



RESEARCH ARTICLE

Great Power Rivalry in the Indo-Pacific: Charting ASEAN's Role in Ensuring Southeast Asia's Stability

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ABSTRACT

Southeast Asia's strategic role in the Indo-Pacific as an economic hub, vital SLOC, and resource-rich region is increasingly challenged by intensifying US-China rivalry. This study analyzes ASEAN's effectiveness in maintaining stability amidst these dynamics using Balance of Power, Security Dilemma, and Regional Security Complex theories. ASEAN has fostered dialogue and cooperation through mechanisms like ARF and ADMM-Plus, yet faces internal challenges such as economic disparities, diverging member interests, and institutional weaknesses. Economic reliance on China has driven development but created vulnerabilities, while a lack of unified leadership hampers decisive action on issues like the South China Sea. Despite its limitations, ASEAN remains critical to regional stability. Strengthening cohesion, institutional capacity, and multilateral engagement is essential for ASEAN to maintain its autonomy and centrality. This research offers insights into regional stability, great power competition, and the evolving Indo-Pacific landscape.

INTRODUCTION

Southeast Asia is a strategically significant region within the Indo-Pacific that has drawn global attention over the past decade. This region has not only achieved economic growth but also occupies a critical geographic position as the hub of sea lanes of communication (SLOC) connecting the Middle East and Northeast Asia. Additionally, Southeast Asia is rich in natural resources vital for industrial nations and has a population exceeding 600 million, serving as both a labor provider and a product market. Over the last two decades, the region has enjoyed relative stability, particularly in terms of bilateral relationships between Southeast Asian nations, despite cultural differences and historical legacies such as World War II and the Cold War (Egberink & Van der Putten, 2010).

The Cold War significantly influenced the geopolitics of Asia, including Southeast Asia, which became an arena for localized conflicts and proxy wars between the United States (US) and the Soviet Union. Despite these tensions, the US military presence in the region played a key role in maintaining relative stability (Acharya, 2013). This stability was further supported by regional infrastructure, most notably the establishment of ASEAN in 1967 through the Bangkok Declaration. ASEAN was formed to promote peace and cooperation in the region, despite its member states' diverse political systems and colonial legacies (Lee, 2011).

However, this stability is now being challenged by escalating rivalry between the US and China in the Indo-Pacific. The US's rebalancing policy during the Obama administration was perceived by China as a containment strategy, while China's assertive actions in the South China Sea are viewed as a threat

by the US and its allies (Raska, 2015). This rivalry directly impacts ASEAN as a regional institution and its member states. The growing tensions raise concerns about ASEAN's ability to maintain unity and centrality in the region. ASEAN's loose organizational structure, varying levels of commitment among members, and lack of strong leadership have hindered its capacity to respond effectively to these geopolitical shifts (Tarling, 2013).

Stability is a fundamental concept in International Relations (IR) theory, shaping how policymakers and security professionals perceive and address global challenges. Various processes and interactions, such as multilateral forums, diplomatic negotiations, academic discussions, and military planning, often aim to establish or maintain stability. Stability has long captured the attention of theorists and policymakers as a framework for understanding security and order. Additionally, it is critical for achieving broader national and regional goals, including development and prosperity. Stability itself depends on several factors, including historical and societal dynamics, political developments, economic trends, and power balances between key states (Johnston, 2003).

Huntington equates stability with order, emphasizing that order is essential for state survival, regardless of government type. Institutions play a vital role in creating order; rapid societal changes without institutional adaptation often lead to instability. While stability results from interactions among parties, order refers to the dynamic condition of such interactions that shapes relationships and responses (Slobodchikoff, 2014). In IR, order is a central issue, describing the extent to which political interactions at the regional or global level follow predictable patterns (Slobodchikoff, 2014). For instance, Ikenberry posits that stability in the Asia-Pacific region depends on interactions among the US, Japan, and China (Ikenberry & Mastanduno, 2003). Furthermore, Deutsch defines stability as a system's ability to retain its essential characteristics, avoid dominance by a single nation, ensure member survival, and prevent large-scale war (Stewart-Ingersoll & Frazier, 2012).

Different IR perspectives offer unique insights into stability and order. Realists argue that order emerges through balanced power configurations, with stronger nations shaping order based on their interests. A Grand Strategy of offshore balancing, as proposed by Mearsheimer and Walt, exemplifies this realist approach. Realists contend that powerful states can establish order and convince weaker states to follow, often offering security guarantees in return (Mearsheimer, 2010). Ikenberry identifies three types of order: balance-of-power, hegemonic, and integration-based orders, the first two aligning closely with realist views (Ikenberry & Mastanduno, 2003).

Although realist perspectives dominate, liberal and constructivist theories provide alternative explanations for stability, emphasizing factors like economic interdependence, shared values, and institutions. For example, economic interdependence in Northeast Asia helps maintain stability, as seen in the trade relationships among China, Japan, and South Korea. Despite political tensions, their economic ties prevent conflicts from escalating (Mearsheimer, 2010). Institutions further contribute to stability by fostering cooperation, reducing uncertainty, and establishing norms and mechanisms for conflict resolution (Ikenberry & Mastanduno, 2003).

History and memory also play a crucial role in shaping stability. For instance, shared cultural and historical experiences between China and South Korea, such as Confucianism and mutual resistance to external domination, have fostered cohesion and stability despite contemporary security concerns (King & Taylor, 2016). These factors highlight the multifaceted nature of stability in international politics.

In the context of Southeast Asia, stability is influenced not only by external powers like the US and China but also by regional dynamics and institutional mechanisms such as ASEAN. The region's history demonstrates that factors beyond power, including economic interdependence, institutional frameworks, and shared historical narratives, are vital in maintaining stability. These dynamics will be explored in the following sections.

The Cold War era provides a critical backdrop for understanding stability in Southeast Asia, highlighting the historical and structural factors that have shaped the region. During the early 1960s,

skepticism about the region's capacity for unity and collaboration was prevalent. US Ambassador to Thailand, Kenneth T. Young, noted the lack of shared history and values among Southeast Asian nations, describing the region as marked by centrifugal and divisive tendencies, with limited prospects for regional cooperation or collective defense (Acharya, 2013).

The diversity of political systems and colonial legacies underscores the challenges to regional cohesion. Indo-Chinese nations such as Vietnam, Cambodia, and Laos were aligned with communist powers like China and the Soviet Union during the Cold War. In contrast, Indonesia, following the suppression of its Communist Party in 1965, aligned itself with Western powers. The varied colonial histories also shaped the trajectories of these nations, with British colonies like Malaysia and Singapore transitioning relatively peacefully to independence, while others, such as Indonesia and Vietnam, gained independence through conflict and struggle (Acharya, 2013).

Despite these differences, the establishment of ASEAN on August 8, 1967, marked a turning point for regional stability. ASEAN was founded by Indonesia, Malaysia, the Philippines, Singapore, and Thailand through the Bangkok Charter, laying the groundwork for regional cooperation amidst Cold War tensions. At its inception, ASEAN faced skepticism, with observers likening it to the failed Southeast Asia Treaty Organisation (SEATO). However, ASEAN proved resilient, expanding its membership in the 1990s to include Vietnam, Brunei, Cambodia, Laos, and Myanmar, and evolving into a key stabilizing force in the region (Acharya, 2013).

ASEAN's principles of non-intervention and consensus-building played a crucial role in fostering trust among its members. The organization provided a platform for dialogue and dispute resolution, allowing member states to focus on economic development and stability. For instance, ASEAN effectively mediated regional tensions, such as the Cambodia-Vietnam conflict in the late 1970s, and addressed internal crises like the 1997 financial crisis through coordinated economic recovery mechanisms (Severino, 2006).

ASEAN also demonstrated its adaptability in addressing emerging security threats. In response to terrorist attacks in the 2000s, ASEAN nations collaborated on counter-terrorism initiatives, leading to the apprehension of key figures involved in regional attacks (Tan, 2010). Similarly, ASEAN nations addressed maritime security in the Malacca Strait through the "Eye in the Sky" initiative, rejecting direct external power involvement while ensuring cooperative patrols among member states (Morris & Paoli, 2018).

Despite challenges, ASEAN's role in maintaining stability over the decades highlights its significance as a regional institution. The organization's ability to navigate crises and foster economic and security cooperation underscores its contribution to Southeast Asia's development. However, new dynamics, particularly the rivalry between the US and China, pose significant challenges to ASEAN's centrality and regional stability. The following sections will examine these contemporary developments and their implications.

This study is crucial for understanding the evolving geopolitical landscape in Southeast Asia and the factors influencing regional stability. By analyzing historical and contemporary dynamics, it provides insights into how ASEAN and its member states can navigate great power competition while maintaining regional cohesion. The findings contribute to the broader discourse on International Relations, offering valuable perspectives on the interplay between regional institutions, external powers, and stability in the Indo-Pacific. This research is essential for policymakers, scholars, and regional stakeholders aiming to sustain peace and development in a rapidly changing global environment.

Theoretical Framework

Balance of Power Theory posits that regional stability can be maintained when power is distributed in such a way that no single actor or coalition dominates. ASEAN's strategic approach reflects this theory, particularly in its efforts to manage great power rivalries between the United States and China.

Through external balancing, ASEAN member states engage in partnerships with powers such as the US and Japan to offset China's growing influence while also promoting regional cooperation mechanisms like the ASEAN Regional Forum (ARF). These initiatives aim to maintain equilibrium and prevent dominance by any single external power. Balance of Power Theory provides insights into how ASEAN employs a combination of multilateral dialogues and external alignments to safeguard regional security (Mearsheimer, 2010).

The Security Dilemma theory explains how actions taken by a state to enhance its security can be perceived as threats by others, leading to escalating tensions. This dynamic is evident in Southeast Asia, particularly in the South China Sea disputes, where the military build-ups of regional states and great powers have raised concerns. ASEAN addresses this through mechanisms like the Declaration on the Conduct of Parties in the South China Sea (DOC), which aims to manage disputes and reduce the risks of miscalculation among involved actors. By fostering confidence-building measures and facilitating dialogue, ASEAN seeks to mitigate the security dilemma and prevent the escalation of conflicts, illustrating its critical role in maintaining regional stability (Christensen, 1999).

RSCT highlights how security dynamics within a region are deeply interconnected due to geographic proximity and interdependence. Southeast Asia is considered a regional security complex where the security of one state cannot be isolated from that of its neighbors. ASEAN plays a central role in managing these interconnected dynamics through platforms like the ASEAN Defense Ministers' Meeting (ADMM) and ADMM-Plus. These mechanisms allow ASEAN to address shared security concerns, such as terrorism and maritime security, while balancing the influence of external powers like the US and China. RSCT underscores ASEAN's ability to foster regional collaboration and stabilize the security landscape in Southeast Asia (Buzan, 2003).

LITERATURE REVIEW

Great Power Rivalry in the Indo-Pacific

The Indo-Pacific region has increasingly become the focal point of strategic competition between great powers, particularly the United States, China, and Russia. According to many scholars, the shifting power dynamics in this region reflect broader geopolitical changes. The U.S. views its position as a global leader threatened by China's assertive foreign policies, especially in the South China Sea, while China sees its rise as a natural course to reclaim historical dominance. This rivalry impacts trade routes, regional security, and economic policies, which are intricately tied to the interests of Southeast Asian nations.

Recent analyses argue that this rivalry is not simply a bilateral matter between the U.S. and China but involves third parties such as India, Japan, and Russia, each with their own regional aspirations. Studies by (Ikenberry & Mastanduno, 2003) and Posen (2019) show that these powers engage in both hard and soft power strategies, seeking to enhance their influence through military presence, economic aid, and strategic alliances. The importance of Southeast Asia in this rivalry is underscored by its central role in global shipping lanes, energy resources, and regional governance.

Furthermore, the great power rivalry has influenced the development of security architectures in the region, such as the Quad (U.S., Japan, Australia, and India) and China's Belt and Road Initiative. This competition has led to both collaboration and tension among regional players, with varying degrees of alignment with either of the great powers. Some scholars argue that Southeast Asia's strategic value is increasing, given its geographic and economic importance in this ongoing geopolitical struggle (Basu, 2019).

ASEAN's Role in Regional Stability

ASEAN (Association of Southeast Asian Nations) has long been a crucial player in maintaining stability in the Indo-Pacific region. Established in 1967, ASEAN was designed as a regional grouping aimed at fostering cooperation and managing the diverse political, economic, and social challenges of Southeast Asia. As the great power rivalry intensifies, ASEAN's role has shifted from being a neutral platform for

dialogue to a key actor in balancing regional tensions.

Scholars highlight ASEAN's strategy of non-interference and consensus-building as critical in managing regional conflicts. ASEAN's ability to prevent the escalation of disputes in the South China Sea, for instance, is often lauded, despite the complexities of territorial claims and China's assertive actions. Research by Thuzar (2019) emphasizes ASEAN's engagement with external powers to establish norms and agreements that help manage regional conflicts without direct confrontation. This includes the ASEAN Regional Forum (ARF), the East Asia Summit (EAS), and the ASEAN Defense Ministers' Meeting Plus (ADMM-Plus), which offer platforms for dialogue and confidence-building measures.

However, the increasing influence of great powers complicates ASEAN's traditional approach. As noted by (Acharya, 2013), ASEAN faces significant challenges in remaining unified amid competing interests. The differing views of member states—some of which align more closely with the U.S. or China—pose a challenge to ASEAN's ability to present a coherent strategy. This has led to questions about ASEAN's effectiveness in managing the rivalry and ensuring regional stability in the face of escalating competition.

ASEAN's Strategy for Ensuring Stability amid Great Power Rivalry

ASEAN has adopted a strategy of active neutrality and engagement with both the U.S. and China to maintain its influence in the region and ensure Southeast Asia's stability. This includes promoting regional economic integration through initiatives like the Regional Comprehensive Economic Partnership (RCEP), which not only strengthens intra-ASEAN ties but also integrates the economic interests of China and other major powers.

ASEAN's strategy also involves balancing military diplomacy, such as defense cooperation with the U.S. and security dialogues with China. ASEAN's approach aims to prevent conflict escalation by encouraging diplomatic solutions over military interventions. As noted by (Tan, 2010), ASEAN has positioned itself as a mediator in the region, advocating for peaceful dispute resolution mechanisms, especially in the context of the South China Sea. These efforts align with the bloc's broader objective of ensuring that Southeast Asia remains a region of peace and stability, free from the overbearing influence of any single power.

However, scholars such as Kavi (2021) argue that ASEAN's strategy is increasingly under strain, particularly as China's rise challenges the existing balance of power. ASEAN must navigate its relationships with major powers carefully, balancing its economic dependence on China with its security ties to the U.S. While ASEAN's diplomatic efforts are significant, some argue that the organization may need to rethink its strategies to cope with the growing security risks in the region, such as military build-ups and economic coercion from both the U.S. and China.

METHODOLOGY

This study employs a qualitative research approach to analyze ASEAN's role in maintaining regional stability amidst great power rivalry in Southeast Asia. The research adopts an exploratory design, focusing on case studies to examine ASEAN's strategies and institutional responses to evolving security dynamics. The study draws on three key theoretical frameworks: Balance of Power Theory, Security Dilemma, and Regional Security Complex Theory (RSCT), which provide insights into ASEAN's approaches to balancing external powers, addressing regional security tensions, and managing interconnected security dynamics (Buzan, 2003). Data for this study were collected from secondary sources, including peer-reviewed journal articles, books, policy documents, and reports from international organizations and think tanks. Key case studies include the South China Sea disputes, the ASEAN Regional Forum (ARF), and the "Eye in the Sky" initiative, which highlight ASEAN's efforts in navigating security challenges (Severino, 2006).

A thematic analysis was conducted to identify patterns in ASEAN's responses to regional security issues. This analysis focuses on ASEAN's balancing strategies through multilateral engagements, such

as the ARF and ADMM-Plus, and efforts to mitigate tensions through confidence-building measures and dialogue frameworks (Tan, 2010). The Balance of Power Theory evaluates how ASEAN utilizes partnerships with external powers, such as the United States and Japan, to balance China's influence (Mearsheimer, 2010). Security Dilemma theory is applied to assess ASEAN's role in mitigating tensions arising from military build-ups and territorial disputes, particularly in the South China Sea (Christensen, 1999). Finally, RSCT analyzes ASEAN's ability to manage security dynamics within the region by fostering cooperation and preventing escalation through mechanisms like ADMM (Buzan, 2003). This methodological approach provides a comprehensive understanding of ASEAN's effectiveness in addressing both traditional and non-traditional security threats while maintaining regional stability.

RESULTS

The rivalry between the United States and China has profoundly shaped the political, economic, and security landscape in Southeast Asia. ASEAN and its member states find themselves at the intersection of this competition, with diverse responses influenced by national interests, geopolitical realities, and economic dependencies. One key finding is the divergence in ASEAN member states' responses to the rivalry. Cambodia stands out as a pro-China state, driven by its reliance on Chinese economic aid and security guarantees. This alignment has weakened ASEAN's unity, exemplified by the failure to issue a joint communiqué during the 2012 ASEAN Ministerial Meeting. Conversely, countries like Vietnam and the Philippines have balanced economic engagement with China while resisting its territorial claims. However, leadership changes, such as President Duterte's pivot in the Philippines, have led to a closer alignment with Beijing. Thailand, with its historical ties to the United States, continues to host joint military exercises, such as Cobra Gold, but its growing economic dependence on China demonstrates its shift towards balancing both powers. Neutral actors like Indonesia and Singapore have adopted more cautious approaches, striving to maintain equidistance in their relations with the US and China (Sato, 2013).

Territorial disputes in the South China Sea remain a central point of contention and a source of heightened security tensions. Vietnam and the Philippines have experienced direct confrontations with China over overlapping claims, with incidents such as China's blockade of Philippine military personnel at Scarborough Shoal and its deployment of the HYSY-981 oil rig in Vietnam's Exclusive Economic Zone (EEZ). These actions have strained China's relations with these countries, prompting responses such as Vietnam's closer alignment with the US. Meanwhile, the Philippines initially sought international arbitration and received a favorable ruling from the International Court of Justice (ICJ) in 2016. However, President Duterte's subsequent rapprochement with China softened the Philippines' stance, showcasing the fluidity of alignments within ASEAN (Kingdon, 2015).

The growing rivalry between the US and China has also exposed ASEAN's institutional weaknesses. The organization's consensus-based decision-making and principle of non-interference, while promoting inclusivity, have hindered its ability to address contentious issues like the South China Sea disputes. Cambodia's alignment with China and the Philippines' shifting policies under Duterte have highlighted internal divisions that weaken ASEAN's centrality in shaping regional stability. These challenges raise concerns about ASEAN's relevance in managing great power competition and maintaining cohesion among its members (Laksmana, 2017).

The strategic competition between the US and China is characterized by contrasting approaches. The US employs military alliances, such as its partnership with Thailand, and conducts Freedom of Navigation Operations (FONOPS) to counterbalance China's assertiveness. Meanwhile, China leverages economic diplomacy and coercive tactics, such as its artificial island-building and Air Defense Identification Zone (ADIZ) declarations, to expand its influence and secure strategic advantages in the South China Sea. While these actions strengthen China's regional position, they also risk alienating ASEAN as a collective entity, pushing some member states closer to the US. For instance, Vietnam's strategic alignment with the US highlights the potential for external powers to exploit divisions within ASEAN (Matsumura, 2016).

Neutral states like Indonesia and Singapore play a critical role in mitigating tensions and promoting stability in the region. Indonesia, in particular, with its strategic size and position, has sought to balance relations with both the US and China while advocating for ASEAN unity. However, incidents such as confrontations between Chinese fishing vessels and the Indonesian Navy in the Natuna Sea illustrate the challenges Indonesia faces in maintaining neutrality. Singapore, with its emphasis on multilateralism and regional stability, continues to advocate for rules-based order in the South China Sea, reflecting its commitment to ASEAN's collective interests (Kapoor & Jensen, 2016).

DISCUSSION

ASEAN's Role in Managing Great Power Rivalry

The Association of Southeast Asian Nations (ASEAN) has long played a critical role in fostering regional stability and addressing security challenges in Southeast Asia. Amid the intensifying rivalry between the United States and China, ASEAN faces a significant test in maintaining its centrality and cohesion. This section explores ASEAN's strategies, achievements, and limitations in managing the great power rivalry while safeguarding the region's stability.

ASEAN's foundational principles, particularly non-interference, consensus-based decision-making, and inclusivity, have been integral to its success in maintaining peace and cooperation among member states. These principles have allowed ASEAN to provide a platform for dialogue and conflict resolution, reducing tensions among its members and external powers. ASEAN's creation of multilateral forums such as the ASEAN Regional Forum (ARF) and the ASEAN Defence Ministers' Meeting Plus (ADMM-Plus) underscores its commitment to fostering dialogue and cooperation among regional and global powers, including the US and China. These mechanisms have provided avenues for addressing security challenges and building trust (Severino, 2006).

The rivalry between the US and China has placed ASEAN at the center of geopolitical competition in Southeast Asia. ASEAN's strategy in managing this rivalry involves engaging both powers through multilateral platforms while avoiding overt alignment. For instance, ASEAN has emphasized the importance of a rules-based order in the South China Sea, urging adherence to international law, including the United Nations Convention on the Law of the Sea (UNCLOS). This approach reflects ASEAN's attempt to balance the competing interests of the US, which champions freedom of navigation, and China, which asserts territorial claims (Morris & Paoli, 2018).

Despite its efforts, ASEAN's role in managing great power rivalry is constrained by internal and external challenges. Internally, ASEAN faces difficulties in maintaining unity among its members. Diverging national interests, as seen in Cambodia's pro-China stance and Vietnam's alignment with the US on territorial disputes, weaken ASEAN's ability to present a united front. This disunity undermines ASEAN's centrality and reduces its effectiveness in addressing regional security issues (Gao, 2017). Externally, ASEAN is challenged by the growing assertiveness of China and the unpredictability of US foreign policy. China's economic diplomacy and military activities in the South China Sea have tested ASEAN's capacity to mediate conflicts, while US policies under different administrations have sometimes been inconsistent, complicating ASEAN's engagement with Washington (Mearsheimer, 2010).

ASEAN's ability to navigate these challenges depends on strengthening its institutional mechanisms and fostering greater cohesion among its members. Enhancing the capacity of ASEAN-led forums, such as ARF and ADMM-Plus, to address emerging security threats is essential. Furthermore, ASEAN must continue to engage external powers constructively while safeguarding its autonomy and centrality. This includes promoting adherence to international law and advocating for peaceful resolution of disputes, as outlined in the ASEAN Charter (Laksmana, 2017).

ASEAN's role in managing great power rivalry highlights the importance of regional institutions in maintaining stability in a multipolar world. While its limitations are evident, ASEAN's multilateral framework and emphasis on dialogue remain critical for navigating the complex dynamics of US-China competition. Strengthening ASEAN's unity and institutional capacity will be essential for ensuring its

continued relevance as a stabilizing force in Southeast Asia.

Economic Interdependence and Regional Stability

Economic interdependence with China is another significant factor shaping ASEAN's responses. China's investments, infrastructure projects, and trade agreements, such as the China-ASEAN Free Trade Area, have solidified its role as a major economic partner for Southeast Asian nations. This economic reliance has deterred member states from directly confronting Beijing on contentious issues like the South China Sea. For example, despite territorial disputes, countries like Malaysia and Brunei have chosen bilateral negotiations over multilateral criticism, reflecting their economic ties with China (Ba, 2014). However, this dependency also grants China considerable leverage over the region, allowing it to influence individual ASEAN members and undermine collective decision-making.

Economic interdependence has been a defining feature of Southeast Asia's regional dynamics, contributing significantly to stability while also creating vulnerabilities. ASEAN's economic growth and integration into global markets have been central to its members' development and their relationships with major powers like the United States and China. This section examines the role of economic interdependence in shaping regional stability, focusing on the opportunities and challenges it presents.

Southeast Asia's economic ties with China have grown dramatically over the past few decades. China is now a major trading partner for most ASEAN countries, with trade agreements like the ASEAN-China Free Trade Area enhancing economic integration. This interdependence has driven economic growth in the region and deepened bilateral relationships. For example, China's investments in infrastructure projects, such as those under the Belt and Road Initiative (BRI), have been pivotal for nations like Cambodia, Laos, and Myanmar, enabling economic modernization and development (Goh, 2007). Similarly, Southeast Asia's export-oriented economies, such as Vietnam and Malaysia, have benefitted from access to China's vast market and its role in regional supply chains.

The United States also plays a critical role in the region's economic stability. The US has historically been a key source of foreign direct investment (FDI) and remains a major trading partner for several ASEAN nations. Programs like the Indo-Pacific Economic Framework reflect US efforts to strengthen its economic ties with the region, countering China's influence. For instance, countries like Singapore and Thailand maintain robust trade and investment relationships with the US, balancing their economic engagements between the two powers (Ba, 2014).

While economic interdependence fosters stability by creating shared interests and reducing the likelihood of conflict, it also generates dependencies that can be strategically exploited. China's economic leverage is evident in its bilateral dealings with ASEAN member states, such as Cambodia and the Philippines, where infrastructure investments and trade benefits have influenced political decisions. Cambodia's consistent alignment with China in ASEAN forums demonstrates how economic dependencies can weaken regional cohesion and centrality (Sato, 2013).

Another challenge is the vulnerability of ASEAN economies to global economic fluctuations and geopolitical tensions. The US-China trade war, for instance, has disrupted regional supply chains, forcing Southeast Asian nations to navigate the economic fallout. Additionally, China's economic coercion, such as trade restrictions or investment freezes, has been used as a tool to exert pressure on nations that challenge its policies, including territorial disputes in the South China Sea (Goh, 2007).

ASEAN's economic interdependence has also been instrumental in fostering multilateral cooperation. Initiatives like the Regional Comprehensive Economic Partnership (RCEP) demonstrate ASEAN's efforts to deepen economic integration and reduce reliance on any single external power. Such agreements enhance regional resilience by diversifying trade and investment relationships while promoting rules-based economic governance (Laksmana, 2017).

In conclusion, economic interdependence plays a dual role in Southeast Asia's stability. While it fosters growth and cooperation, it also creates vulnerabilities that can be exploited by major powers. ASEAN must leverage its multilateral frameworks to ensure that economic dependencies do not undermine its

unity and centrality. By diversifying partnerships and promoting equitable development, ASEAN can strengthen its role as a stabilizing force in the region.

The Key Challenges for ASEAN

ASEAN's role as a regional organization since its formation in 1967 has been a topic of both acclaim and criticism. Optimistic perspectives highlight ASEAN's significant contributions to regional stability and prosperity. For instance, Jun emphasizes the rapid economic growth rates of ASEAN member-states in the 1980s, with Singapore and Thailand achieving 11.1% and 13.2%, respectively, while Malaysia and Indonesia grew at 8.8% and 6.5% (Ross et al., 2020). Additionally, despite its limited response to China's assertiveness in the South China Sea, ASEAN's ongoing process of economic integration is promising, as noted by Kupa (Tyson & Apresian, 2021). Proponents argue that ASEAN has prevented or resolved internal disputes among member states and facilitated multilateral forums, such as the ASEAN Plus Three (APT), East Asia Summit (EAS), and ASEAN Regional Forum (ARF), which provide platforms for conflicting nations to engage in dialogue (Kivimäki, 2012).

Conversely, critics argue that ASEAN's achievements often fall short of its rhetoric. Forums initiated by ASEAN, such as the ARF, are sometimes dismissed as "talk shops" with little actionable progress. Malaysia's Prime Minister Najib Razak, at the 48th ASEAN Ministerial Meeting (AMM) in 2015, called for a more active role in addressing overlapping territorial claims (Thayer, 2016). ASEAN's response to major issues, such as US-China rivalry in the South China Sea, has exposed its limited capacity to navigate external pressures and competition from major powers.

This chapter builds upon previous analyses to examine ASEAN's key limitations in addressing great power rivalry. The challenges include the economic power gap between member states, varying levels of commitment, a loose institutional structure, and the absence of strong leadership. These limitations are analyzed below, laying the groundwork for policy recommendations in the following chapter.

CONCLUSION

Southeast Asia's stability has historically been supported by ASEAN's principles of non-intervention, consensus, and regional cooperation, enabling decades of security and collaboration. However, escalating US-China rivalry and internal divisions now challenge ASEAN's unity and centrality. China's assertive actions, particularly in the South China Sea, and varying national interests among member states expose ASEAN's institutional and leadership limitations.

To sustain regional stability, ASEAN must adapt by strengthening its institutional mechanisms, fostering unity, and enhancing economic and security cooperation. Reforms in decision-making processes, increased authority for the Secretariat, and proactive leadership, particularly by Indonesia, are essential. ASEAN must balance great power dynamics while preserving its autonomy and promoting peaceful conflict resolution. Through these measures, ASEAN can remain a credible and central force in shaping Southeast Asia's future amid evolving geopolitical challenges.

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