

Backgrounder

What Is ASEAN?

The Association of Southeast Asian Nations is a regional organization that brings together disparate neighbors to address economic, security, and political issues, but the group's impact remains limited.

WRITTEN BY

Lindsay Maizland *and* Eleanor Albert

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Summary

It is an intergovernmental organization of ten Southeast Asian countries: Brunei, Cambodia, Indonesia, Laos, Malaysia, Myanmar, the Philippines, Singapore, Thailand, and Vietnam.

The bloc's biggest success has been promoting economic integration among members. It also helped negotiate the RCEP agreement to create one of the world's largest free trade blocs.

ASEAN has struggled to form a cohesive response to China's claims in the South China Sea, which conflict with those of several members.

Introduction

The Association of Southeast Asian Nations (ASEAN) is a regional grouping that promotes economic, political, and security cooperation among its ten members: Brunei, Cambodia, Indonesia, Laos, Malaysia, Myanmar, the Philippines, Singapore, Thailand,

and Vietnam. ASEAN countries have a total population of 650 million people and a combined gross domestic product (GDP) of \$2.8 trillion. The group has played a central role in Asian economic integration, spearheading negotiations among Asia-Pacific nations to form one of the world's largest free trade blocs and signing six free trade agreements with other regional economies.

Yet experts say ASEAN's impact is limited by a lack of strategic vision, diverging priorities among member states, and weak leadership. The bloc's biggest challenge, they say, is developing a unified approach to China, particularly in response to Beijing's claims in the South China Sea, which overlap with claims of several ASEAN members.

How ASEAN Works

ASEAN is headed by a chair—a position that rotates annually among member states—and is assisted by a secretariat based in Jakarta, Indonesia. Important decisions are usually reached through consultation and consensus guided by the principles of noninterference in internal affairs and peaceful resolution of conflicts. Some experts see this approach to decision-making as a chief drawback for the organization. “These norms of consensus and noninterference have increasingly become outdated, and they have hindered ASEAN's influence on issues ranging from dealing with China and crises in particular ASEAN states,” says CFR's Joshua Kurlantzick.

Other experts say ASEAN has contributed to regional stability by developing much-needed norms and fostering a neutral environment to address shared challenges. “In Asia, talking and relationship building is half the challenge to solving problems,” Murray Hiebert, a senior associate of the Southeast Asia Program at the Washington-based Center for Strategic and International Studies (CSIS), told CFR.

The Bloc's History

Formed in 1967, ASEAN united Indonesia, Malaysia, the Philippines, Singapore, and Thailand, which sought to create a common front against the spread of communism and promote political, economic, and social stability amid rising tensions in the Asia-

Pacific. In 1976, the members signed the Treaty of Amity and Cooperation in Southeast Asia, which emphasizes mutual respect and noninterference in other countries' affairs.

Membership doubled by the end of the 1990s. The resolution of Cambodia's civil war in 1991, the end of the Cold War, and the normalization of relations between the United States and Vietnam in 1995 brought relative peace to mainland Southeast Asia, paving the way for more states to join ASEAN. With the addition of Brunei (1984), Vietnam (1995), Laos and Myanmar (1997), and Cambodia (1999), the group started to launch initiatives to boost regionalism. The members signed a treaty in 1995, for example, to refrain from developing, acquiring, or possessing nuclear weapons.

ASEAN Members and Trade

● ASEAN members ● Countries with free trade agreements with ASEAN



Faced with the 1997 Asian financial crisis, which started in Thailand, ASEAN members pushed to further integrate their economies. The Chiang Mai Initiative [PDF], for instance, was a currency swap arrangement first initiated in 2000 between ASEAN

members, China, Japan, and South Korea to provide financial support to one another and fight currency speculation.

In 2007, the ten members adopted the ASEAN Charter [PDF], a constitutional document that provided the grouping with legal status and an institutional framework. The charter enshrines core principles and delineates requirements for membership. (East Timor submitted an application for membership in 2011 but not all members back its accession.) The charter laid out a blueprint for a community made up of three branches: the ASEAN Economic Community (AEC), the ASEAN Political-Security Community, and the ASEAN Socio-Cultural Community.

Economic Progress

ASEAN has made notable progress toward economic integration and free trade in the region. In 1992, members created the ASEAN Free Trade Area with the goals of creating a single market, increasing intra-ASEAN trade and investments, and attracting foreign investment. Intra-ASEAN trade as a share of the bloc's overall trade grew from about 19 percent [PDF] in 1993 to 23 percent [PDF] in 2017. Across the grouping, more than 90 percent of goods are traded with no tariffs. The bloc has prioritized eleven sectors for integration, including electronics, automotives, rubber-based products, textiles and apparels, agro-based products, and tourism.

Despite the progress, some of the region's most important industries are not covered by preferential trade measures, and differences in income among members could make economic integration challenging. Some experts see the AEC, through which ASEAN defines its trade goals, as a potential catalyst for further economic integration.

In November 2020, ASEAN members joined Australia, China, Japan, New Zealand, and South Korea in signing the Regional Comprehensive Economic Partnership (RCEP), a free trade agreement they had been negotiating since 2012. Although the RCEP doesn't cut tariffs drastically, it covers more of the world's population—30 percent—than any other trade bloc. It will also help boost economic integration between Northeast and

Southeast Asia. India, which was initially involved in negotiations, decided in 2019 that it would not join. ASEAN is also party to six free trade agreements with countries outside of the grouping.

Regional Security Challenges

Security challenges include maritime disputes, such as in the South China Sea, human trafficking, narcotics trafficking, refugee flows, natural disasters, food insecurity, and terrorism and insurgencies. While the vast majority of issues are dealt with outside of ASEAN, including bilaterally or with outside moderation, there are several ASEAN-led forums through which regional issues are discussed:

ASEAN Regional Forum. Launched in 1993, the twenty-seven-member multilateral grouping was developed to facilitate regional confidence-building and preventive diplomacy on political and security issues. The forum represents a wide array of voices—including ASEAN, its dialogue partners, North Korea, and Pakistan, among others—yet it is often mired in geopolitical disputes that limit its effectiveness.

ASEAN Plus Three. The consultative group, which was initiated in 1997, brings together ASEAN's ten members, China, Japan, and South Korea.

ASEAN Plus Six. This group consists of ASEAN's ten members plus Australia, China, India, Japan, New Zealand, and South Korea. It played a central role in pushing forward the RCEP.

East Asia Summit. First held in 2005, the summit seeks to promote security and prosperity and is often attended by the heads of state of ASEAN members, Australia, China, India, Japan, New Zealand, Russia, South Korea, and the United States. “The summit remains the only opportunity for the president of the United States to sit down and collectively engage his Asia-Pacific counterparts on the main political and security issues of the day,” wrote the U.S. Institute of Peace's Vikram Singh and the Brookings Institution's Lindsey Ford. However, U.S. President Donald J. Trump has never attended an East Asia Summit.

Amid the coronavirus pandemic and subsequent economic crisis in 2020, ASEAN countries set up several bodies and mechanisms to procure medical supplies, distribute a COVID-19 vaccine, coordinate economic recovery plans, and facilitate the safe resumption of regional travel.

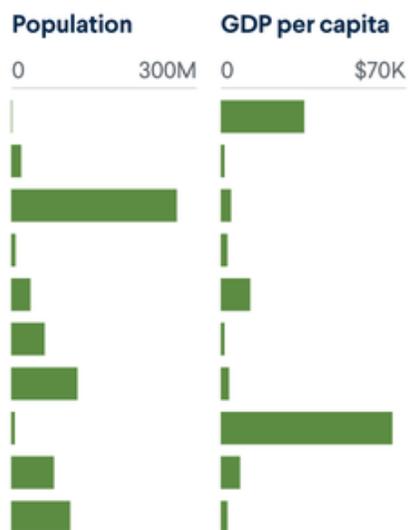
ASEAN's Diversity

Gross domestic product (GDP)



Note: 2018 data

Source: World Bank.



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Despite these diplomatic forums, disagreements over security issues continue to challenge ASEAN's unity. The group's most glaring issue has been finding a joint response to the rise of China. "China's re-emergence as the major power in the East Asia region is not only likely to transform Southeast Asia's relations with China, but also perhaps the internal relations of ASEAN itself," wrote Mark Beeson, an Australian professor who specializes in the region, in 2016.

Maritime disputes in the South China Sea have been among the biggest irritants. Brunei, Indonesia, Malaysia, the Philippines, and Vietnam claim features in waters contested with China. For those countries, China's moves to reclaim land and build

artificial islands are seen as violations of their national sovereignty. In response, some have invested in modernizing their militaries. For other ASEAN members, tensions in the South China Sea are geographically distant and not a priority. A few, such as Cambodia, even tend to support China's claims. In 2002, ASEAN and China signed the nonbinding Declaration of Conduct of Parties in the South China Sea. Efforts to make it a legally binding code of conduct have regained momentum in recent years, with Beijing voicing support for reaching an agreement by 2022.

The United States, which has a strong interest in preventing China from controlling the South China Sea, has responded by continuing military cooperation with ASEAN members, including the Philippines and Vietnam, and increasing its maritime presence to enforce freedom of navigation in international waters.

ASEAN members have been divided over their ties to China and to the United States. The region is in need of investment, trade, and infrastructure development, and China has moved to fill these needs. But ASEAN members are anxious about becoming economically dependent on China; in turn, these nations "look to the United States to hedge," says CSIS's Hiebert.

U.S.-ASEAN Relations

The United States is ASEAN's fourth-largest trading partner in terms of goods, trailing China, the European Union, and Japan. Merchandise trade between the two sides reached more than \$292 billion in 2019. The United States has launched subregional and bilateral initiatives to boost ties, including the Lower Mekong Initiative, which aims to deepen cooperation between the United States and ASEAN members Cambodia, Laos, Myanmar, Thailand, and Vietnam on issues related to the environment, health, education, and infrastructure development. Four ASEAN members—Brunei, Malaysia, Singapore, and Vietnam—signed the Comprehensive and Progressive Agreement for Trans-Pacific Partnership, formerly known as the TPP, a free trade agreement that the United States helped negotiate. However, Washington's

withdrawal from the TPP shortly after Trump took office in 2017 set back broader U.S. efforts to demonstrate commitment to the region's growing trade integration. The United States is not part of the RCEP trade deal.

The Barack Obama administration, as part of its so-called "pivot" or "rebalance" to Asia, increased U.S. participation in activities with ASEAN. It sent senior officials, including President Obama, to ASEAN summits, named the first resident ambassador to ASEAN, joined the Treaty of Amity and Cooperation, and established an annual U.S.-ASEAN summit. The United States and ASEAN elevated their relationship to a strategic partnership in November 2015, and the following year they held the first U.S.-ASEAN leaders' summit.

The Trump administration has continued to send high-ranking officials on visits to Southeast Asia, including the vice president and the secretaries of state and defense. In his first year in office, Trump attended the bloc's biannual summit, but he has not attended since.

A Path Forward

ASEAN brings together countries with significantly different economies and political systems. Singapore boasts the highest GDP per capita among the group's members at more than \$65,000 based on 2019 World Bank figures; Myanmar's is the lowest at around \$1,400. The members' political systems include democracies, authoritarian states, and hybrid regimes. Demographics differ across the region, too, with many religious and ethnic groups represented. ASEAN's geography includes archipelagos and continental land masses with low plains and mountainous terrain.

Given such diversity among its members, the bloc remains divided over how to address many issues, including China's claims in the South China Sea, human rights abuses, including ethnic cleansing against the Rohingya minority in Myanmar, and political repression in member states such as Cambodia.

Some experts have suggested that ASEAN reimagine its framework and decision-making practices. In 2012, CFR's Kurlantzick recommended substantive changes to ASEAN that could help it lead economic and political integration efforts in Asia. These include strengthening its secretariat and empowering a high-profile secretary-general to speak on its behalf, abandoning consensus decision-making, and demonstrating that ASEAN can build its own free trade area. Others, such as CSIS's Hiebert, see the organization thriving under a coalition-of-the-willing format, in which some of the group's members could decide to act on certain issues, such as joint maritime patrol initiatives, and others could join later.

Recommended Resources

CFR's Joshua Kurlantzick examines the RCEP trade deal's implications.

The Center for Strategic and International Studies examines U.S.-ASEAN trade relations in an age of disruptions.

In this 2019 report [PDF], the East West Center, the U.S.-ASEAN Business Council, and the ISEAS-Yusof Ishak Institute examine connections between the United States and ASEAN countries.

This CFR timeline explores China's maritime disputes in the East and South China Seas.

The ASEAN Charter [PDF] outlines the purpose and objectives of the ten-member group.

CFR's Kurlantzick looks at mainland Southeast Asia's success in battling COVID-19.

Carlos Galina contributed to this report.

For media inquiries on this topic, please reach out to [communications@CFR.org](mailto:communications@ CFR.org).

