



Discussion Report Talking ASEAN

on

Laos' ASEAN Chairmanship: Priorities and Concerns

Jakarta, May 8th 2024



Introduction

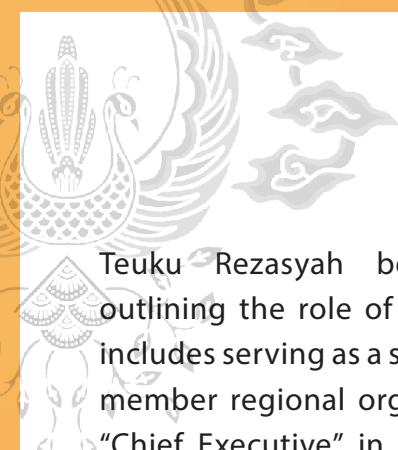
On Wednesday, 8 May 2024, The Habibie Center (THC) convened the Talking ASEAN seminar entitled **“Laos’ ASEAN Chairmanship: Priorities and Concerns.”** The seminar featured **Teuku Rezasyah** (Associate Professor in International Relations, Universitas Padjadjaran), **Fithra Faisal Hastiadi** (Founder, Next Policy and Economist, Universitas Indonesia), and **Andrew Mantong** (Researcher of the International Relations Department, CSIS Indonesia)—and was moderated by **Luthfy Ramiz** (Researcher of ASEAN Studies Program, The Habibie Center).

The objectives of the webinar were to: (a) discuss the key priorities and concerns of 2024 Laos’ ASEAN Chairmanship; (b) identify possible intra and inter-regional challenges faced by ASEAN during Laos’ Chairmanship; and (c) explore efficient ways to navigate regional dynamics and maintain ASEAN centrality in the connectivity sector. This discussion report summarizes the key points of each speaker, as well as the following questions and answers session.

PRESENTATION FROM THE PANELIST



Teuku Rezasyah
(Associate Professor in International
Relations, Universitas Padjadjaran)



Teuku Rezasyah began the session by outlining the role of the ASEAN chair, which includes serving as a spokesperson for the ten-member regional organization, acting as the “Chief Executive” in chairing and facilitating official meetings and task forces, proposing new initiatives and programs to enhance regional cooperation, playing an informal role as a consensus builder, and demonstrating leadership and diplomatic skills to reconcile divergent views. In this initial session, his presentation aimed to delve into the priorities and concerns of Laos’ ASEAN Chairmanship.

Reflecting on history, the Lao People’s Democratic Republic became a full member of ASEAN on July 23, 1997, following Vietnam’s admission in 1995. Laos received the ASEAN Chairmanship from Indonesia at the closing of the 43rd ASEAN Summit in Jakarta, thus becoming the Chair of ASEAN for 2024. While Indonesia’s Chairmanship carried the theme “ASEAN Matters: Epicentrum of Growth,” Laos’ Chairmanship of ASEAN 2024 embraced the theme “Enhancing Connectivity and Resilience.” This theme resonated with Laos’ commitment to fostering a more interconnected and resilient ASEAN, particularly considering Laos’ status as a landlocked nation. During its tenure, Laos aims to focus on strengthening the ASEAN community and fostering opportunities to address geopolitical and geo-economic challenges and changes while also developing a regional framework for stability, peace, and development in the ASEAN region.

Rezasyah emphasized the clarity of the two keywords in Laos’ chairmanship theme, “Connectivity” and “Resilience.” On the one hand, Laos must endeavor to overcome its landlocked status. On the other hand, as a small economy within ASEAN, it must continuously bolster its economic prowess to establish itself as a reliable partner within ASEAN and on the global stage. Having been a full ASEAN member and previously chaired ASEAN in 2004 and 2016, Laos has successfully transitioned from being perceived as an impoverished and geographically isolated nation to being recognized for its rapid economic growth within ASEAN, boasting the highest annual Gross Domestic Product (GDP) growth among Southeast Asian countries.

Rezasyah shared a poignant Laotian proverb that encapsulated the nation’s values of continuous improvement, adaptability, and reverence for nature. The proverb, “A tray full of money is not worth a mind full of knowledge,” underscores Laos’ intellectual focus. Another quote, “Live with vultures, become a vulture; live with crows, become a crow,” metaphorically highlighted the influence of surrounding environments, emphasizing the importance of friendship, love, and stages of development in Laos’ relationships with ASEAN countries, reinforcing Laos’ identity as an integral part of Southeast Asia.

Moreover, Rezasyah delineated the internal and external priorities of the Laos ASEAN Chairmanship. Internally, Laos would continue diversifying its national economy through

initiatives in trade, investment, and tourism while maintaining strong economic and political ties with neighboring countries such as Thailand, Vietnam, and China. As a small state, Laos would strive to prevent dominance and marginalization by its neighbors while remaining vigilant regarding its policies. Despite improvements in average household incomes, efforts to control inflation and ensure food security, especially among urban families, remained paramount. Laos was committed to poverty reduction through enhancing productivity among farmers and manufacturing workers, providing improved education for urban workers and the self-employed, enhancing the international competitiveness of exports such as copper, gold, garments, and wood products, and ensuring equitable distribution of the benefits of national growth.

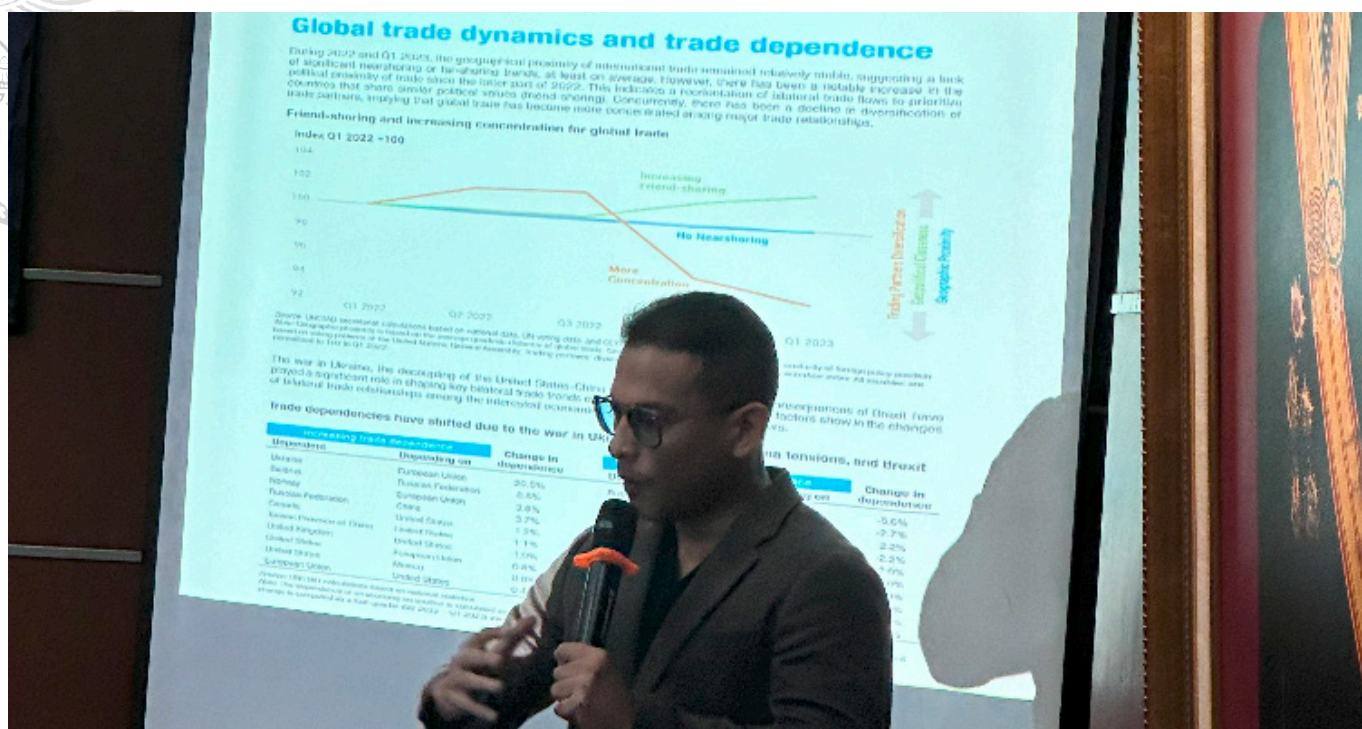
Externally, leveraging its historical ties and simultaneous entry into ASEAN with Myanmar, Laos would use its influence to encourage Myanmar's adherence to the Five-Point Consensus. Additionally, Laos would strive to balance divergent opinions within ASEAN regarding China's increased assertiveness in the South China Sea while upholding ASEAN's core principles of regionalism and multilateralism and supporting the goals of both ASEAN and the United Nations (UN), as outlined in their respective charters. By utilizing ASEAN and the UN as platforms to advocate for peace, Laos aimed to enhance its international reputation as a peace-loving nation.

Moving to the concerns facing Laos' ASEAN Chairmanship, from a psychological perspective, Rezasyah highlighted the need for the nation to cultivate confidence following its assumption of the chairmanship from Indonesia amidst domestic macroeconomic instability. Laos must also grapple with ASEAN's efforts to address escalating tensions in the South China Sea. In the context of Laos-China relations, while ongoing trade and investment from China have provided political, economic, social, and technological benefits, concerns arose from the substantial debt incurred from projects such as the 1,000 km bullet train connecting Kunming to Vientiane, potentially complicating Laos' role in representing ASEAN in dealings with China. Additionally, Laos must prioritize its involvement in key issues such as the Zone of Peace, Freedom, and Neutrality, the Treaty of Amity and Cooperation in Southeast Asia (TAC), the 1982 United Nations Convention on the Law of the Sea (UNCLOS), the Treaty on the Southeast Asia Nuclear-Weapon-Free Zone (SEANWFZ), and the ASEAN Outlook on the Indo-Pacific (AOIP).

PRESENTATION FROM THE PANELIST



Fithra Faisal Hastiadi
(Founder, Next Policy and Economist,
Universitas Indonesia)

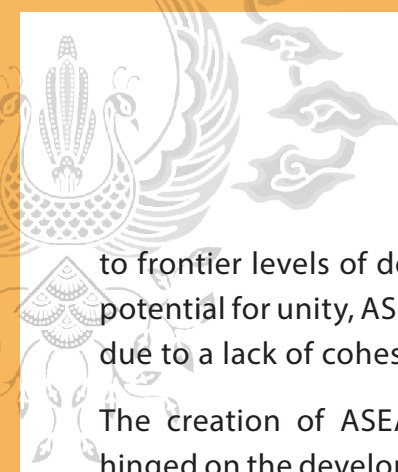


Fithra Faisal delivered his presentation entitled “Tale of ASEAN, Laos Chairmanship: Enhancing Connectivity and Resilience.” In the realm of international economics, the term gravity equation is used to gauge bilateral relations, particularly in trade or investment among countries, considering determinant factors such as size and distance. The distance variable encompasses physical distance and whether a country is landlocked. Being landlocked meant lacking access to sea routes, hence hindering trade opportunities and potential gains. In this context, Laos found itself landlocked between Vietnam, China, and Thailand, thus heavily reliant on its neighboring countries.

In an ideal scenario, we should see Laos as an integral part of ASEAN rather than a landlocked and isolated country. ASEAN acted as a connector between people and major

powers, extending its influence beyond its immediate borders. While ASEAN represented a hub of growth, it faced geopolitical tensions stemming from a multipolar conflict involving not only historical players like the US and Russia but also China, France, and others. External powers were motivated to engage with ASEAN to leverage its role in the global production network.

Analyzing the participation level of ASEAN countries in the global production network revealed varying degrees of advancement. These differences were largely attributed to the condition of macroeconomic infrastructure, encompassing both soft and hard elements such as labor quality, innovation capacity, and physical infrastructure. Faisal classified ASEAN states into different levels based on their innovation capacity, ranging from initial



to frontier levels of development. Despite the potential for unity, ASEAN remains fragmented due to a lack of cohesion and self-service.

The creation of ASEAN as a hub of growth hinged on the development of institutions and human capital, which determine absorptive capacity. For example, despite Indonesia's investments in the mining sector in Sulawesi and Maluku, poverty persisted due to a mismatch between labor skills and investment needs. This inability to provide skilled labor resulted in foreign investors importing labor from their home countries. Consequently, the blame for this situation fell on ASEAN itself rather than on foreign investors. By enhancing labor compatibility, ASEAN could attract more investment, boost productivity, and ultimately foster its resilience.

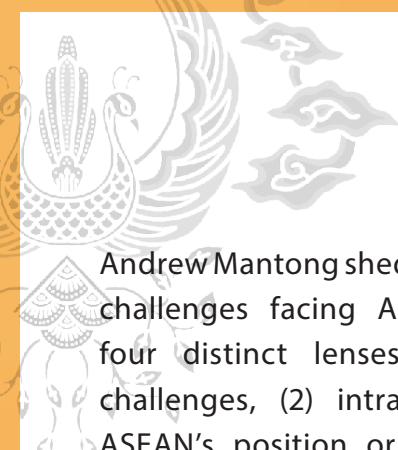
Amidst current geopolitical dynamics, ASEAN stood to benefit as a neutral bloc capable of leveraging tensions between major powers to attract investments and strengthen its position. Faisal stressed the need for ASEAN to function as a unified brand, seizing opportunities while remaining vigilant. Economic resurgence was promising, but maintaining momentum required diligence and perseverance, echoing David Goggins' quote: "Stay hard!".

To sum up, Faisal underscored ASEAN's role as a vibrant regional and global hub, emphasizing the importance of unity and proactive engagement. While geopolitical challenges persisted, ASEAN's resilience and adaptability could ensure continued growth and prosperity.

PRESENTATION FROM THE PANELIST



Andrew Mantong
(Researcher of the International
Relations Department, CSIS Indonesia)



Andrew Mantong shed light on the geopolitical challenges facing ASEAN in 2024 through four distinct lenses: (1) primary regional challenges, (2) intra-regional concerns, (3) ASEAN's position or centrality, and (4) the state of ASEAN itself. Among the key regional challenges in ASEAN were territorial disputes and regional flashpoints that could potentially exert game-changing effects on the regional dynamics, such as the South China Sea, North Korea, and military build-up in the Indo-Pacific region. Regarding the South China Sea dispute, a notable development occurred during Indonesia's tenure as the ASEAN Chair. China released a new map, extending its nine-dash line to a ten-dash line just days before the Summit, raising questions about China's increasing assertiveness in the South China Sea and how ASEAN should respond.

Additionally, experts discussed the possibility of a 2027 conflict between China and Taiwan, as Beijing had declared its military capability to seize Taiwan, prompting concerns about the escalation of Cross-Strait relations into a regional conflict. Another pressing issue was North Korea's recent missile nuclear trial, signaling its status as a nuclear state, which would likely necessitate a reassessment of various strategies adopted by the US and South Korea in the near future. The primary strategic objective shifted towards managing North Korea as a nuclear state rather than attempting to dissuade it from possessing nuclear weapons.

In the Indo-Pacific region, the notable development was the accelerated military spending in 2023 by significant states, including China, Australia, Japan, South Korea, and Taiwan, all proposing their largest-ever defense budgets. ASEAN's paramount task amidst this geopolitical competition was to manage tensions to prevent open conflict effectively. However, questions lingered about whether ASEAN possessed adequate mechanisms to address such challenges given its intergovernmental nature, where decisions were often contingent upon national interests and resources.

ASEAN grappled with uncertain political futures in various member countries, such as Thailand and Vietnam, alongside internal stability issues, including the Myanmar Crisis, electoral ambiguities, governmental stability, post-colonial legacies, and national priorities. Externally, the rivalry between the US and China remained a prominent concern, with domestic politics, particularly in the US, potentially exacerbating tensions, while shifts in foreign economic policies post-globalization could impact supply chain security and continuity.

Furthermore, Mantong categorized regional architectures led by ASEAN, the US, and China in response to geopolitical dynamics. ASEAN favored utilizing its own multilateral framework, characterized by the "ASEAN way," as evidenced by platforms like the East Asia Summit and the ASEAN Regional Forum. In contrast, the US pursued a hub-and-spoke security architecture, emphasizing bilateral



and multilateral networks such as the Quad and AUKUS. Meanwhile, China focused on bilateral initiatives like the Belt and Road Initiative and Global Development Initiative.

For ASEAN, achieving convergence among member states involved seeking regional and national autonomy collectively, often described through concepts like the hedging strategy. Three fundamental characteristics illustrated this convergence: a tendency to hedge over sectoral interests, a reliance on ASEAN as a convening power, and the exploration of bilateral ties with major powers. However, doubts persisted about whether these efforts were sufficient to equip ASEAN with the necessary capabilities to address geopolitical challenges effectively. The recent sluggish progress in addressing issues like the Myanmar Crisis underscored the need for ASEAN to reform its decision-making processes and crisis management mechanisms in the ASEAN Charter.

In a workshop conducted by CSIS Indonesia in January 2024, experts remarked that the ongoing code of conduct process in the South China Sea amounted to mythmaking. Consequently, if ASEAN persists with the process, it indicates a willingness for cooperative measures yet simultaneously suggests a lack of substantive progress. Of particular concern was the Philippines' growing proximity to the US and whether Manila still viewed ASEAN as integral to its strategic objectives.

Maritime and cybersecurity, as emerging issues, presented a new dimension of cooperation that necessitates cross-pillar coordination among ASEAN agencies and dialogue partners. Furthermore, ASEAN's expansion to include Timor Leste raised questions about the consistency of principles, especially as the President of Timor Leste accused Myanmar of disregarding human rights principles. There was uncertainty about whether Myanmar might oppose Timor Leste's ASEAN membership and whether there would be sufficient political will to ensure Timor Leste's equitable integration.

Mantong assessed Indonesia's achievements during its ASEAN Chairmanship the previous year as incremental rather than radical. Initiatives included efforts to reform ASEAN by strengthening its effectiveness and institutional mechanisms, such as transforming the ASEAN Secretariat into the ASEAN Headquarters. Regarding the Five-Point Consensus, ASEAN agreed to adopt the ASEAN Troika and to skip Myanmar's chairmanship in 2026. Looking towards ASEAN 2045, Laos is poised to introduce new standing documents to shape ASEAN's vision post-2025.

In terms of growth resilience, ASEAN proposed a new concept to navigate future challenges. Indonesia initiated platforms for maritime cooperation, establishing the ASEAN Maritime Forum's annual maritime outlook and the Coast Guard forum for the South China Sea. ASEAN also made progress on the South China Sea issue, agreeing on guidelines and a stand-



alone statement. Additionally, Laos agreed to continue the ASEAN Indo-Pacific Forum, initiated by Indonesia, as an annual event.

Reflecting on the Bali Concord series, there has been a decline in the ambition of regional integration within ASEAN. Themes have shifted from solidarity, community, and centrality to unity and resilience. Economic cooperation has seen some improvements, but the latest Concord IV primarily emphasizes macroeconomic policy without coordination. This indicates a trend towards incremental changes rather than significant shifts within the bloc.

ASEAN remains committed to cooperative and common security approaches, maintaining its centrality in conflict prevention mechanisms. However, addressing capacity problems, institutional frameworks, and power constraints was crucial. ASEAN members would need to demonstrate political will and develop resource mobilization plans.

Questions arose about whether to revise the ASEAN Charter or pursue incremental changes. Furthermore, addressing power constraints involved determining whether outside powers will support ASEAN's strategies or prefer to work under their arrangements.

In conclusion, Mantong suggested that given ASEAN's current realities, Laos' Chairmanship might result only in incremental changes. The best hope for Laos is to come up with a follow-up document to establish the new vision of ASEAN 2045. However, if ASEAN must maintain unity and centrality in the face of potential conflict, it could become an insurmountable task for Laos.



QUESTION AND ANSWER SESSION

Questions

Indryan Swarandaru (Student Think Tank for Europe Asia Relations):

The question specifically for Andrew Mantong: How can ASEAN be united amidst different individual stances of ASEAN members toward the US and China to balance major power rivalry in the South China Sea?

Responses

Andrew Mantong (Researcher of the International Relations Department, CSIS Indonesia):

Regarding the South China Sea issue, it depends on how we perceive ASEAN and its relevance in the equation. We could see from three possible perspectives. First, if one assumes that ASEAN is not important, then it must be acknowledged that whatever ASEAN is doing amounts to mere mythmaking. The process CoC was there to persuade ASEAN of cooperative measures being taken, but it might not be progressing effectively. Advancing the equation relies on the balance of power in the region. Therefore, national governments should utilize all available means to strengthen their position. Currently, in the South China Sea, Mantong believes that China is prevailing, both presently and potentially in the future, prepared for a prolonged contest. ASEAN claimant states must maintain their efforts, enhancing capacity building and national capabilities in maritime apparatus and equipment. Simultaneously, a protracted approach necessitates improved jurisprudence and legal claims. Internally, ASEAN must first pursue bilateral delimitation agreements among its members.

The second possibility arose if one considered ASEAN somewhat important and envisioned the CoC as integral to ASEAN's long-term vision. Consequently, there should be an interim agreement on the CoC, at least to establish effective stipulations. During periods when the CoC process has not concluded, parties should refrain from employing coercive measures such as water cannons or lasers.

The third assumption was that ASEAN is indeed important, and thus, it should prioritize completing the CoC and revitalizing ASEAN-led institutions. Achieving the CoC does not necessarily resolve the dispute; rather, it serves to manage conduct between involved parties. The long-term resolution of this issue hinges significantly on ASEAN's ability to foster cooperation between China and the US. To achieve this, revitalizing the East Asia Summit, which has predominantly focused on economic matters thus far, is imperative.

Questions

Hamzah (UIN Syarif Hidayatullah Jakarta):

Given Laos' economic ties with China and high debt exposure, how will Laos manage its relationship with China and other ASEAN member states? What are the potential risks and opportunities that Laos and ASEAN as a whole would probably face during the Laos' ASEAN Chairmanship?

Responses

Teuku Rezasyah (Associate Professor in International Relations, Universitas Padjadjaran):

Rezasyah compared Laos and China bilaterally across various elements: population, economy, and diplomatic presence, revealing a significant disparity between the two countries. Consequently, dealing with China at the bilateral level is daunting from Laos' perspective. At the regional level, ASEAN's population of 675 million still only amounts to half of China's. Laos' best approach is to anticipate China's actions and proceed with caution. Drawing lessons from Indonesia, Laos should not confront China directly but rather emulate Indonesia's approach to dealing with China.

Within ASEAN, small size does not equate to weakness. Laos, as a member of ASEAN, must learn from the organization's past experiences. For instance, we fostered international cooperation during Indonesia's leadership. Despite limited knowledge of the South China Sea at the time, we collaborated with the Canadian International Development Agency (CIDA) to provide experts to train Indonesians on the issue.

Andrew Mantong (Researcher of the International Relations Department, CSIS Indonesia):

Many believed that strong economic ties with China became a burden for Laos. The substantial debt owed to China could hinder its ability to exert strong leadership within ASEAN. However, there have been some success stories that Laos has previously approved, and modalities exist within ASEAN's institutional practices that Laos can utilize.

Questions

Seonyoung Yang (Korean Mission to ASEAN):

It is interesting to see the psychological challenges that Laos faces. Do you think psychological complexity prevents or makes Laos hesitant to lead? How about the ASEAN's common voice on sensitive regional and international issues? The issues are not only limited to the South China Sea and Myanmar but also the Israel-Hamas and the Ukraine issues. Under Laos, there are only two ASEAN Foreign Ministers' Statements issued so far, on the earthquake in Japan and Myanmar, but

not on other paramount issues like the Israel-Palestine conflict.

The question specifically for Andrew Mantong: Will Laos manage ASEAN's relatively strong position on North Korea like last year or less so? Will Laos make achievements to enhance ASEAN-led architecture like the ASEAN Way?

Responses

Teuku Rezasyah (Associate Professor in International Relations, Universitas Padjadjaran):

In Northeast Asia and the Middle East, Laos maintains a low-key position, understanding the risks associated with unilateral actions. Therefore, Laos is adept at navigating such situations. Similar to North Korea, Laos is a socialist country. Laos admires the concept of "Juche," which emphasizes economic self-reliance and political independence, originating from North Korea and inspiring Laos. Within the framework of ASEAN Plus 3, competition exists among China, South Korea, and Japan. South Korea, through its KASI (Korea-ASEAN Solidarity Initiative), has endeavored to bridge this gap and enhance its engagement with ASEAN.

Andrew Mantong (Researcher of the International Relations Department, CSIS Indonesia):

ASEAN made statements on the Israel-Hamas issue during the last ASEAN Foreign Ministers' Retreat in January. Can we expect ASEAN to take a similar position as last year? Yes, if last year's stance serves as a benchmark, it would be easier for Laos to align with the same language. Over time, ASEAN has been developing a certain diplomatic language, making it easier for successive chairs to adopt. Lack of established language would pose challenges. Regarding the prospect of ASEAN developing stronger institutional mechanisms to address North Korea, Mantong remained skeptical as it would be difficult to envision North Korea participating in the ASEAN Regional Forum.



ABOUT ASEAN STUDIES PROGRAM

The ASEAN Studies Program was established on February 24, 2010, to become a center of excellence on ASEAN related issues, which can assist in the development of the ASEAN Community by 2015. The Habibie Center through its ASEAN Studies Program, alongside other institutions working towards the same goal, hopes to contribute to the realization of a more people-oriented ASEAN that puts a high value on democracy and human rights.

The objective of the ASEAN Studies Program is not merely only to conduct research and discussion within academic and government circles, but also to strengthen public awareness by forming a strong network of civil society in the region that will be able to help spread the ASEAN message. With the establishment of ASEAN Studies Program, The Habibie Center aims to play its part within our capabilities to the ASEAN regional development.

ABOUT TALKING ASEAN

Talking ASEAN is a monthly public dialogue held at The Habibie Center in Jakarta. Covering a wide array of issues related to ASEAN, Talking ASEAN addresses topics of: Economic Integration, Socio-cultural, & Democracy, human rights and regional peace, among others. Featuring local and visiting experts, Talking ASEAN is one of a series of twelve dialogues regularly held each month and open to a target audience consisting of ASEAN officials, foreign ambassadors & diplomats, academics, university students, businesses, and the media.

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