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ASEAN's Future and Asian Integration

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Introduction

In a region largely bereft of regional organizations and long divided by the Cold War, the Association of Southeast Asian Nations (ASEAN) has been the most significant multilateral group for the past forty-five years. Since the end of the Cold War, ASEAN has grown increasingly influential. While much of the West and most emerging markets continue to suffer because of the 2008 global recession, the leading ASEAN economies have recovered and are thriving.¹ Perhaps most important, ASEAN has helped prevent interstate conflicts in Southeast Asia, despite several brewing territorial disputes in the region.

Yet ASEAN lags far behind its full potential. Most Western leaders and even many of Southeast Asia's own top officials do not consider the organization capable of handling any serious economic or security challenges, including the current dispute in the South China Sea. In previous times of severe economic downturn, ASEAN members have looked to leaders outside the group for assistance. Because it lacks unity and high-profile leadership, ASEAN's members have resorted to addressing disputes either bilaterally or with U.S. involvement.

The ASEAN Secretariat in Jakarta runs with a skeleton staff one-tenth of the size of the European Commission's and also smaller than the African Union's. Unlike the African Union, ASEAN possesses no peacekeeping force; unlike the Organization of American States (OAS), it has no strong mechanism for enforcing human rights; unlike the Arab League, ASEAN's top leaders attract little attention from the international media; and unlike the European Union (EU), ASEAN has continually failed to adhere to commitments for deeper economic integration and broader free trade.

Given its size (a population of over 630 million), enormous collective economic weight, and powerful members like Indonesia and Singapore, ASEAN has the potential to become more influential. If it had more open borders and free intra-ASEAN trade, it could attract more investment, improve its competitiveness in a range of industries, and play a larger role in international economic and trade forums. An empowered ASEAN Secretariat could also handle diplomatic, economic, and security challenges in a much more aggressive and comprehensive manner than it does now. In short, an organization with power and internal coherence and skilled at solving economic and political challenges could form the foundation for broader East Asian integration and gain greater respect on the world stage.

A stronger, unified ASEAN would also benefit the United States. A single, liberalized ASEAN market would boost U.S. investment in Southeast Asia, and an assertive ASEAN would be able to take over some U.S. responsibilities in the areas of peacekeeping, antipiracy, disease prevention, and other security issues. Moreover, it would represent a powerful deterrent against Chinese dominance of the South China Sea and the broader Asia-Pacific.

ASEAN in the Past and Today

ASEAN'S HISTORY

In August 1967, when ASEAN was founded, Southeast Asia was at the center of world events. Indonesia had recently been at war with Malaysia, trying to prevent the creation of Malaysia out of former British colonies. The Second Indochina War was raging, following the withdrawal of France in 1954 and the end of the First Indochina War that year. In Malaysia, a powerful communist insurgency had only recently been defeated, while in Indonesia an army coup, launched in part to head off the rise of left-leaning political parties, had unleashed massive communal bloodshed. The Cultural Revolution and China's support for several communist movements in Southeast Asia, as well as the region's fears of the United States abandoning its commitment to Southeast Asia, led the noncommunist countries in the region to form ASEAN. The original five members—Thailand, Malaysia, Singapore, Indonesia, and the Philippines—varied from military dictatorships to city-states to nascent democracies.

ASEAN was founded with a limited charter, even compared to many other regional organizations. The goal was to preserve long-term peace in Southeast Asia and, by unifying, to balance the roles that outside powers, including the United States, China, and Japan, played in Southeast Asia.

Even though the Second Indochina War ended in 1975, the region remained mired in Indochina politics until the late 1980s, and ASEAN's mission evolved only marginally from its original goal. ASEAN also made little effort to push for greater regional integration or trade liberalization. Despite China's economic opening in the late 1970s, China did not have formal relations with many Southeast Asian states and was a minor trading partner for the majority of the countries in the region by the late 1980s.

Most ASEAN states (with the exception of small, oil-rich Brunei, which was added as a member after the original five) were focused on building export-oriented manufacturing sectors that relied on low wages, Japanese capital, and open Western markets. This strategy was extremely successful, at least for a time: in the 1980s and early 1990s, Thailand regularly posted some of the highest growth rates of any country in the world.

As most of the ASEAN member states were governed by autocracies, ASEAN leaders were extremely reluctant to hand over even small amounts of power to the regional organization. Therefore, the secretariat in Jakarta remained a bare-bones operation. ASEAN also continued to lack the capacity to handle crises that erupted in Southeast Asia and crossed state borders. When Vietnamese "boat people" began fleeing Vietnam and appearing in Asian waters in the mid-to-late 1970s, the countries of Southeast Asia turned to Japan and the West to pay for and later adopt the refugees. Even later, in the late 1990s, as smog and haze from forest fires in Indonesia blanketed the region and choked cities, ASEAN member states were unable to effectively work together and launch a collaborative haze-reduction strategy.

In the 2000s, however, ASEAN developed more muscle. In the late 1990s, indicating that the Indochina Wars had finally ended, the organization admitted Laos, Cambodia, and Vietnam, as well as Myanmar, which had been isolated by choice from the international community for decades. Meanwhile, China was launching a new “charm offensive” to diplomatically woo the nations of Southeast Asia by proposing new trade deals, offering investment and training for Southeast Asian officials, and demonstrating an apparent willingness to put aside past territorial disputes and to work within the ASEAN framework to solve confrontations in the South China Sea and contending claims in the Mekong basin.² With the Bush administration largely absent from Southeast Asia, other than for counterterrorism cooperation, China became increasingly influential in the region. Senior Bush administration officials skipped important meetings held by ASEAN and other Asian organizations, alienating many Asian leaders, and when they did attend, many Bush administration officials spent little time focusing on economic integration in Asia, the topic most Asian leaders wanted to discuss—far more than they wanted to discuss terrorism, which was not a threat in most East Asian nations. China, at the same time, pointedly sent its seniormost officials to meetings of ASEAN and other Asian organizations, drawing an implicit contrast. At the meetings, Chinese officials privately and publicly noted that they had come to focus on Asian economic integration, rather than terrorism. At the same time, India, Japan, and South Korea also built closer ties with the organization.

ASEAN leaders and officials began to see the organization not only as relevant to Southeast Asia but also as the potential center of Asia-wide regional economic and, eventually, political integration. Former Singaporean diplomat Kishore Mahbubani—one of the most ardent ASEAN supporters—predicted a decrease in U.S. power in Asia and its replacement by an Asia-centric regional order with ASEAN at its center.³ Other Southeast Asian leaders, such as Singapore’s Lee Kuan Yew and the Philippines’ Fidel Ramos, recognized that, by dealing with China through a unified ASEAN, they could negotiate more favorable terms with China on trade, infrastructure, borders, and other issues.⁴ Thus, China became more involved with ASEAN in the 2000s. Consequently, coordinating to counter China’s ever-increasing massive influence replaced the Cold War divides as ASEAN’s principal *raison d’être*.

ASEAN TODAY

Hoping to strengthen ASEAN, to make it economically and strategically competitive with China and other rising powers, several prominent ASEAN leaders, including current secretary-general Surin Pitsuwan, have pushed the organization to abandon the practice of making all decisions by consensus. Some ASEAN leaders proposed that pressing decisions be made by voting, to increase the speed and efficiency of decision-making; since the organization could then take a position on critical issues within one member state without the approval of all ASEAN members, this would allow ASEAN to comment on other members’ internal affairs. ASEAN did indeed draft and sign a new charter in 2007, but it maintained most of the ideals of consensus and nonintervention of the original ASEAN Declaration. Though the new charter did commit to creating a “just, democratic, and harmonious environment in the region,” it did not define any of these terms and contained no provisions, as exist in other regional bodies, for members to intervene in other members’ affairs in the case of gross abuses of human rights.⁵

In the late 2000s, facing continued pressure from both civil society in Southeast Asia and some ASEAN leaders, ASEAN finally committed to creating a new body designed to monitor human

rights in Southeast Asia, similar to the Human Rights Commission in the OAS. However, thus far, the new ASEAN human rights body has proven notoriously weak and toothless, subservient to the demands of the group's most repressive members, such as Cambodia, Myanmar, and Vietnam. In addition, when dealing with disputes with China, such as deporting Uighurs and other groups fleeing persecution back to China, ASEAN has been divided between members who want to take a more active position and those who want closer ties with China.⁶

On the trade and economic fronts, ASEAN grew far more proactive in the 2000s, though the consensus rule again held the organization back. Although ASEAN vowed to form one "Economic Community" by 2015, including a single market and production base, it likely will not realize that goal. To begin with, the Economic Community requires all ASEAN members to implement the ASEAN Free Trade Area (AFTA). By 2010, only the original five members, plus Brunei, had enacted the provisions of the AFTA. (Cambodia, Laos, Myanmar, and Vietnam were given more time to reduce their tariffs.) And even among these original five, nontariff barriers, poor dispute resolution mechanisms, carve-outs for dozens of protected "sensitive" industries, and other problems have prevented the free-trade area (FTA) from fully coming into effect. Many factors, of course, are responsible for the delay, but several ASEAN nations' declining economic competitiveness, as well as dissatisfaction with the ASEAN-China FTA, has made leaders hesitant.

In 2002, ASEAN and China agreed to a free-trade deal. Even though this was called an FTA, making it the largest FTA to date in Asia, in reality the agreement was, at first, more like a trade and investment framework agreement (TIFA). Following the signing, this deal came into effect, sector by sector, throughout the 2000s, consistent with how a TIFA works. In part, the deal reflected the realization that the WTO Doha Trade Round was permanently stalled. ASEAN also launched plans for a free-trade deal with India, Japan, Australia, New Zealand, and South Korea. Together, these proposed and realized deals showed that ASEAN leaders understood that any future gains in trade liberalization would likely be achieved through intra-Asia cooperation rather than negotiations with the paralyzed West, and Western nations like the United States and Canada ultimately sought to join trade integration led by Asia as the WTO Round remained dormant.

This belief that Asia will lead trade integration has been borne out over the past decade. China developed from serving as only a small trading partner with ASEAN in the 1990s to the largest external trading partner of ASEAN by the 2010s, responsible for 25 percent of all imports to and exports from the region.⁷ However, some ASEAN member states protested that the organization had moved too quickly to sign a deal with China, without sufficient preparation and negotiating by ASEAN leaders and officials, and that China was dumping products on ASEAN nations and erecting nontariff barriers to ASEAN exports. These objections to the China-ASEAN FTA have slowed progress on further ASEAN-Asia trade liberalization.

ASEAN's Role in East Asian Integration

Over the past two decades, ASEAN has been the leader of East Asian trade, economic, and security integration. ASEAN has been the only organization consistently focused on regional integration, while others, including the Asia-Pacific Economic Cooperation (APEC), have shifted their focus extensively and somewhat haphazardly. Other regional organizations such as the Northeast Asian Six Party Talks have focused only on one discrete issue—North Korea's nuclear ambitions. However, despite its intentions, ASEAN has been more successful in promoting trade integration and creating regional forums for discussing security issues than it has been in promoting more concrete security

integration or economic integration such as more open borders, joint development of resources, and common currencies. Some of these failures are due to ASEAN's structural weaknesses, which make it hard for the organization to lead on security and economic integration. In other respects, these failures are simply due to the fact that East Asia contains countries with wider-ranging levels of development, political cultures, and political systems than in Western Europe, and thus integration is more challenging.

Trade

On the trade front, ASEAN's willingness to sign FTAs crisscrossing the Asia-Pacific, even if those FTAs were slow to be implemented, helped situate Asia at the forefront of global trade liberalization. In addition, this web of Asian FTAs helped spur trade liberalization in Asia's non-ASEAN members. Japan, which had long favored the WTO process, saw that because ASEAN was signing free-trade deals with other regional powers, it would need to design its own regional free-trade agenda, which it did. In other words, ASEAN's openness to deals created a kind of regional free-trade arms race. This not only inspired deals between ASEAN and other powers, but also motivated other Asian nations to discuss free-trade deals among themselves. As a Congressional Research Services study notes, Singapore alone now has eighteen FTAs in force with other nations.⁸ Ultimately, pushed by some of the more economically liberal ASEAN members like Singapore, Asian leaders have begun discussing the prospects of an Asia-wide free-trade area. This led to the creation of the Trans-Pacific Partnership (TPP), launched by Chile, Brunei, New Zealand, and Singapore. Australia, Malaysia, Mexico, Peru, Canada, the United States, and Vietnam have also vowed to begin negotiations to join the TPP.

These FTAs boost trade liberalization overall and do not preclude the future possibility of a new multilateral round of negotiations through the WTO. A study by the Peterson Institute for International Economics suggests that implementation of the free-trade area in the Asia-Pacific region would augment trade for nearly every economy in the region by 50 percent and increase two-way merchandise trade in the region as a whole by \$5.3 trillion.⁹

Economics

Besides reducing tariffs across the region, thereby potentially paving the way for a regional free-trade deal, ASEAN has also fostered other types of regional economic integration. Following the Asian financial crisis of the late 1990s, when Asian nations relied on the International Monetary Fund (IMF) for bailouts, several ASEAN members, as well as Japan and other Asian states, decided that Asia should amass its own reserves. The resulting Chiang Mai Initiative (CMI), launched in May 2000, provided for a network of bilateral currency swaps between members of ASEAN+3—the ASEAN countries plus China, Japan, and Korea. The CMI therefore created a reserves exchange pool to mitigate members' vulnerability to international capital inflow, speculation, and contagion if any one member's currency collapsed. The initiative has since matured into a multilateral currency swap arrangement that includes the U.S. dollar, and its membership has expanded to include Hong Kong. While the economic effectiveness of the CMI continues to be a source of debate, most analysts believe the initiative's symbolic effect is of great value in increasing the confidence of market participants in the liquidity of Asian banks.¹⁰ In 2012, members agreed to expand the reserve fund to \$240 billion. While only 20 percent of currently available funds can be utilized without a linkage to IMF loans, anxiety over the European debt crisis has spurred discussion among ASEAN+3 members about increasing this percentage to 30 percent in 2012 and 40 percent in 2014.¹¹

Security

ASEAN also stands at the forefront of East Asian regional security architecture, but this architecture is weak and underdeveloped in part because of the organization's structural limitations. Regional powers like China and Japan seem to concur that using ASEAN as the convener and center of future regional security architecture makes sense, since ASEAN consists primarily of weaker and smaller states (excluding Indonesia) and thus is not likely to dominate any potential regional security architecture. The annual ASEAN Regional Forum (ARF) assembles foreign ministers and other senior officials from the Asia-Pacific (including the United States) for discussion of regional security issues. Although ARF has no authority beyond ASEAN's, it provides an opportunity for increased dialogue and interaction.¹² It also provides a chance for bilateral meetings between major powers on the sidelines about issues ranging from the South China Sea to North Korea's nuclearization. In recent years, China has proven more focused on the ASEAN+3. This move could set the stage for an Asian regional security organization dominated by China that excludes the United States.

However, any significant regional security architecture, whether based on the ARF, the ASEAN+3, or some other formulation, remains a distant possibility. Skeptics of ARF's relevance point to its slow evolution and lack of a formal mechanism for conflict resolution. Over the past three years, many ASEAN member states have repeatedly clashed with China, primarily over the South China Sea but also over other regional security issues. In part, this may be because after decades of pursuing a relatively low-profile foreign policy, Beijing has begun to more aggressively assert its power in its own region and attempt to deny the United States its long-standing role in Southeast Asia. Most notably, this has come through increasing demands by China for other South China Sea claimants to accede to Beijing's claims on the disputed waters. But beyond China's potentially more aggressive foreign policy, the South China Sea dispute also has revealed, to many ASEAN member states, both the divisions within ASEAN and the weakness of ASEAN as an organization.

Though the South China Sea dispute is of the highest priority to some ASEAN member states, like Vietnam and the Philippines, others for whom the sea is a lesser priority have offered minimal diplomatic support in the dispute. Furthermore, South China Sea claimants like Vietnam and the Philippines have realized, over the past three years, that even a relatively unified ASEAN position on adjudicating South China Sea disputes has made little difference to Beijing, since ASEAN has few actual policy levers at its disposal. Instead, the Philippines, Vietnam, and other South China Sea claimants have pursued closer defense ties with the United States, including joint trainings and weapons purchases—exactly the type of extensive reliance on a foreign power that ASEAN is supposed to help avoid. ASEAN has made efforts to sign a code of conduct on the South China Sea with China, but these efforts have only achieved vague commitments from Beijing to peacefully resolve disputes sometime in the future.

At the July ASEAN foreign ministers' meeting in Phnom Penh, which was held at a time when the Philippines and China were skirmishing over the Scarborough Shoal, the ASEAN member states were incapable of even agreeing on a joint statement regarding the South China Sea. Instead, officials from the Philippines stormed out of the meeting, while several ASEAN member states accused Cambodia, the host, of subverting any common statement in order to protect China, which is now Cambodia's largest trading partner and donor. Believable reports from the meeting suggest that before ASEAN had agreed on any joint statement, Cambodian officials had shown drafts of a proposed statement to Chinese officials, a serious breach of protocol and trust within ASEAN. (In September, Cambodian officials announced that China will be providing Phnom Penh with \$500 million in new assistance.) Shortly after the meeting, diplomats from Indonesia used shuttle diplomacy to produce a

face-saving yet forceful statement on the South China Sea that could be agreed to by all ASEAN members, but they fell short of this goal.

In the fall of 2012, tensions in the sea rose even higher, as the Philippines moved to get UN approval to call parts of the disputed waters the “West Philippines Sea” and when, during a visit by Secretary of State Hillary Rodham Clinton to Beijing in September, Chinese officials responded angrily to Clinton’s calls for Beijing to be more flexible in working with ASEAN to create a written code of conduct for the South China Sea. During Clinton’s visit, China’s foreign minister simply declared that China has sovereignty over the entire sea, its maximalist position, and warned that the United States’ plans to station marines in Darwin, Australia, and to enhance cooperation with the Philippines was against the wishes of Asian nations. Even when Singaporean prime minister Lee Hsein Loong, a highly respected leader in China, visited Beijing in the wake of the Phnom Penh summit, he was rebuffed with the same blunt message that Clinton received.

In addition to divisions between China and ASEAN, and within ASEAN itself, ASEAN thus far has demonstrated little capability to handle either traditional or nontraditional regional security challenges. Consequently, major Northeast Asian powers and the United States have little incentive to work through ASEAN to handle challenges rather than address them unilaterally or bilaterally. Beyond ASEAN’s weak handling of the choking smog that annually covers much of Southeast Asia after forest fires erupt in Indonesia, the organization has also developed little capacity to combat drug trafficking, human trafficking, pandemic disease outbreaks, terrorism, and other high-priority non-traditional security threats. Even when severe violence has broken out within the region, as in the case of civil strife in East Timor in 1999, ASEAN proved incapable of taking steps to combat the violence because of the “ASEAN way,” its aversion to intervening in any member state’s affairs.

ASEAN’s consensual style has also hindered its response to human rights abuses in Myanmar. Although ASEAN leaders now claim that their long-standing commitment to Myanmar helped prompt that country’s reform process, there is little evidence to support this claim. For one, ASEAN’s “preferences regarding Myanmar have not been clear and consistent,” according to one detailed study of ASEAN, Myanmar, and human rights. The Myanmar regime most likely did not feel compelled to conform to ASEAN’s expectations, given that the organization did not have a clear stance.¹³ Similarly, ASEAN has failed to diffuse tensions between Malaysia and Thailand over the insurgency in southern Thailand.¹⁴ Instead, despite the potential for a third party like ASEAN to help mediate talks, Thailand and Malaysia had to handle border issues and the insurgency bilaterally, and mutual suspicions between the two countries doomed this bilateral approach.

However, ASEAN has achieved one notable success. In 1995, members agreed to the Treaty on the Southeast Asian Nuclear Weapon Free Zone, which entered into force in 1997. This treaty obliged the signatories to refrain from developing or acquiring nuclear weapons, and to refuse to allow other countries to test or station nuclear weapons on their territories. It was a landmark regional nonproliferation agreement and, should it remain in force, is a solid example for other regional blocs.

The United States and ASEAN

ASEAN originally aligned itself closely with the United States. Although the relationship cooled after the 1997 Asian financial crisis, U.S. policy has moved to prioritize alignment with the group since 2010. Originally, when ASEAN was founded, its members’ anticommunist stance and leaders’ close ties to the United States ensured that Washington formed a close relationship with the organization and its members. In addition to treaty allies Thailand and the Philippines, Washington developed

tight links with the Suharto regime in Indonesia, with Singapore, and even with Malaysia under Mahathir Mohamad, who publicly espoused anti-Western rhetoric yet continued close defense cooperation with the United Kingdom and the United States. The U.S. military footprint in Southeast Asia remained significant and included joint exercises with Thailand, the Philippines, and other nations. The United States was also, along with Japan, the biggest investor and trading partner with most ASEAN nations in the organization's early years.

When the Asian financial crisis hit in 1997, however, and as ASEAN grew to include the former communist states while several other members began to democratize, the United States' relationship with ASEAN cooled. By declining to bail out distressed Asian economies after doing so for Russia and Mexico, the United States alienated many Southeast Asian states. This provided an opportunity for other powers in the region, including China and Japan, to begin playing a larger role in regional cooperation. In addition, as Suharto in Indonesia, Marcos in the Philippines, and the Thai military gave way to democratic governments, leaders in Southeast Asia adhered more closely to public opinion, which was decidedly less positive about trade, globalization, and economic and political links to the United States. Meanwhile, U.S. and Japanese investment was flowing to China, South Asia, and other locations, as many ASEAN nations had lost their competitive edge in low-end industries such as textiles and labor-intensive manufacturing.

The September 11, 2001, terrorist attacks and the wars in Iraq and Afghanistan further soured the U.S. relationship with most of the ASEAN countries. In Muslim-majority nations, like Indonesia, Malaysia, and Brunei, leaders were unable to ignore public opinion, which turned sharply against U.S. policy. U.S. officials spent relatively little time in Southeast Asia, compared to their presence in the 1980s and 1990s, and skipped several of the most important ASEAN summits, alienating the organization.

After ASEAN became a low priority in U.S. policymaking during the 2000s, in the 2010s it again began to attract significant notice. The Obama administration appointed the first U.S. resident ambassador to ASEAN, signed the ASEAN Treaty of Amity and Cooperation, and developed a new strategy focused on collaboration with Myanmar, which, because of U.S. sanctions, had been a major obstacle to closer U.S. relations with ASEAN. This strategy was part of a broader pivot of U.S. forces and American diplomacy toward Asia, which included committing to the TPP agreement, launching the U.S.-Indonesia Comprehensive Partnership with Jakarta, adopting a more vocal U.S. role in defending Southeast Asian nations' interests in the South China Sea, and bolstering the defensive capabilities of Vietnam and the Philippines.¹⁵ Many Southeast Asian opinion leaders credit the White House with again placing ASEAN on a footing alongside critical Asian priorities like China and Japan. Indeed, the Obama administration launched the first regular dialogue between the U.S. secretary of state and the Mekong River basin nations (Vietnam, Cambodia, Laos, and Thailand) and has also held more regular high-level meetings with other ASEAN leaders.¹⁶

ASEAN at a Crossroads

Today, ASEAN stands at a crossroads. It has largely achieved its initial purpose—preventing Southeast Asia from further outbreaks of war following the Indochina Wars. It has reintegrated the region into one whole, and potentially helped link mainland Southeast Asia to South Asia and China through new roads, rails, and ports. This new infrastructure will provide a significant boost to intraregional trade, which is already thriving, as China, not the United States, has become the center of Asian regional trading patterns. ASEAN also has, more than any other Asian organization, attempted to promote regional free trade, liberalize critical markets, and prepare Asia to handle future economic crises independently.

But with its current limitations in working style, staffing, and mandate, as well as the enormous political and economic disparities among its members, ASEAN is unlikely to move beyond its current status. It is unlikely to develop into an organization capable of promoting serious regional security cooperation, taking responsibility for its own security, and leading Asia beyond current trade deals and into a much deeper, intertwined, economic order. ASEAN today faces seven major challenges to its becoming a more powerful organization capable of achieving these goals.

AVOIDING DOMINANCE BY REGIONAL POWERS

Given that ASEAN was founded in part to craft an independent foreign policy, its record in this area is not encouraging. During the Cold War, most ASEAN member states sided closely with the United States and took cues from Washington on most major regional foreign policy issues. In the early post-Cold War era, few ASEAN member states other than Singapore and Vietnam invested heavily in their own defense and security. Today, with China's ascent, countries like the Philippines, Malaysia, and Indonesia are woefully unprepared, from a defense standpoint, for potential conflict with China or even for negotiating with China over rights to the South China Sea. As a result, these ASEAN states now are even more dependent on the United States for their defense. At the same time, Cambodia, Laos, and Myanmar have become so dependent on China that they are almost client states of Beijing. Though China is not looking to create client states throughout the region, as one Congressional Research Service study notes, Beijing is hoping to establish a regional order in which it is the dominant power and prevents the United States from continuing to maintain a large security presence in the region.¹⁷

Attempting to prepare for a future in which China will take a more aggressive security posture, several ASEAN member states now are frantically upgrading their defenses. In fact, arms spending in Southeast Asia has risen by over 100 percent in the past five years, according to studies by the Stockholm Peace Research Institute.¹⁸ Vietnam, the Philippines, and other ASEAN member states are buying submarines, new aircraft, destroyers, and other weaponry in order to strengthen their positions in a conflict in the South China Sea. Yet even these weapons purchases do not give any ASEAN member state the capacity to defend against the Chinese navy; instead, a more integrated ASEAN

security community, and even some potential ASEAN defense cooperation that does not involve the United States, would be a more valuable deterrent. On several occasions, Indonesia has proposed a much closer ASEAN security community, but this idea has never been seriously discussed at ASEAN meetings. Further complicating these proposals, in many ASEAN member states, including Thailand, Myanmar, Vietnam, and the Philippines, the military is not only an actor in the security realm but also an independent center of political power. In Thailand and Myanmar, the military actually headed up the government within the past decade. As a result, these highly powerful militaries are even less willing to cede power to a regional security organization.

Several ASEAN member states, such as Singapore and Vietnam, have for now chosen a middle ground between creating a broader security community and depending on the U.S. security umbrella. They have worked to create an informal group of Asian nations, united by a shared fear of China's emergence as the regional power and of American withdrawal. This network includes India, Australia, and Japan, as well as Singapore and Vietnam, and these countries increasingly cooperate to address nontraditional security threats, sharing military intelligence and boosting naval interoperability. Yet serious questions remain about whether this informal grouping of countries can achieve defense interoperability and deterrent capacities without the United States holding this informal network together. Some countries in the network might prefer to formalize this security cooperation. But doing so will undoubtedly provoke an extremely harsh reaction from China, which would see this type of formal security alliance among surrounding states as reminiscent of the containment strategies of the Cold War.

INTEGRATING A REVIVED, POWERFUL INDONESIA

For most of ASEAN's history, until the late 1990s, the organization was dominated by Indonesia, by far the largest ASEAN member state in terms of both population and GDP. However, Indonesia was not powerful or wealthy enough to be as dominant in ASEAN as Germany has been in the EU or as the United States has been in the OAS. In the late 1990s and early 2000s, as Indonesia's political system crumbled and its economy went into precipitous decline, the country became an even smaller factor in ASEAN. Indonesian leaders at that time took a relatively limited role in ASEAN activities and in ASEAN leadership, according to diplomats from many Southeast Asian nations, allowing Jakarta to focus on rebuilding its own economic and political stability.

In the vacuum, Singapore assumed a much greater leadership role in ASEAN, but it will not remain preeminent. Though Singapore is the wealthiest ASEAN member state by per capita income and has a highly capable diplomatic service and military, the country is a city-state with a population of only four million people, and many ASEAN members distrust it for its closeness to the United States. In the past five years, Indonesia has begun to reclaim some of the mantle of leadership in ASEAN.

Though Indonesia's young democracy still faces many challenges, it has evolved into a relatively stable political system, with regular free elections; it has increasingly been touted by many outside observers (and some Indonesians) as a potential model for other emerging democracies. Its economy also has recovered—the country has a relatively young population and a smaller pool of elderly to support than many other ASEAN nations—and has been growing at 6 to 7 percent annually in recent years. With their own domestic politics running more smoothly and democratically, Indonesian leaders have focused more on ASEAN and on assuming a more proactive role both within the organiza-

tion and in Asia more broadly. Indonesian peacekeepers have in recent years helped adjudicate a border dispute between Cambodia and Thailand. Indonesian leaders, including the current president and foreign minister, have actively helped mediate the Thai-Cambodian crisis, the reform process in Myanmar, and other regional predicaments. Some Indonesian opinion leaders believe that the country, now a member of the Group of Twenty (G20), stands as an emerging power and should take its place alongside the BRIC (Brazil, Russia, India, and China) nations at the center of a new global order.

Though Indonesia's return to leadership has been broadly welcomed in ASEAN, it has sparked questions about the future of the organization. Will Indonesia develop into a more dominant power and overwhelm the other ASEAN nations in economic size, military force, and development? If, like South Africa in the African Union, Indonesia alienates some of the other ASEAN members, will they feel obliged to form their own blocs within the organization to balance Indonesia's power? Will Indonesia's rising power lead other ASEAN member states to essentially outsource crisis-solving to Jakarta, as many African nations have outsourced crisis-solving to Pretoria? Will Indonesia's resurgence lead other ASEAN nations, like Singapore, to focus more on building bilateral ties, such as with the United States, since they do not want to participate fully in an ASEAN with one nation dominant? And even if Indonesia does grow substantially more powerful, will it stand alongside fellow ASEAN member states in disputes with China, despite the fact that it is not a party to the South China Sea dispute and generally has a distant, but hardly cold, relationship with Beijing? Or, like South Africa, might Indonesia grow so economically and politically powerful that it begins to pay less attention to ASEAN, instead focusing its diplomacy on international multilateral organizations?

Already, there are some signs that Indonesia is developing into a more dominant power in the organization, overwhelming all other members. When ASEAN foreign ministers failed to agree on a position on the South China Sea at the summit in Phnom Penh in July, only Indonesia's diplomats had the power and authority to broker a compromise. Similarly, only Indonesian leaders and diplomats have been able to exert significant influence over the reform process in Myanmar, suggesting that ASEAN may be turning into an organization where serious problems can only be resolved through Indonesian intervention.

BALANCING ECONOMIC DISPARITIES AND ENDING CONSENSUS

With the expansion of ASEAN membership to Cambodia, Laos, Myanmar, and Vietnam (CLMV) in the 1990s, ASEAN transitioned from a two- to three-tier regional structure, encompassing high-, middle-, and low-income countries.¹⁹ Today, substantial economic disparities persist between the original and new members. These disparities have only grown over the past decade. For example, per capita GDP in Singapore is \$48,357 by purchasing power parity, while per capita GDP in Myanmar is a mere \$3,585 by purchasing power parity.²⁰ And even these stark numbers do not capture the vast gap between the wealthiest and poorest ASEAN members. Singapore, Thailand, and Malaysia boast some of the finest public transport systems of any urban area, nearly universal wireless coverage, extensive access to broadband Internet, national pension and health plans, and well-equipped hospitals. In contrast, in many parts of Myanmar, Laos, and Cambodia, rural men and women have no access to modern health care, healthy foods, or modern communications. Many parts of Myanmar lack electricity completely, and the country today is more similar to a sub-Saharan African nation recovering from civil war than to Thailand, Malaysia, or Singapore.

The four new ASEAN members, because of their poverty and long international isolation, also tend to possess few diplomats and officials capable of participating fully in ASEAN meetings, or other meetings in Asia, which normally take place in English. Vietnam, the wealthiest and most proactive of the four new members, has quickly made up for this lack by using government funds to train a new generation of foreign service diplomats and officials overseas, creating one of the most respected diplomatic corps in Asia today. Until its recent bout of high inflation and currency crises, Vietnam had also been catching up to the original ASEAN members in economic development, thus essentially raising it to equal status with the original member states.

But the other three poorer, new ASEAN states are far from equals, and since ASEAN still operates by consensus, the laggards stymie progress. Consider how effectively the EU might operate if the poorest countries in the union, such as Romania, had to agree to all decisions made by the European Parliament or Commission—decisions that could affect London and other financial centers. ASEAN faces this dilemma right now.

Indeed, such economic inequality, which is far sharper than the inequalities among members of the European Union, the African Union, Mercosur, or the North American Free Trade Agreement (NAFTA), poses obvious barriers for integration. Weak domestic infrastructure among low-income members has made it more difficult for ASEAN, along with other countries in Asia, to agree on how to design and fund new regional roadways and railroads designed to link China to Southeast Asia and its ports, link China to India through Myanmar, and link the countries of mainland Southeast Asia via an east-west highway beginning in Vietnam. In addition, the vast differences in the openness of member states' economies—from Singapore, normally ranked by the Index of Economic Freedom as one of the freest economies in the world, to heavily protected and closed economies like Laos and Cambodia—have arguably retarded the creation of the ASEAN Free Trade Area (AFTA). The four newer members of ASEAN have lagged far behind the original members in reducing tariffs, and the continual delays in the full AFTA have disappointed foreign and local investors and generally undermined ASEAN's credibility on trade issues.

Despite these challenges, many analysts believe the inclusion of the CLMV countries will, over time, have a net positive economic effect on the region, although the economic impact of ASEAN enlargement continues to be highly debated. Certainly, intra-ASEAN trade has increased with enlargement. Vietnam, in particular, has experienced rapid growth (the decision to join ASEAN coincided in Vietnam with greater openness to economic liberalization more broadly). In 1995, the year that Vietnam joined ASEAN, its share of trade within ASEAN stood at 2.8 percent; by 2010, that share had increased to 17 percent.²¹ Over the same period, Vietnam's GDP per capita grew from \$289 to \$1,374, while the country began to exhibit more stability and attract more investment, in part because it had joined ASEAN.²² For example, major multinationals ranging from Intel to Bridgestone invested heavily.²³

Accession to ASEAN raises the economic bar for the organization's poorest members and thus forces them to upgrade their diplomatic corps, boost their economic competitiveness, and open up sectors of their economies previously thought unlikely to be opened. As in Europe, ASEAN politicians can to some extent blame ASEAN for having to make these decisions and shift some of the popular anger about some elements of liberalization away from themselves and onto ASEAN. A report by the World Bank suggested that for the CLMV countries, accession to ASEAN was a "stepping stone in the development process, allowing them to begin their long-delayed process of catching up with their neighbors and of reentering the world economy."²⁴

Still, despite these benefits to the CLMV members, if ASEAN is to become a more powerful and unified organization, it will need to find new ways to discontinue the consensual decision-making process. Simultaneously, ASEAN should continue helping the CLMV countries catch up while not allowing them to slow down ASEAN's regional and global role. To accomplish this, the organization may need to shed its traditional adherence to consensus, as well as its tradition of rotating ASEAN leadership annually, and giving each member, no matter how small or poor, a chance to head up the organization once every ten years. Even the most devoted ASEAN advocate would admit that, in recent years, the organization has run more smoothly, made more progress toward significant goals, and played a more high-profile role regionally when it has been led by Indonesia, the Philippines, or Singapore. (Over the past six years, Thailand has been distracted by ongoing internal political conflict.) This may result in a "two-tier" ASEAN similar to the European Union, but that would be more manageable than the current "one-tier" ASEAN structure.

INTEGRATING NEW MEMBERS

The ASEAN Charter of 1967 states that the only requisites for membership are a country's location in Southeast Asia and its adherence to the charter's stated principles and purposes.²⁵ As a result, even as ASEAN faces internal challenges today, it may wind up integrating even more new members in the near future, which could prove more difficult than absorbing the four mainland Southeast Asian nations in the 1990s. For at least the next decade, while ASEAN strengthens its secretariat and concludes its free-trade agreement, it should not accept any new members.

Enlargement is determined through consensus by current members, and in recent years ASEAN member states have failed to agree to extend membership to East Timor, which became an independent nation in 2002 following its bloody separation from Indonesia and an extended period as essentially a UN protectorate. Since 2002, as Timorese officials have attended a few ASEAN meetings and summits as observers, and have increasingly made clear that they want to gain accession, ASEAN members including Singapore, Malaysia, and Vietnam have expressed three objections to the accession of East Timor to ASEAN: concern over alienating its former occupier Indonesia; political instability in East Timor; and the country's weak economy and small size, which will make it difficult to develop the diplomatic corps necessary to regularly attend ASEAN meetings and play a constructive role in the organization.

ASEAN has already absorbed Laos, Cambodia, and Myanmar—three countries with few officials equipped to play a real role in ASEAN meetings. Therefore, wealthier ASEAN members worry that, even as Laos and Cambodia still have not developed large and sophisticated foreign services, adding East Timor now will further burden the organization, slow down meetings, and increase the difficulty of forging consensus. The objectors also worry that by extending accession to East Timor, ASEAN might potentially signal to other countries in the region, such as Papua New Guinea, that they can join. And yet, with the support of Indonesia, the biggest ASEAN member state, East Timor's chances for accession in the next ten years look strong.

Even with Indonesia's support, East Timor still poses severe challenges for ASEAN. Domestic instability and an underdeveloped political infrastructure in the tiny half-island call into question East Timor's ability to participate in ASEAN. East Timor is currently the poorest nation in East Asia, though the revenues from the Timor Sea oil reserves that it shares with Australia are supporting strong economic growth. It also only has roughly eight hundred thousand inhabitants, making it less

than one-fifth the size of Singapore, currently the smallest ASEAN member state by population. And, despite Timor's significant oil and gas reserves, which have allowed the country to be debt free, East Timor remains heavily dependent on foreign assistance for training officials, providing schools and health care, and many other basic infrastructural needs.

STRENGTHENING THE SECRETARIAT

Since ASEAN's founding in 1967, the organization has been dominated by the powerful, often autocratic leaders of its member states, who at times served for decades as heads of their governments: Mahathir Mohamad, Lee Kuan Yew, Ferdinand Marcos, Suharto, and Prem Tinsulanond. Several of these men were the founding leaders of their nations, and they had little experience sharing political power at home and even less experience sharing political power with a supranational organization. They purposefully made ASEAN strong enough to help prevent more Southeast Asian wars, but also ensured that the secretariat would never become strong enough to dictate policy to individual member states and that a secretary-general would not overshadow national leaders.

This model, however, is clearly outdated. Although the current secretary-general, former Thai foreign minister Surin Pitsuwan, is more accomplished and better known than most of his predecessors, he still does not wield the international clout of other Southeast Asian leaders, like Lee Hsein Loong, Susilo Bambang Yudhoyono, or even Tharman Shanmugaratnam, Singapore's finance minister, who is a member of the Group of Thirty, a high-level international economic and monetary affairs advisory group, and chairman of the IMF's international monetary and financial committee.²⁶

In part because of the low profile of the ASEAN secretary-general, when there is a regional crisis in Southeast Asia such as a haze emergency, intrastate conflict, or disputes over the South China Sea, world leaders do not know who speaks for the region. In addition, because of the low profile of its secretary-general, ASEAN sometimes does not attract the most senior cabinet officials from the United States, United Kingdom, Japan, and other major industrial powers, though the Obama administration has boosted high-level interactions with ASEAN. The ASEAN secretary-general also has trouble scheduling meetings with congressional leaders—meetings that are necessary to argue ASEAN's agenda in the U.S. Congress.

Finally, not only is the secretary-general of ASEAN limited in his powers, but compared to other regional organizations, the staff of the secretariat itself is not equipped to offer high-quality analysis, advice, or leadership on critical regional issues. Many of the more powerful ASEAN nations do not send their smartest, most impressive staff to the secretariat, since it is viewed as a policy backwater. Secretariat staff also participate little in the intellectual and policy analysis life of Singapore, Indonesia, Malaysia, and other countries; they appear irregularly at conferences, are rarely seen coauthoring papers with scholars based in these nations, and only occasionally take time off from their jobs to spend a few months or a year at one of the policy think tanks in Singapore or Jakarta.

In addition, ASEAN has over the years broadened its interests to include a wide range of nontraditional security issues, as well as economic issues, both of which are discussed at ASEAN summits and the lower-level ministerial and staff-level meetings throughout the year. These issues now include everything from setting rules on deep-sea fishing to cooperation on fighting pandemic disease, reducing smog from forest fires, and tsunami and earthquake warning systems. Yet the secretariat rarely commands the tools and knowledge needed to provide impartial policy advice on any of these issues. Therefore, ASEAN members are left to rely on their own governments' analyses and recommenda-

tions, which are not seen by other ASEAN members as impartial. Moreover, information sharing among some ASEAN members is less than ideal, particularly when bilateral tensions erupt, as between Thailand and Cambodia over recent border disputes. The lack of a centralized place for analysis and advice on critical issues means that, in some cases, ASEAN members do not even share their own governments' best analyses—on methods to combat disease, best practices for warning systems, and other topics—with their fellow ASEAN nations. Staffing shortages also preclude the secretariat from conducting detailed studies of many of these issues, including on-the-ground research.

There remain significant obstacles to strengthening the secretariat by appointing a more powerful leader, enlarging the staff, offering adequate compensation for staff, and attracting qualified foreign and civil officers to ASEAN. Smaller ASEAN nations are likely to object since they are concerned that, as in Europe, two or three powerful ASEAN nations will come to dominate the organization once it shifts away from total reliance on consensus, strengthens the secretariat, and appoints a leader who is a high-profile former politician with a greater mandate to set ASEAN meetings' agendas, interact with other multilateral organizations, and generally shape ASEAN's positions rather than just report what ASEAN leaders decide.

However, smaller countries' concerns can be mitigated in several ways. By reducing the number of issues that ASEAN and the secretariat can become involved in, ASEAN can gain expertise—and become a world leader in dealing with only a small number of nontraditional security issues—picking, say, pandemic disease and smog reduction. This winnowing down still lets smaller countries set their own agendas regarding most nontraditional security issues. In addition, the larger ASEAN countries can grant a greater amount of welfare transfers to smaller countries (as is done with the new EU members) in order to build capacity in the smaller, newer ASEAN members and essentially buy off the smaller countries' concerns about large countries dominating the secretariat.

BECOMING THE CENTER OF ASIAN INSTITUTIONS

Still, for ASEAN to promote closer Asian security and economic cooperation, it will have to not only strengthen itself, but also deal with competing visions for the future of East Asia. ASEAN needs to integrate some elements of the major powers' visions for integration while also enunciating its own, more neutral and effective vision for how integration should proceed. Only ASEAN can do this, because it is respected as a relatively established and disinterested organization by the major Northeast Asian powers as well as by the United States; but only a unified ASEAN, taking consistent stands on issues related to China, Japan, Korea, or the United States, can play this brokering role. To be that unified organization, ASEAN will need to accomplish many of the goals outlined above, but it should also develop and articulate a coherent vision for East Asian integration.

The major powers already have their own ideas about how integration should proceed, or whether it should happen at all. As a Congressional Research Service report notes, China's view of the future of regional integration is one in which Asia continues to integrate economically and, to some extent, develop regional security institutions, but also one in which China becomes the preeminent regional power, rather than a concert of more equal nations, as in the European Union.²⁷ China's view also includes the concept that there is little room for the United States (or other Western Hemisphere nations) in a future East Asian regional order and thus that regional order should be based on structures, like ASEAN+3, that do not involve the United States. (Of course, this regional order would also mean that China will eventually have the ability to deny the United States' projection of power

into regional sea lanes, ports, and contested waters.) In addition, China sees the future of regional economic integration as one in which trade networks are increasingly centered on China and any region-wide free-trade area is modeled on some of the FTAs already signed by China, which began essentially as TIFAs and broadened, sector by sector, until they were more comprehensive. Japan and South Korea, not surprisingly, hold different views of how regional integration should unfold. They both hope to maintain the United States' military presence in the region and base any future regional security architecture on one of the current structures, such as the East Asia Summit or the ASEAN Regional Forum, in which the United States already participates.

Many ASEAN members have enunciated views of how regional integration should take place, but it is difficult to say that there is one ASEAN view of the process at this point—although there needs to be, especially if ASEAN wants its ideas to seriously contest with the models proposed by China, Japan, Korea, and the United States.

Recommendations

RECOMMENDATIONS FOR ASEAN

Over the next decade, ASEAN's goal should be to firmly establish itself as *the* essential regional organization in Asia, allowing economic integration to revolve around it and asserting critical expertise in regional trade and economic issues. To establish itself, ASEAN should take the following important steps to challenge its tradition of consensus and weak central leadership.

- Build the ASEAN Secretariat into a powerful and knowledgeable body, with more staff, greater abilities to solve problems without calling in all the ASEAN member states, and far more sophisticated technical expertise about trade, economics, and nontraditional security threats. This expansion would be paid for by higher transfers of funds to the secretariat from wealthier ASEAN members. The enhanced ASEAN Secretariat would have its own aid disbursement apparatus, election monitoring unit, and small peacekeeping force. For Singapore, Indonesia, or Brunei, doubling or even tripling their annual outlays to the ASEAN Secretariat would have minimal impact on their national budgets.
- Appoint a more high-profile Southeast Asian leader as head of ASEAN. Currently, a well-known retired civil servant from a member state or a former foreign minister is often appointed. Though well meaning, these ASEAN leaders have little international profile. Instead, ASEAN should begin offering leadership of the secretariat to internationally known former Southeast Asian prime ministers and presidents, such as Goh Chok Tong of Singapore or (when he was younger) Fidel Ramos of the Philippines.
- Agree on a common ASEAN vision for future East Asian trade and economic integration. Take actions to establish ASEAN leadership toward that vision. Implement, without further delay, plans for an ASEAN-wide FTA, including agriculture, for all members, by 2015. This should include reducing and ultimately eliminating the large number of exceptions and carve-outs for certain sectors already in place, which are diluting any potential FTA.
- Combine the FTA with progress toward a real integrated economic community in ASEAN by 2020. This means streamlining customs procedures at all land and air borders, collaborating to speed up the construction of new physical infrastructure, including region-wide road and rail links, and collaborating to make all ASEAN nations' corporate legal codes based on similar principles and concepts.
- Settle all remaining border disputes among ASEAN members, such as those between Thailand and Cambodia over the Preah Vihear Temple. Settling ASEAN's own border disputes would put ASEAN in a stronger position regarding territorial disputes with other nations like China.
- Take greater leadership in promoting Asia-wide trade liberalization, particularly by moving to more quickly implement its proposed deals with Japan and India. By finally concluding the ASEAN FTA and putting into place these other agreements, ASEAN would firmly establish itself

as the core of any broader Asian trade agreement and also gain valuable expertise in negotiating sensitive sectors of these deals, such as agriculture, textiles, and telecommunications.

- Reduce the number of annual ASEAN meetings, as well as the number of issues covered, to a core of five to ten issues, mostly relating to economic liberalization, regional integration, and nontraditional security threats. In addition, expand the number of non-ASEAN observers at ASEAN meetings, to include as broad a range of East Asian and South Asian observer states as possible.
- Make ASEAN an organization that allows and/or prioritizes democratic members and has a broad, coherent policy on human rights in Asia. Rewrite the ASEAN Charter to emphasize these core issues, as well as regional values that reflect the growing democratization of the region. The rewriting should also include a clause allowing for the possibility of intervention in the case of gross human rights abuses in one ASEAN member state, which would make ASEAN more consistent with other regional organizations. It would also afford ASEAN more moral and rhetorical authority in international forums and make clear that, in contrast to when ASEAN was founded, the group today is an organization comprising primarily democratic and democratizing nations.
- Move away from consensus decision-making when possible, especially during times of economic and diplomatic crisis in East Asia, when speed is essential. One way to do this would be to shift ASEAN decision-making on all issues to supermajority voting, in which two-thirds of all ASEAN member states agree to support a resolution for it to pass.
- End ASEAN's practice of rotating honorary chairmanship of the organization alphabetically, in order to prioritize its leading members. This would allow ASEAN to adopt a more muscular role in regional and global economic affairs and play a larger role on the regional and international stages. The leading ASEAN member states, such as Indonesia, Singapore, and the Philippines, have a far larger "bench" of diplomats capable of advocating effectively for ASEAN's positions, in English, at international forums, and many more in reserve to represent at ASEAN. By contrast, in some of the smaller and poorer ASEAN member states, seconding even a handful of the most capable diplomats and ministers to handle ASEAN affairs devastates these nations' ministries.
- Construct a mechanism to better help the poorer ASEAN members bring their economies and foreign ministries up to the standard of the richer members. This can include significantly boosting aid transfers from richer ASEAN members to poorer ones, by creating a mechanism such as the EU's structural funds for new members from the former Eastern Bloc. It may essentially result in a two-tier ASEAN similar in some respects to the European Union, but this is preferable to the current ASEAN one-tier structure, which is not flexible enough and hobbles the organization. ASEAN has already taken strides in this two-tier direction by allowing poorer nations more time to join the region-wide free-trade area.
- Hold public referenda on significant ASEAN decisions in ASEAN member states, in order to boost public buy-in and knowledge of the organization. Though this strategy has its potential downsides, as seen in Europe, it is likely to make ASEAN's decisions more widely accepted by Southeast Asians and give ASEAN more power to make proactive and potentially controversial decisions.
- Prevent ASEAN member states from releasing information about confidential intra-ASEAN discussions to any outside powers before ASEAN has made decisions about an issue. Develop mechanisms to punish ASEAN member states for such leaks.
- Develop a unified position on disputed claims to the South China Sea, as well as on how to address those claims. This position should be one that is consistent with international maritime law,

binds all signatories to an agreement on the South China Sea, and is supported, in both public and private, by all ASEAN members.

- Admit no new ASEAN members until at least 2020. Employ an outside (i.e., non-ASEAN) consulting firm to analyze the readiness of East Timor, and potentially Papua New Guinea, to participate fully in all ASEAN affairs, at least at a level comparable to Laos, Cambodia, and Myanmar.

RECOMMENDATIONS FOR THE UNITED STATES

- Support ASEAN as the central actor in any future Asian economic and diplomatic integration while remaining the primary security partner of ASEAN member states like the Philippines, Thailand, Singapore, Vietnam, and others.
- Accept that this East Asian economic integration will largely be centered on ASEAN and East Asian powers, with the United States only an observer to any future Asian integration that involves a common currency, opening of borders in East Asia, or common fiscal policies among some East Asian states.
- On trade, be more than an observer to East Asian integration centered on ASEAN. Make good on commitments to join the TPP by putting accession before Congress (and passing it). By not joining the TPP, and with no serious bilateral trade initiatives in the region, the United States risks being left out of Asia's free-trade deals completely.
- Support the emerging ad hoc security cooperation between ASEAN members Singapore, the Philippines, and Vietnam and other Asian partners such as India, Japan, and Australia. This cooperation might include new defense pacts between Japan, Australia, and the Philippines, as well as updating of the Philippines' status of forces agreements related to the station of foreign militaries.
- Send both the secretary of state and the president at least once per year to senior ASEAN summits, while also sending the U.S. ambassador to ASEAN to all senior officials' meetings held by ASEAN annually.
- Continue to support ASEAN member states' claims to parts of the South China Sea, their demand for a written code of conduct with China, and their desire for free, unfettered navigation of the South China Sea by all countries' vessels. Support ASEAN in forming a unified position on the South China Sea that upholds the right of free passage and results in a binding, written code of conduct acceptable to all claimants of parts of the South China Sea.
- Ratify the United Nations Convention on the Law of the Sea (UNCLOS), which has provisions regarding settling maritime disputes. By ratifying UNCLOS, the United States will put itself in a stronger position to make statements about the South China Sea dispute and help ASEAN achieve a resolution to the dispute satisfying to all ASEAN member states.
- Support the creation of a stronger and better-resourced ASEAN Secretariat, by increasing aid to the ASEAN Secretariat, allowing extended visits by ASEAN officials to other regional organizations like the EU and African Union, and recognizing the importance of ASEAN's secretary-general by holding regular bilateral meetings between this official and the U.S. secretary of state, as is done now with the leaders of the EU, NATO, the IMF, and the World Bank.
- Assist wealthier ASEAN nations in increasing transfers to poorer members and, potentially, to new ASEAN members, along the lines of the EU structural funds. Work with Singapore to construct this fund.
- Promote exchanges between ASEAN and Western Hemisphere organizations, including the OAS.

- Encourage ASEAN to update its charter or write a new one in which human rights are given a higher priority and—as in the African Union—member states are given the right to potentially intervene in other members' affairs if those other members have governments that have overthrown democratically elected leaders or are committing grave human rights abuses.
- Foster greater knowledge and understanding of ASEAN in Washington policymaking circles by promoting congressional exchanges with ASEAN parliamentarians, creating a fund for scholarships for students from ASEAN countries at leading American graduate schools, and pushing governors of U.S. states to explore contacts with ASEAN leaders and business executives, among other initiatives.
- Support people-to-people exchange between ASEAN and the United States by reevaluating visa restrictions on students coming to the United States from Indonesia, Malaysia, and the Philippines.

Conclusion

Already the primary driver of global growth, East Asia over the next two decades will become even more central to the world economy. With the World Trade Organization's Doha Round stalled indefinitely, East Asia has also become the driver of free-trade agreements. Yet as East Asia's importance expands, the region has few institutions to help facilitate economic integration and to ensure that territorial and diplomatic rivalries do not halt or completely scuttle the region's integration. The only long-lasting, stable organization in East Asia capable of becoming the foundation of greater integration is ASEAN. ASEAN contains no major powers, yet it has a history of working together with the United States, China, and Japan and is seen as a neutral broker by most major powers.

However, for ASEAN to play this role, it will have to significantly transform itself over the next two decades, building on its strengths while seriously revamping its secretariat, its decision-making style, and its reach. By making its secretariat far stronger, empowering a high-profile secretary-general to speak for ASEAN, abandoning consensus decision-making, and demonstrating to the rest of Asia that ASEAN can actually achieve its own free-trade area, ASEAN would put itself in a position to lead Asian integration. Given that many leading ASEAN members also are close partners or treaty allies of the United States, it is in the U.S. interest as well to have ASEAN in the driver's seat of Asian integration, enunciating an ASEAN vision of this undertaking that almost surely will include a sustained economic and security role in Asia for the United States. What's more, an ASEAN that reflects the rapid democratization of Southeast Asia, and the growing respect in the region for international human rights norms, would be positioned to make respect for democracy and rights central to Asian integration, which is also of importance to the United States. For forty-five years, ASEAN has appeared—apart from its newly added members—a great deal like it did when it was founded, which was in a much different time, with authoritarian leaders ruling nearly all of Asia. When it originated, ASEAN was a leader, and it helped prevent the widening of the Indochina Wars. If it can adapt, ASEAN can lead Asia once again.

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