/archive/publications/ASEAN-Charter.pdf>



Photo: jakartadaily.id

it can be observed that the chairmanship's quasi-informal nature bears potential risks to the demand to take charge in times of crisis, leading to at least two forms of challenges in forging a consensus among all member states.

First, the informality found in the chairman position challenges ASEAN's institutional effectiveness. This challenge can be aptly demonstrated by criticism directed toward ASEAN's limited ability to address the Myanmar Crisis. The figure taking the responsibility of the special envoy for Myanmar, for instance, rotates along with the rotation of the ASEAN chair, due to their status as the envoy of the ASEAN chair. Rizal Sukma criticized the appointment mechanism for the special envoy, citing the lack of coherence and clarity as the central problem.⁵⁰ However, scrapping the rotational mechanism altogether might be unfavorable. Sanae Suzuki's research points

out the benefits of the mechanism, as it often induces AMS' commitment to consensus-building. Nevertheless, Suzuki also notes a similar concern to that of Sukma, stating that the mechanism "disturbs the consistency of ASEAN's policies over time."⁵¹

Second, and partially as a consequence of the first challenge, the consensus-building process might be compromised by external forces, particularly when it implicates the national interests of external powers. ASEAN's failure to reach a consensus during Cambodia's 2012 chairmanship has been an important reminder that consensus-building in ASEAN should not be taken for granted. Central to the fiasco surrounding Cambodia's 2012 ASEAN Chairmanship was the South China Sea dispute, particularly after the failure to issue a joint communique following the Foreign Ministers' Meeting in July 2012. An account of the ministers' meeting suggested that the Philippines and Vietnam's demands to include points on a standoff at the Scarborough Shoal and Exclusive Economic

50 Arshad, A. (2022, December 5). Asean chair Indonesia must be firm in dealing with Myanmar crisis, say analysts. *The Straits Times*. <https://www.straitstimes.com/asia/se-asia/asean-chair-indonesia-must-be-firm-in-dealing-with-myanmar-crisis-analysts>

51 Suzuki, Can ASEAN offer a useful model?

Zones were repeatedly rejected by the Cambodian side, who were reported to have shared the drafted statement with China. Along with such accounts were reports that China also strongly endorsed eliminating the South China Sea dispute from discussions under ARF.⁵² Cambodia's chairmanship was thus deemed to be the period when consensus-building posed risks of political rifts and was at its "most contentious" state, as asserted by ASEAN's Secretary General at the time, Surin Pitsuwan.⁵³ A similar occurrence was also noted during a Foreign Ministers' Summit in 2016, which took place after the Permanent Court of Arbitration ruled in favor of the Philippines' complaint toward Beijing's nine-dash line. Cambodia insisted on rejecting any mention of the ruling and ASEAN resorted to only noting their joint concern on developments in the dispute.⁵⁴

ASEAN's struggle with maintaining its cohesion in the face of geopolitical issues as precarious as the South China Sea is emblematic of the difficulties of managing its engagement with great powers, particularly amidst China's rise. As previously discussed, research on hedging strategy has captured this predicament very well, many of which point to the difficulties exerted upon AMS in maintaining a balanced stance between great powers, namely the US and China. These difficulties stem from the entanglement of great power rivalry and their respective bilateral relations

with great powers, wherein considerations such as security risks,⁵⁵ economic needs,⁵⁶ and the interests of the ruling elites⁵⁷ factor into how they manage engagements with great powers. Alternatively, observers have also recently noted that certain member states displayed tendencies of dependence on China. Huong Le Thu points out how China has potentially devised a "divide and rule" tactic by employing different forms of coercion when needed.⁵⁸ However, John D. Ciorciari argues against conflating such claims, noting that China's patronage and some AMS' clientele tendencies do have their limits, such as those imposed by potential backlash from other neighboring states in Southeast Asia.⁵⁹

There are reasonable grounds to believe that Indonesia's chairmanship will be more resilient amidst potential intrusions by great powers. Indonesia has long been notorious for maintaining ASEAN cohesion and regional autonomy—this vigor can be traced back to Indonesia's adamant on keeping great powers at bay ever since the inception of ASEAN.⁶⁰

52 Bower, China Reveals Its Hand.

53 See Bland, B. (2012, 28 November). ASEAN Chief: South China Sea risks becoming 'Asia's Palestine'. *CNN*. <https://edition.cnn.com/2012/11/28/business/south-china-sea-asia-palestine/index.html>

54 Reports on the deadlock are available at the following: Campbell, C. (2016, July 25). After Days of Deadlock, ASEAN Releases Statement on South China Sea Dispute. *Time*. <https://time.com/4421293/asean-beijing-south-china-sea-cambodia-philippines-laos/>; BBC. (2016, July 25). *South China Sea: Asean avoids mention of China ruling*. <https://www.bbc.com/news/world-asia-36878995>. The corresponding statement is available at: ASEAN Foreign Ministers' Meeting. (2016, July 24). *Joint Communique of the 49th ASEAN Foreign Ministers' Meeting*. <https://asean.org/wp-content/uploads/2016/07/Joint-Communique-of-the-49th-AMM-ADOPTED.pdf>

55 de Castro. R.C. (2009). The US-Philippine Alliance: An Evolving Hedge against an Emerging China Challenge. *Contemporary Southeast Asia*, 31(3): 399-423. <https://www.jstor.org/stable/41487397>; Haacke, J.

(2019). The concept of hedging and its application to Southeast Asia: a critique and a proposal for a modified conceptual and methodological framework. *International Relations of the Asia-Pacific*, 19, 375-417. <https://doi.org/10.1093/irap/lcz010>;

Ciorciari, J.D. (2019). The variable effectiveness of hedging strategies. *International Relations of the Asia-Pacific*, 19, 523-555, <https://doi.org/10.1093/irap/lcz007>

56 Busbarat. P. (2016). "Bamboo Swirling in the Wind": Thailand's Foreign Policy Imbalance between China and the United States.

Contemporary Southeast Asia, 38(2): 233-257. <https://www.jstor.org/stable/24916631>; Liao, J.C. & Dang, N. (2020). The nexus of security and economic hedging: Vietnam's strategic response to Japan-China infrastructure financing competition. *The Pacific Review*, 33(3-4): 669-696, <https://doi.org/10.1080/09512748.2019.1599997>

57 Kuik, C. (2008). The Essence of Hedging: Malaysia and Singapore's Response to a Rising China, *Contemporary Southeast Asia*, 30(2): 159-185, <https://doi.org/10.1355/cs30-2a>

58 Huong, L.T. (2019). China's dual strategy of coercion and inducement towards ASEAN. *The Pacific Review*, 32(1): 20-36, <https://doi.org/10.1080/09512748.2017.1417325>

59 Ciorciari, J.D. (2015). A Chinese model for patron-client relations? The Sino-Cambodian partnership. *International Relations of the Asia-Pacific*, 15, 245-278. <https://doi.org/10.1093/irap/lcu021>

60 The evolution of this role can be traced by following analyses put forth in the following: Acharya, A. (1992). Regional Military-Security Cooperation in the Third World: A Conceptual Analysis of the Relevance and Limitations of ASEAN (Association of Southeast Asian Nations). *Journal of Peace and Research*, 29(1): 7-21. <https://doi.org/10.1177/00223>

In 2012, in response to the failure to issue a joint communique, former Foreign Minister Natalegawa employed shuttle diplomacy by personally visiting different ASEAN capitals to ensure ASEAN unity. Resulting from this pursuit was the ASEAN's Six Principles of the South China Sea. The principles allowed AMS to come to an agreement on the South China Sea dispute, a consensus that was ultimately agreed upon by Cambodia which initially took issue with the inclusion of the dispute.⁶¹ Understanding Foreign Minister Marsudi's commitment to conclude discussions on the Code of Conduct as one of Indonesia's foreign policy priorities,⁶² it is highly unlikely that something akin to what occurred during Cambodia's 2012 chairmanship will occur in 2023. Moreover, Marsudi has also continued her predecessors' will to undertake shuttle diplomacy when ad hoc measures would be needed.⁶³

However, it is more challenging to ascertain the extent that Indonesia's chairmanship in ASEAN might contribute to addressing the Taiwan crisis, should the tension heighten as drastically as it did in 2022. In this respect, the ramifications of great power rivalry are substantially more pertinent. On one hand, China has increasingly been vocal about its will to use force in pursuit of unification.

The Chinese Communist Party's latest white paper on Taiwan (the first one since 2000) is observed to signal a stark move from the previous white papers, eliminating statements on China's will to grant considerable autonomy in certain sectors and not station military personnel in Taiwan.⁶⁴ On the other hand, responses from Western states, particularly the US, have been remarkably supportive of Taiwan in recent years. Pelosi's visit in mid-2022 was followed by a series of visits by other congress members within the following weeks after her visit. Biden voiced his strong resolve to maintain the US position on Taiwan issues by continuing warship transits and arms sales to Taiwan.⁶⁵

Indonesia has historically been less experimental in testing the extent of its adherence to the One China Policy, a gesture mirrored by other AMS. Moreover, Indonesia has always vouched for neutrality, especially by leading initiatives to develop norms and principles in the region to ensure peace and stability.⁶⁶ However, Indonesia does have stakes to defend in a scenario of conflict: the well-being of its 250,000 citizens residing in Taiwan, as well as the security of its waters and airspace.⁶⁷ Indonesia and Southeast Asian states' maritime territories and airspaces will be pivotal for logistical movements if a conflict occurs, especially understanding the locations of the US and its allies' military bases in and

[43392029001002](https://doi.org/10.1017/S0022216X220001002); Emmers, R. (2018). Unpacking ASEAN Neutrality: The Quest for Autonomy and Impartiality in Southeast Asia. *Contemporary Southeast Asia*, 40(3): 349-370. <https://www.jstor.org/stable/26545299>

61 Marty Natalegawa shared his personal account on this process in the following: Natalegawa, M. (2018). *Does ASEAN Matter? A View from Within*. ISEAS Publishing, p. 131-134. See also: Aplianta, D. (2015). Indonesia's Response in the South China Sea Disputes: A comparative analysis of the Soeharto and the post-Soeharto era. *Journal of ASEAN Studies*, 3(1): 1-21. <https://doi.org/10.21512/jas.v3i1.749>

62 Marsudi, R.L.P. (2019, 29 October). *Penyampaian Prioritas Politik Luar Negeri Republik Indonesia 2019-2024* [Speech transcript]. Kementerian Luar Negeri Republik Indonesia. <https://kemlu.go.id/download/L3NpdGVzL3B1c2F0L0RvY3VtZW50cy9QaWRhdG8vTWVubHUVtWVkaWEIMjBCcmllZmluZyUyME1lbnx1JTlwUkkIMjAtTlwUHjpb3JpZGFzTlwUG9sdWdyaSUyMDIwMTkIMjAtTlwMjAyNC5wZGY=>

63 This is exemplified by Marsudi's active pursuit to maintain regional measures on the Myanmar crisis. See: Septiari, D. (2021, February 2021). Indonesia 'shuttles' to Brunei for Myanmar coup response. *The Jakarta Post*. <https://www.thejakartapost.com/paper/2021/02/16/indonesia-shuttles-to-brunei-for-myanmar-coup-response.html>

64 Steiner, J. (2022, September 1). New-old China-Taiwan white paper: What's the point? *Asia Times* <https://asiatimes.com/2022/09/new-old-china-taiwan-white-paper-whats-the-point/>

65 Sutter, R. (2022, September 10). Taiwan Strait Crisis Strengthens US Resolve to Support Taiwan, Counter China. *The Diplomat*. <https://thediplomat.com/2022/09/taiwan-strait-crisis-strengthens-us-resolve-to-support-taiwan-counter-china/>

66 Anwar, D.F. (2018). Indonesia's Vision of Regional Order in East Asia amid U.S.-China Rivalry. *Asia Policy*, 13(2): 57-63. <https://www.jstor.org/stable/26497769>; Shekhar, *Indonesia's Foreign Policy*, p. 169-171.

67 Kabinawa, R. in D. Thompson. (2022). What should Southeast Asian states do in a Taiwan conflict? *Counterpoint Southeast Asia*. <https://lkyspp.nus.edu.sg/cag/publications/center-publications/publication-article/detail/what-should-southeast-asian-states-do-in-a-taiwan-conflict>

around the region.⁶⁸ In contrast to its activism on the South China Sea dispute, there is no precedent to Indonesia's will to act on tensions in Taiwan, aside from agreeing to the ASEAN Foreign Ministers' Statement on the Cross-Strait Tension. Understanding the immediacy of the crisis, Indonesia's chairmanship in 2023 should be an important litmus to gauge Indonesia's ability to preserve regional autonomy in the face of a potential crisis right at the region's border.

Conclusion and Recommendations

China's rise does present Southeast Asia with multiple economic benefits, ranging from trade to investment growth. Simultaneously, risks of potential disruptions to decision-making in ASEAN should be noted, particularly when precedents as severe as the failure to reach a consensus on mentioning the South China Sea dispute in 2012 are present. Indonesia has historically been an interlocutor in navigating through potential deadlocks and its leadership capacity, combined with the chairmanship position, should reduce risks from impingements by China or other external powers. However, it should take additional caution in addressing issues wherein the national interests of external powers are deeply entrenched and entangled with regional affairs and stability; a risk which is particularly prevalent in the South China Sea dispute and Taiwan issues.

Indonesia should continue to fulfill its role as an interlocutor in ensuring consensus-building in ASEAN. This role will especially be pivotal

when it undertakes the chairman position and in the face of potential geopolitical tensions involving great powers. As an interlocutor, Indonesia should be mindful of not only the interests of AMS but also how the interests of other neighboring states, and potentially great powers, are implicated in regional affairs. This is not to say that Indonesia should abide by potential demands from great powers; conversely, an understanding of the interests of external parties should allow Indonesia to generate creative solutions to avoid deadlock.

ASEAN should also work toward diversifying its external engagements and ensure the reliability of all of its external partners. As a bloc, it should circumvent the attractiveness of completely depending on economic, security, or political incentives presented by one particular actor to ensure that they are able to maintain a balanced posture between different dialogue partners. This extends to the necessity for each member state to reevaluate



68 For instance, the US Navy's Logistics Group Western Pacific is located in Singapore, which has "facilitated patrols in the South China Sea, participation in multilateral naval exercises, and responses to natural disasters." See: Bureau of Political-Military Affairs. (2022, August 10). U.S. Security Cooperation With Singapore," *U.S. Department of State*. <https://www.state.gov/u-s-security-cooperation-with-singapore/>.

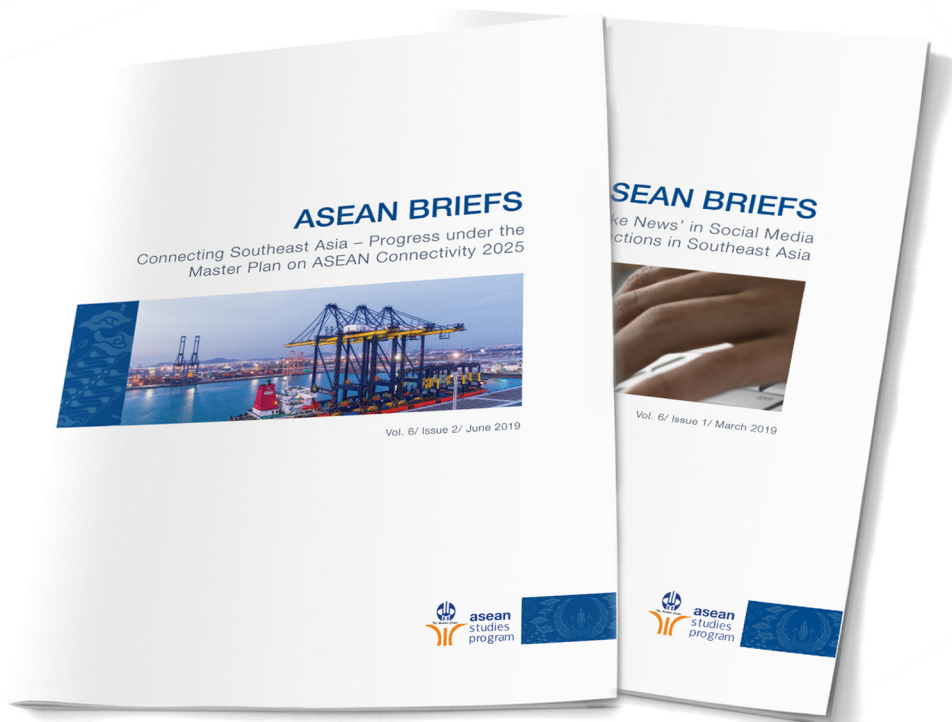
their respective bilateral relations with ASEAN dialogue partners, particularly with those whose national interests might overlap or compromise ASEAN's regional autonomy. At the institutional level, ASEAN should also create a mechanism to disincentivize failure to reach a consensus. The consequences of the deadlock in 2012 and the near-deadlock in 2016 should serve as important reminders that a divided ASEAN reduces ASEAN's credibility.

External parties to ASEAN should also be wary of the volatility of consensus-building in ASEAN and the extent that external pressures are able to impinge on ASEAN's decision-making process. Parties who have expressed their belief in ASEAN Centrality, wherein ASEAN is positioned at the driver's seat of its own regional developments, should maintain their support for ASEAN-led mechanism and work together with AMS to ensure their regional autonomy. ASEAN's dialogue partners should be vocal about their concerns about potential setbacks arising from how deeply entangled the national interests of external parties within the region have been.

As one of ASEAN's closest neighbors and economic partners, Taiwan's engagement and cooperation can help ASEAN to diversify its external engagement, particularly if Taipei considers its stake if a conflict erupts. Taiwan should work on expanding and enhancing its cooperation with the AMS. Taiwan should first work on assessing the untapped room for cooperation with the AMS to delve into their needs to tailor a cooperation plan based on specific needs, especially when it comes to its forte—economic, digital transformation, and infrastructure. Moreover, Taiwan should also assess the existing cooperation

with the AMS to map out the strengths and weaknesses to further enhance the cooperation. In the end, Taiwan's role is a benefit for ASEAN to maneuver in order to not be entangled with particular partners.





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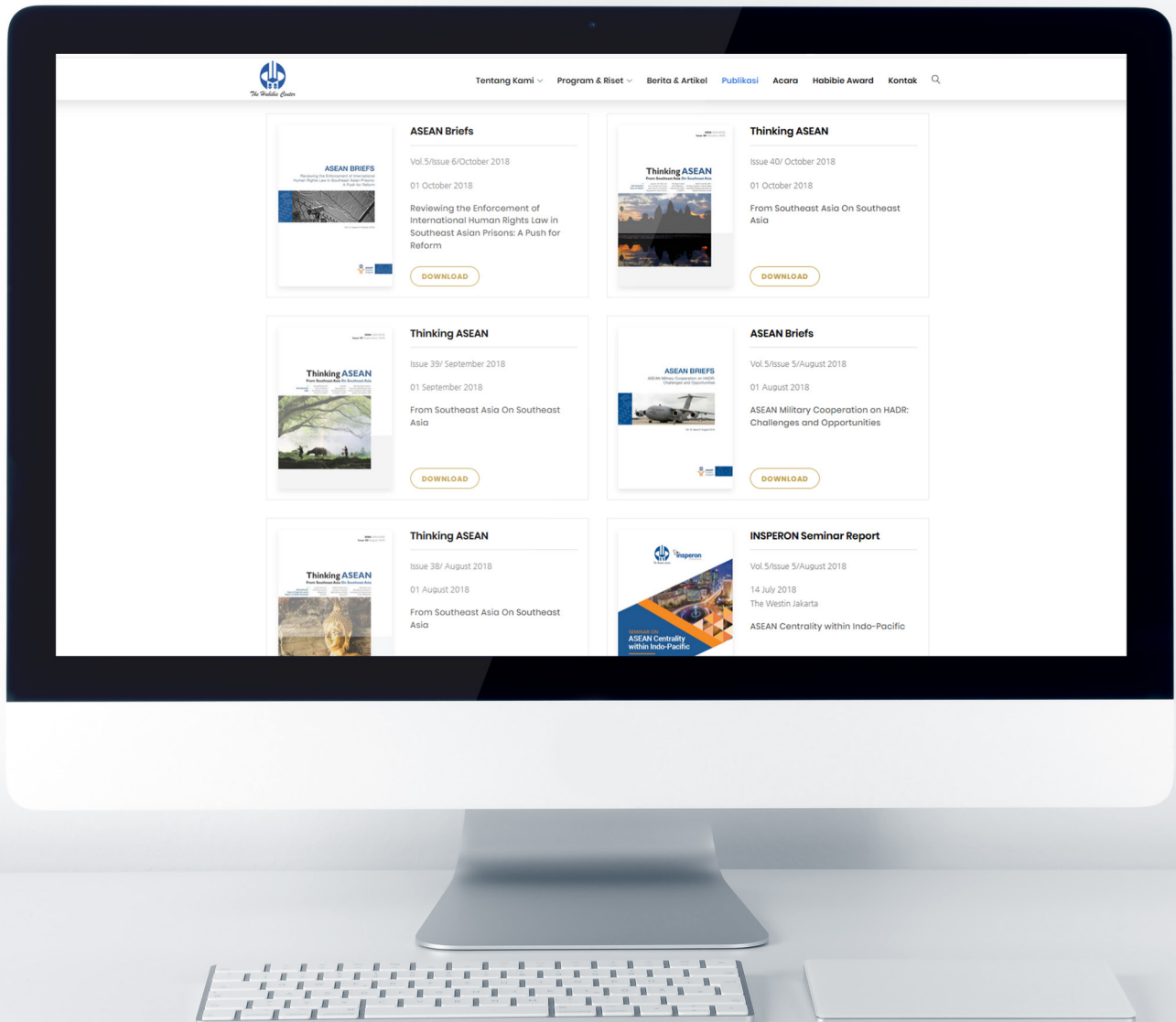
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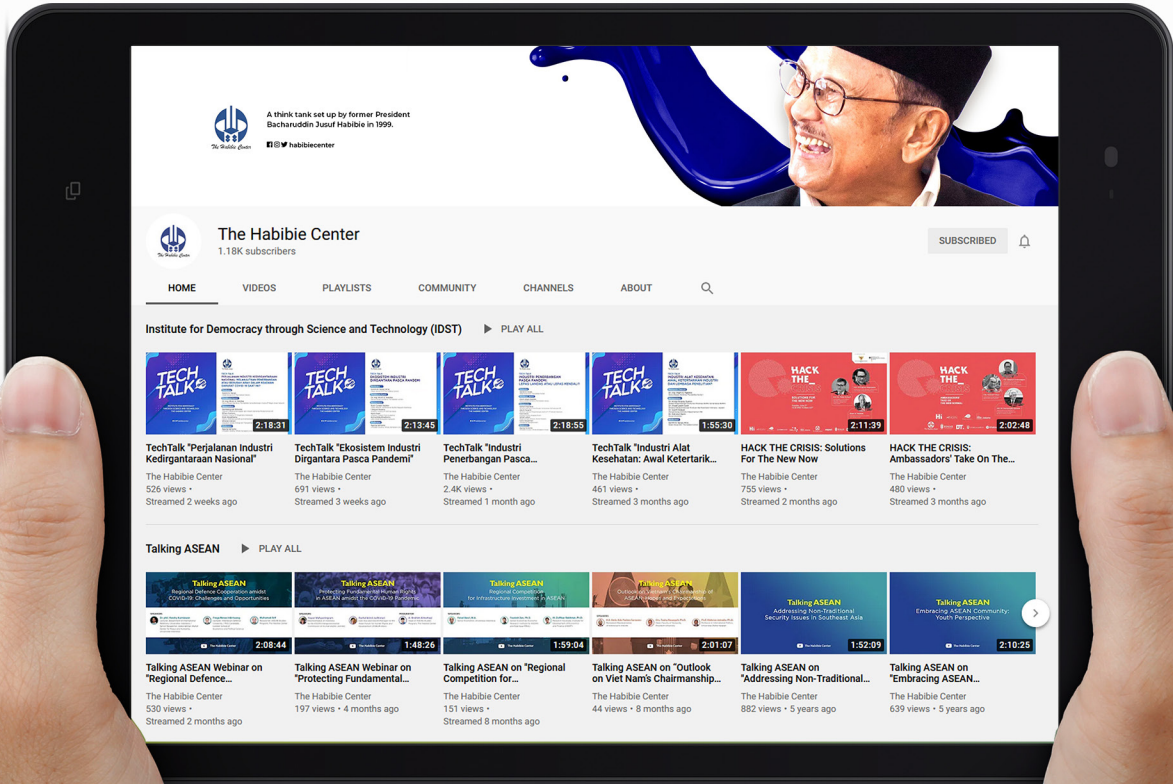
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