

Relevance of ASEAN
in a Shifting Global
Environment

Page 2-3

Costa Rica: Unarmed
Democracy

Page 4

Multilateral Matters:
News Roundup

Selected Publications

Page 5

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Southeast Asia in 2024: The Challenges Ahead



The world welcomed 2024 with arduous challenges brought by an increasingly tense global political and economic environment. How can the Association of Southeast Asian Nations (ASEAN) navigate the regional challenges ahead? Photo by Sam Albury via Unsplash.

FEATURED COMMENTARY

Relevance of ASEAN in a Shifting Global Environment

By Nazia Hussain



As major power rivalry and other geopolitical tensions escalate, maintaining ASEAN unity and centrality becomes more challenging – and even more important. Photo by Nguyenthuantien/Pixabay.

Increasing strategic competition among major powers poses a challenge to ASEAN unity and ASEAN Centrality. ASEAN must refurbish and strengthen its existing mechanisms as it strives to maintain the organisation's relevance in multilateralism and the rules-based international order, and to consolidate the growth, prosperity, and security of individual member states.

Commentary

The economic and security architecture in the region Singapore is most directly involved in has evolved alongside shifts in the global system. The spirit of regional cooperation has become more demanding and yet indispensable.

The widening socio-economic and political di-

vides both within and between countries necessitate a refinement of strategy by individual states and regional organisations. In many countries, the mood is to go it alone and to unilaterally push for their own interests against the value of mutual give-and-take in a rules-based international order.

Tensions between the United States and China have continued with the two major powers exchanging barbs over Taiwan and the freedom of navigation in the South China Sea. The Association of Southeast Asian Nations (ASEAN) is often judged by the scope of its ability to remain united in the face of rivalries in its backyard, especially as the world shifts away from a bipolar to multipolar order.

As the world shifts to a multipolar order, ASEAN needs to earnestly look into improving its institutions and mechanisms to address difficult questions, such as continuing economic integration, managing the challenges of climate governance, coping with digitalisation, and navigating big-power rivalries.

Domestically, the success of ASEAN member states in education and poverty reduction means greater pressure to achieve inclusive development in the areas of democratisation, digitalisation, and diplomacy, amongst others.

Geopolitical Trends Impacting ASEAN

Global developments such as the war in Ukraine and Gaza, the Myanmar crisis,

US-China contestation in Southeast Asia and the South Pacific, and the new so-called "minilateralism", bring into question the value and relevance of ASEAN. There is a perception that ASEAN seems to be stuck. ASEAN norms, particularly that of non-interference in the internal affairs of member states, are deemed by certain quarters to be a barrier to ASEAN regional order in the 21st century. However, despite being a consensus-seeking organisation, ASEAN has emerged as the premier organisation in Southeast Asia even though its ASEAN Way has some negative effects.

ASEAN has survived various crises in its early history, owing largely to the ad-

Continued on Page 3

vantages of its strategic location and a structure which is flexible and purpose specific. ASEAN's leadership has often faced crises that required it to think up a workable arrangement. For example, when ASEAN decided to establish an ASEAN Community in 2003, there were differences in opinion among ASEAN member states about the timing of such an initiative, and even doubts whether ASEAN could achieve more as a community based on the three pillars of political/security cooperation, economic integration, and socio-cultural development. In fact, 56 years of ASEAN has given it a collective experience which cannot be under-rated nor dispensed with.

Today, deteriorating US-China relations have complicated traditional ASEAN diplomacy, threatening to split ASEAN along the fault lines created by its member states' external relations. The consequences of a rupture would not only be economic but strategic. ASEAN must maintain its strategic relevance in managing the regional architecture. It needs to develop a viable public position straddling the competitive dynamics between China and the US. These two major powers have accepted that ASEAN has a central role to play, and they need ASEAN support for their respective initiatives in the region.

ASEAN therefore exudes a strategic value which cannot be disregarded by powerful states outside Southeast Asia. The challenge is how to update ASEAN mechanisms urgently.

ASEAN needs a fresh narrative to keep itself in the centre of this fluid situation and to stay relevant as a valued partner and interlocutor for the major powers. Its focus on maintaining a robust digital economy and its acknowledgement of the shift in nomenclature from Asia Pacific to Indo-Pacific help the grouping to reinforce its strategic relevance and to balance the interests of major powers in the region.

As the digital economy is expected to add an estimated US\$1 trillion to the region's GDP by 2025, ASEAN launched the first major region-wide digital economy agreement in the world – the ASEAN Digital Economy Framework Agreement (DEFA). ASEAN is also pushing to concretise and operationalise the ASEAN Outlook on the Indo-Pacific (AOIP) to actively project ASEAN Centrality in the evolving Indo-Pacific concept.

Implications for ASEAN Centrality

ASEAN needs to refurbish its existing mechanisms to stay relevant in an increasingly uncertain world. ASEAN cannot do this without unity of purpose and a common vision in strengthening its collective value. The key approach going forward is to reassert its centrality in Southeast Asian development and progress, in tandem with the commitment of respective member states to avoid being swayed by the strategic ambitions of external powers.

ASEAN became “central” because it was useful and relevant at the material time to states, big and

small, in and out of Southeast Asia. But ASEAN Centrality has been undermined over time by organisational complacency, and, crucially, by insufficient socialisation among its member states with ASEAN's strategic relevance, usefulness and vision. The annual rotation of the ASEAN Chair also gives rise to different policy weightage and utilisation, and the distortion and muddling of ASEAN Centrality by powerful external actors, the media, and even ASEAN officials themselves, contribute to the cynicism in Southeast Asian policy circles.

ASEAN member states must pay active attention to ASEAN Centrality in their respective policy development and domestic agenda where the ASEAN concept is now often absent. As of now, the following give us an indicator of where ASEAN stands among its member states and across the region:

(i) increasingly, all the ASEAN member states, including Myanmar, accept that there is a need for ASEAN – more strongly in some areas and less willingly in others;

(ii) across the region, the terms “ASEAN” and “ASEAN community-building” seem to be acknowledged by more and more levels of society, i.e., the member states and their respective populations;

(iii) it is accepted that ASEAN has established specific baselines for interaction with the powers outside Southeast Asia, and the consistency and forti-

tude in applying the established principles and vision have helped ASEAN to build up a credible, enduring and enviable relationship with all its external partners; and

(iv) ASEAN continues to be very positive about multilateralism even though at times the multilateral approach proves to be turbulent across certain domains.

Moving forward, the indication has shown that ASEAN is maturing as a regional organisation. The notion and application of ASEAN Centrality may be a work in progress but there is no rolling back this key strategic asset of engagement. There will always be challenges faced in functioning as a consensus-seeking diverse grouping of 10 countries (11 when Timor-Leste formally joins ASEAN), each with its own specific type of government, economy, and society. It is unrealistic to expect otherwise. ASEAN may not be able to solve all problems, but it knows how to manage the difficulties that come its way. ■

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Costa Rica: Unarmed Democracy



Amb Victor H Rojas Gonzalez of the Republic of Costa Rica explains how Costa Rica's decision to abolish its army in 1948 contributed to improved social services and significant economic growth.

RSIS hosted a seminar titled “Costa Rica: Unarmed Democracy” on 18 October 2023. The seminar featured Amb Victor H Rojas Gonzalez, Ambassador of the Republic of Costa Rica in the Republic of Singapore; and was chaired by Dr Dipinder Singh Randhawa, Senior Fellow at RSIS. The event was attended by several RSIS staff and students, as well as representatives from the embassies of Costa Rica’s Latin American neighbours.

Amb Rojas began his remarks by providing a background on Costa Rica’s geography and history. He then discussed Costa Rica’s economy and trade activities, highlighting that 90% of the country’s exports have been non-traditional goods such as medical devices, IT devices, and business

services.

Amb Rojas also emphasised his country’s strengths in the digital economy, with the digital technology workforce growing by 17% and Costa Rica becoming the top exporter of IT services in the region. Because of this, Costa Rica had been listed as number 1 in openness in digital trade among OECD members.

Amb Rojas continued his remarks by attributing Costa Rica’s economic transformation to the abolition of its army in 1948. He said that Costa Rica was able to fund free universal healthcare and higher education with money that would have otherwise been earmarked for the army. By funding these services, a skilled workforce emerged which then boosted Costa Rica’s economy.

In a Q&A session that followed, Amb Rojas was asked how Costa Rica was able to evade the political upheavals in Latin America during the 1970s and whether there are discussions to reinstate the army in light of current non-traditional security issues. Amb Rojas emphasized that Costa Rica did not enter into political crisis in the 1970s because it was able to build a strong middle class and manage social inequities. Finally, Amb Rojas closed the seminar by noting that the country’s challenges in drug trafficking and climate-induced migration are managed by the police force and that Costa Rica will continue to improve its police strategy so it will not have to resort to reinstating an army. ■

Multilateral Matters: News Roundup

What Southeast Asian States Want from APEC

Council on Foreign Relations | 06 November 2023 | [Full Report](#)

America's crumbling trade initiative in Asia

The Economist | 23 November 2023 | [Full Report](#)

Biden's Asian trade policy has taken a beating as the trade pillar of the Indo-Pacific Economic Framework for Prosperity (IPEF) failed to materialise.

Digging Deeper with DEFA

Fulcrum | 27 November 2023 | [Full Report](#)

With the first round of negotiations for the ASEAN Digital Economy Framework Agreement (DEFA) taking place in December 2023, this article ex-

plores what a truly progressive DEFA would look like.

The Perils of Overstretching Multilateral Cooperation Within ASEAN

The Diplomat | 14 December 2023 | [Full Report](#)

After APEC: Whither US Leadership on Trade?

The Diplomat | 15 December 2023 | [Full Report](#)

Even if the APEC Summit was overshadowed by the Biden-Xi Summit and a weakened IPEF, the United States can still make headways to maintain a credible leadership in regional trade.

Laos as ASEAN Chair: Flying into Headwinds

Fulcrum | 21 December 2023 | [Full Report](#)

Laos has promised to enhance ASEAN centrality as it takes over the association's chairmanship in 2024. However, internal and external challenges may hamper its ability to deliver.

ASEAN's credibility and centrality on the line amid crisis in Myanmar

East Asia Forum | 25 December 2023 | [Full Report](#)

The outlook for multilateralism in 2024

Japan Times | 31 December 2023 | [Full Report](#)

Military conflicts in Ukraine and Gaza will persist into 2024, deepening the divide between the Global North and South. Will this impede multilateral cooperation on international economic and environmental issues?

SELECTED PUBLICATIONS

Global Data Governance: ASEAN Pathways to Regional and International Leadership

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Fiery Climate Change Introduces Fresh Environmental Stewards

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Geoeconomic Crossroads: The Strait of Malacca's Impact on Regional Trade

Kaewkamol Pitakdumrongkit | *Center for Innovation, Trade, and Strategy, The National Bureau of Asian Research* | 05 October 2023

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The Asia-Pacific Economic Cooperation (APEC) 2023: Dynamics and Likely Outcomes

Kaewkamol Pitakdumrongkit | *Korea on Point (The Korean Association of International Studies)* | 09 November 2023

Rethinking Confidence-Building Measures Amid Geopolitical Rivalry

Joel Ng | *CSCAP Regional Security Outlook 2024 (also published in RSIS Commentaries)* | November 2023

Thailand's Upcoming Challenge Consolidating Regional Integration Around the Bay of Bengal

Nazia Hussain | *RSIS Commentaries* | 27 December 2023

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Multilateral Matters is the quarterly publication of the Centre for Multilateralism Studies (CMS), analysing the most recent developments regarding multilateralism by our team. It covers articles on relevant economic and political issues as well as programmes and latest publications from the research centre. The objective of the newsletter is to promote the research being done by our centre, raising awareness of the many events that we hold on a regular basis.

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