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Le Luong Minh

Regional Stability amid Global Changes

The ASEAN Bloc Faces New Challenges and Opportunities

In discussing peace, international integration, and development in Southeast Asia, observers often acknowledge “ASEAN matters”. However, they rarely explain in which ways ASEAN already *has mattered*. This reflects a lack of understanding of the connection between the past and the present – of how ASEAN has continuously struggled with the fact that Southeast Asia, due to its geostrategic location, always has and always will be caught in the rivalries between major global powers. For as long as these powers’ regional interests diverge, ASEAN must remain faithful to its principles and seize opportunities as they present themselves.

Founded in 1967, the Association of Southeast Asian Nations or ASEAN was only a fledgling group of states born in little developed Southeast Asia, characterized by tensions, foreign interference and Cold War confrontation. The region was in chaos, with suspicion not only among members of then anti-Communist ASEAN but also towards would-be-member Communist nations fighting on two opposing sides of the Vietnam War. Southeast Asia was facing an uncertain future. Looking back, nobody can be sure when and how its notion was born. However, the four principles of the now well-known “ASEAN Way”, namely non-interference, quiet diplomacy, non-use of force, and decision-making through consensus,

proved to be effective tools for ASEAN to realize its objectives. This is outlined in the ASEAN Declaration of defending and preserving the independence, sovereignty and territorial integrity, and favorable conditions for the economic development of each member country as well as the autonomy of the whole region.

The persistent and constant implementation of the principles of the ASEAN Way helped to unite a diverse Southeast Asia, comprising countries of different political, economic, and social systems and structures. That, in turn, led to the expansion of the Association to include all countries in the region in 1999, before Timor-Leste separated from Indonesia. With its integrity preserved, the ASEAN Way further developed into

the notion of “ASEAN Centrality”. This also covered relations with non-ASEAN partners as well as the behavior in ASEAN-led mechanisms. These include the ASEAN Regional Forum, ASEAN+3, the East Asia Summit, the ASEAN Defense Minister’s Meeting Plus, the ASEAN-United Nations Partnership, and the accession of 49 non-ASEAN countries to the originally ASEAN-only Treaty of Amity and Cooperation in Southeast Asia, containing those same four principles of the ASEAN Way plus that of impartiality.

Managing the US-China Rivalry

Until recently, major power competition and rivalry in the region, either in economic terms – mainly trade – or security and political influence, has mainly been between the United States and China. ASEAN has been struggling but managing this situation well, though with some difficulties, by applying the principle of ASEAN Centrality, keeping balance and comprehensive cooperation with both competing powers. In doing so, it has helped to maintain regional peace, stability, security, and favorable conditions for economic integration and development. This led to the establishment of the three-pillar ASEAN Community in 2015. Today, ASEAN is widely recognized as one of the two most successful regional organizations besides the European Union where war between member-states remains “unimaginable”. With a total GDP of 3.8 trillion US dollars in 2023, it is also the fifth-largest economy in the world.

The new administration in the United States has emerged, marked by the shift in foreign policy priorities under the slogan “Make America Great Again”. This occurs within a new global context of powers striving for a multipolar world order, adding new dimensions to the

power competition and rivalry in the Indo-Pacific region.

On the negative side of this competition and rivalry, we might observe that the United States lessens its interest in multilateral mechanisms, including ASEAN-led regional fora like the East Asia Summit and the ASEAN Regional Forum. While still participating in the Asia-Pacific and Indo-Pacific regions with its largely positive position on the South China Sea issue as a non-claimant in the dispute. Meanwhile, China will continue its assertive position on this issue, enhancing tension not only with ASEAN claimant countries but also with the United States and its western allies in NATO.

US-China bilateral competition is expected to further increase. However, this will not be the only competition and rivalry ASEAN will face. We will see China versus the Quad; Russia, China, and the Shanghai Cooperation Organization versus NATO, and BRICS and the Eurasian Economic Union, with Russia at its heart, versus the EU and the G7. As the center of growth and a geostrategic location, in not only Asia-Pacific but also the Indo-Pacific region, ASEAN will certainly remain the main theatre for this competition and rivalry.

ASEAN Community Vision 2045

In this new global and regional context, and the new phase of its preparation to realize the ASEAN Community Vision 2045, which includes, firstly, making ASEAN a prosperous single market with high skills and inclusion across and along the value chain with sustainable, innovation-driven workforce and productivity growth. Secondly, it is also making ASEAN part of an interconnected global community of nations with greater connectivity and cohesiveness, ASEAN Centrality remains the key for ASEAN to tackle issues

arising from the negative aspects of competition and rivalry as well as to seize opportunities emerging from its positive side.

On the positive side, ASEAN has experienced success in peacefully resolving a border dispute between two close member states, Thailand and Cambodia. It also achieved reconciliation leading to the formation of the first civilian government in Myanmar in 2016 and enabled the restoration of democratic institutions in Thailand after the eruption of political turbulence in 2014. ASEAN was also successful in dealing with the consequences of COVID-19. However, it has also struggled with problems, such as the resolution of the South China Sea issue, and now the difficulties of implementing its five-point consensus on Myanmar. This highlights that ASEAN Centrality can only work through genuine intra-ASEAN dialogue and consultation in the spirit of the ASEAN Way with the principles of the Treaty of Amity and Cooperation in Southeast Asia preserving its autonomy.

Encouragingly, competition and rivalry mainly take the form of soft power initiatives aimed at achieving political influence and market share in finance, trade, science, and technology. As analyzed and predicted by many respected political economists, the United States is expected to mobilize further support and participation in the Indo-Pacific Economic Framework for Prosperity and investment opportunities for the high-technology sector. Meanwhile, China will continue to seek further ASEAN support for and participation in the Community of Shared Destiny and Belt and Road Initiatives and the Maritime Silk Road while also promoting its participation in the Regional Comprehensive Economic Partnership (RCEP). The EU has advantages and interests in promoting

cooperation in the areas of green technology, circular and digital economies, and renewable energy, as well as promoting its role in the Organization for Economic Cooperation and Development (OECD). Through the Eurasian Economic Union, Russia will seek a bigger part in the regional market to compensate for the loss of its shares elsewhere due to the war with Ukraine. In addition, of course, we do not need to mention the continued high-level engagement of other important economic and trade partners such as Japan, South Korea, Hong Kong, and Taiwan.

New Opportunities Arising

Despite new challenges, ASEAN also has abundant new opportunities arising from power competition and rivalry in the region that it should be prepared to seize. In a community where diversity is a defining feature, each member country must know how to overcome its own challenges and balance national interests with the shared interests of the community. In doing so, they can contribute to upholding ASEAN Centrality so that each member, and ASEAN as a whole, will be active partners rather than pawns on the strategic chessboard of any external force.

As a former Secretary-General of ASEAN, I have always maintained the position that remaining faithful to its core principle of impartiality – beyond different, very often convenient interpretations. Centrality should be understood as, when taking any position or decision, ASEAN must always do so based on its own legitimate interests – in terms of regional peace, stability, security, or favorable conditions for economic development, especially trade and investment – rather than just standing in the middle or between

competing powers. This is very often easier said than done. The face value of a power's position or action does not always reveal its true intention. It is difficult, but ASEAN has no other choice if it wants to succeed. For a prompt and effective response, appropriate actions should be taken to update the ASEAN Charter to allow more flexible applications of the principle of consensus, while continuing to leave no member state behind, will not prevent the community moving forward.

Le Luong Minh served as Vietnam's Ambassador to the United Nations in Geneva, Deputy Minister of Foreign Affairs as well as Secretary-General of ASEAN.

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Rosa-Luxemburg-Stiftung Hanoi Office

Hanoi, Vietnam

E-Mail: hanoi@rosalux.org

Website: <http://www.rosaluxhanoi.org>