

ASEAN CENTRALITY STRATEGIC MANAGEMENT IN ADDRESSING HEGEMONY OF MAJOR POWERS

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Post-cold war, cementing regional organization in order to manage relations among states through multilateral perspective has seen as important. Nowadays, Management of regional organizations is a necessity. In South East Asia's states jointly development effort, ASEAN has played a vital role. Organizationally, ASEAN Centrality is absolutely seen as ASEAN identity. The dynamics of the world political constellation were influenced by the rise of China's economy which pushed the Belt And Road Initiative to rival America's influence as the only superpower after the cold war. Strategic management in managing the centrality of ASEAN as an ASEAN identity despite the influence of the two countries is a necessity. The aim is to achieve a harmonious, stable ASEAN and grow the economy better in a sustainable manner. The formulation, implementation, and evaluation of cross-functional decisions to achieve organizational goals as a definition of strategic management becomes ASEAN's centrality strategic management proposition which is a vision that must be maintained by ASEAN in order to escape the threat of superpower hegemony that has an impact on ASEAN. This study will look at the role of strategic management in order to deal with the Major Power hegemony with a qualitative approach.

Keywords: Strategic Management, ASEAN, ASEAN Centrality, Major Powers, Regional Organization

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1. Preface

Strategic management is an art in determining the direction of an organization, starting from formulation, implementation, and cross-functional evaluation to achieve the direction or vision of the organization by using all the resources they have to achieve the organization's vision. The goal is designed by the highest structure or strategic leader of the organization, which is then conveyed and inculcated to each manager in order to mobilize all of the resources available. Then, people below them act as executors of each mission in order to achieve organizational goals designed in accordance with established strategic management. After planning and executing the plan, the last thing is evaluation, which is the final stage in strategic management.²

ASEAN is an organization established in 1967. ASEAN has values of neutrality which are reflected in the Treaty of Amity And Cooperation which was signed at the first ASEAN Summit in Bali in 1976 which was considered to be derived from global values namely: a. Mutual respect for independence, sovereignty, equality, territorial integrity and national identity of all nations; b. The right of every state to lead its national existence free from external interference, subversion or coercion; c. Non-interference in the internal affairs of one another; d. Settlement of differences or disputed by peaceful means; e. Renunciation of the threat or use of force; f. Effective cooperation among themselves.³

Strategic environmental developments also influence ASEAN as an organization in terms of the tendency of existing international relations. As an example of a systemic approach, where ASEAN is placed as a

² Fred R. David, Forest R. David. 2016. *Manajemen Strategik: Suatu Pendekatan Keunggulan Bersaing-Konsep Edisi 15*. (Novita Puspasari, Liza Nurbani Puspitasari, Trans.). Jakarta: Salemba Empat. p. 3-5 (Original Wrok Published 2015)

³ ASEAN. 2016. *Treaty of Amity and Cooperation in Southeast Asia Indonesia, 24 February 1976*. Retrieved from ASEAN website: <http://asean.org/treaty-amity-cooperation-southeast-asia-indonesia-24-february-1976/>

subordinate system of South Asia, China and Southeast Asia. From this perspective, Southeast Asia as a region cannot be separated from the constellation of its ordinate system together with South Asia and China. Globally, the subsystem approach from a global perspective also colored the perception of Southeast Asia, which is considered a regional and global system. In terms of security, Amitav Archarya raised the perspective of Karl Deutch's in seeing the unification of a region, which is seen from the perspective of realism. An approach to security community, which is emerge from long-running communication⁴.

Based on the existing approaches, the Southeast Asian region in which ASEAN is formed, is inseparable from the ability to balance the interests of member countries in the region itself along with the influences that come from outside in the form of regional systemic powers (South Asia and China) and regionally which is part of the global subsystem (the influence of the US is very large), so that strategic management to bring about the achievement of organizational goals is important in order to place the direction of ASEAN as an important role holder in the region or as affected. ASEAN Vision 2025 is ASEAN's strategic vision which is framed in ASEAN Centrality or even ASEAN Centrality as its strategic vision when viewed from the perspective of Nuke and Prayoga⁵, who say that ASEAN as the oldest regional organization in Southeast Asia can play a role in its centrality in accordance with the *blue-print ASEAN Political and Security Community*. Based on that, this paper tries to elevate ASEAN Centrality in a strategic management perspective. The aim is to see ASEAN Centrality more tangible, structured and in accordance with the principles of strategic management such as formulation, implementation and evaluation. With a qualitative approach, this paper tries to describe a

⁴ Amitav Acharya. 2001. *Constructing A Security Community In Southeast Asia: ASEAN and the problem of regional order*. London and New York: Rotledge. p. 1

⁵ Pudjiastuti T. Nuke, Prayoga Pandu. 2015. *ASEAN And South China Sea Issue: Conflict Transformation Toward East Asia Security Regime*. Journal of Political Research, 12 (1), 102.

concept of ASEAN Centrality as a strategic management to achieve ASEAN organizational goals in 2025, namely ASEAN Vision 2025.

2. Making ASEAN Vision 2025 Through ASEAN Centrality

2.1. Strategic Management And Asean Centrality Concept

Fred R. David⁶, strategic management is an art and science for 'formulations and evaluations' of cross-functional decisions, which are used as a guide for action for the functions of Human Resource, financial marketing, production, etc. so that the organization can achieve its objectives. According to Lawrence R. Jauch dan William F. Glueck⁷, strategic management is: "a number of decisions and actions that lead to the preparation of a strategy or a number of effective strategies to help achieve company goals. The strategic management process is the way in which the strategy seekers determine goals and decision-making". Furthermore according to Hunger, J. David dan Wheelen, Thomas L⁸. Strategic management is a series of managerial decisions and actions that determine the company's performance in the long run. Thus, "strategic management is an art in determining the direction of the organization, starting from the formulation, implementation, and cross-functional evaluation of achieving the direction or vision of the organization by using all the resources they have to be allocated in achieving the organization's vision".

ASEAN Vision 2025 can be said as ASEAN's strategic vision, which has a tagline one vision, one identity, and one community. Citing the

⁶Fred R. David, Forest R. David. 2016. *Manajemen Strategik: Suatu Pendekatan Keunggulan Bersaing-Konsep Edisi 15*. (Novita Puspasari, Liza Nurbani Puspitasari, Trans.). Jakarta: Salemba Empat. p. 3 (Original Wrok Published 2015)

⁷ Jauch, Lawrence R. and William F. Glueck.1998. *Manajemen Strategis dan Kebijakan Perusahaan: Edisi ketiga*. Erlangga, Jakarta.

⁸ Wheelen, Thomas L. Dan J. David Hunger. 1992. *Strategic Management and business Policy. Edisi Keempat*. USA: Addison-Wesley Publishing Company, Inc.

opening of ASEAN Political and Security Community in ASEAN 2025: Forging Ahead blue print, explained that the purpose of ASEAN 2025's vision in the field of politics and security is "Our ASEAN Political-Security Community by 2025 shall be united, inclusive and resilient community. Our peoples shall live in a safe, harmonious and secure environment, embrace the values of tolerance and moderation as well as uphold ASEAN fundamental principles, shared values and norms. ASEAN shall remain cohesive, responsive and relevant in addressing challenges to regional peace and security as well as playing a central role in shaping the evolving regional architecture, while deepening our engagement with external parties and contributing collectively to global peace, security and stability.

ASEAN seeks to be a player in regional architectural development. Amitav Archarya⁹ considers that there are two sources that form the norms and values of a regional organization, first, based on the values of other regional and global organizations and second, from the regional socio-cultural and political values. With this perspective, Amitav places that ASEAN not only has the values of a global scale international organization, but also has its own uniqueness in accordance with the identity, culture and political interests of the ASEAN countries.

ASEAN Centrality is a strategic effort to achieve the goals of the ASEAN 2025 organization. According to Stewart M Patrick¹⁰, ASEAN Centrality is a *raison d'être* of the existence of ASEAN itself. With a strategic geographical presence, ASEAN is a meeting place for the interests of major regional countries such as China, Japan and India, as well as the interests of super power country such as America, globally. Through ASEAN, the original founding countries such as Indonesia, Singapore, Malaysia, Thailand and the Philippines tried to accommodate

⁹ Amitav Acharya. 2001. *Constructing A Security Community In Southeast Asia: ASEAN and the problem of regional order*. London and New York: Rotledge. p. 45

¹⁰ Stewart M. Patrick. 2018. ASEAN Centrality in Managing a Geopolitical Jigsaw Puzzle. Retrieved from Council on Foreign Relations website: <https://www.cfr.org/blog/asean-centrality-managing-geopolitical-jigsaw-puzzle>

these interests thus taking advantage, specially in terms of investment, defense cooperation, and technology transfer. ASEAN Centrality is also described as follows, "ASEAN is the driver occupying a central seat in these regional processes. It also serves as a bridge between the newer ASEAN states and the Dialogue Partners "or referred to as" ASEAN "concentric approach"¹¹.

2.2. ASEAN Centrality As A Strategic Management Concept To Achieve Asean Vision 2025

There are three important stages in the formulation of a strategic management¹², namely :

- a. Strategy formulation, i.e. steps include developing vision and mission, identifying external opportunities and threats, determining internal strengths and weaknesses, creating long-term goals, initiating alternative strategies, and choosing specific strategies to achieve.
- b. Implementation of strategies, i.e. to mobilize all organizational resources to make all strategies formulated into actions.
- c. Strategy evaluation, i.e the final stage in strategic management. In this stage there are three fundamental activities, namely reviewing internal and external factors, measuring performance, and taking corrective steps.

The concept of ASEAN Centrality above can be categorized as a strategic step that includes the formulation of strategies, which began

¹¹ Rodolfo Severino and Moe Thuzar, dalam Victor Sumsy, Mark Hong, dan Amy Lugg, ASEAN regionalism and the future of ASEAN-Russia relations, 2012, Singapura, ISEAS, Hal. 22

¹² Pudjiastuti T. Nuke, Prayoga Pandu. 2015. *ASEAN And South China Sea Issue: Conflict Transformation Toward East Asia Security Regime*. Journal of Political Research, 12 (1), 102.

Fred R. David, Forest R. David. 2016. *Manajemen Strategik: Suatu Pendekatan Keunggulan Bersaing-Konsep Edisi 15*. (Novita Puspasari, Liza Nurbani Puspitasari, Trans.). Jakarta: Salemba Empat. p. 4-5 (Original Wrok Published 2015)

since the entry of external power in the ASEAN Regional Forum, ASEAN Plus Three and East Asian Summit. Managing so many interests requires clear objectives, calculation of external shocks in the form of what opportunities and threats will be encountered, as well as internal capabilities in the form of strengths and weaknesses. In terms of objectives, it is clearly illustrated that ASEAN will become an organizational unit that prioritizes common interests by becoming one in order to increase the strategic advantage of geography in order to benefit from external power, both economic and defense and security¹³.

Based on Rodolfo Severino's statement above, it can be concluded that ASEAN seeks to bridge the interests of major power countries. One of them is by forming an ASEAN Economic Community or ASEAN Community. Political issues, internal conflicts within the ASEAN countries are resolved based on non-interference principles or commonly called ASEAN Ways. The aim is that ASEAN unity remains strong. There were several times of fragmentation such as in 2012 in Cambodia and 2015 in Malaysia when ASEAN was unable to make a joint statement due to the issue of the South China Sea. This conflict, opening up the weaknesses of ASEAN itself in facing the interests of major power countries in the Southeast Asia region. However, through ASEAN Centrality, which is then called the ASEAN Way, everything can continue as the ASEAN Vision 2025 declaration.

The implementation of the ASEAN economic community itself was inseparable from the establishment of the ASEAN Free Trade Area in 1991. From 1995-2013 there was a huge leap in trade within ASEAN. Conceptually according to Bela Balassa, economic integration has preferential trading agreement stages, free trade areas, customs union,

¹³ Subhash Kapila. 2012. *SOUTH EAST ASIA: Strategically 'The Great Game' is in Swing*. Retrieved from: <http://www.southasiaanalysis.org/node/1077>

common markets, and economic union¹⁴. According to the Ministry of Finance's report, in 2014 regarding the impact of the AEC, it was said that with the establishment of the ASEAN Single Windows (ASW) and the implementation of the ASEAN Economy Community in 2015, ASEAN had fulfilled all the stages of economic integration mentioned above¹⁵. As an illustration of the data of economic growth from economic integration in ASEAN, in the range of 1995-2013 ASEAN trade grew from 321 billion US dollars to 1.2 trillion US dollars per year.

Picture 2.2.1 Asean Trade to the World in 1995-2013 (Billion USD)¹⁶

Tahun	Ekspor	Pertumbuhan (%)	Peran terhadap Total Ekspor Dunia (%)	Impor	Pertumbuhan (%)	Peran terhadap Total Impor Dunia (%)	Net Ekspor	Nilai Perdagangan Dunia
1995	321.23		6.19%	354.82		6.84%	-33.59	5,185.98
1996	340.97	6.15%	6.27%	375.98	5.96%	6.91%	-35.01	5,439.86
1997	354.53	3.98%	6.28%	380.80	1.28%	6.74%	-26.27	5,646.03
1998	328.81	-7.26%	5.89%	286.24	-24.83%	5.13%	42.56	5,577.74
1999	357.97	8.87%	6.17%	309.72	8.20%	5.34%	48.25	5,801.33
2000	426.78	19.22%	6.47%	379.97	22.68%	5.76%	46.81	6,601.20
2001	385.85	-9.59%	6.08%	346.34	-8.85%	5.45%	39.52	6,350.32
2002	405.24	5.02%	6.13%	365.55	5.55%	5.53%	39.69	6,614.98
2003	471.52	16.36%	6.09%	411.05	12.45%	5.31%	60.48	7,736.74
2004	570.08	20.90%	6.05%	513.82	25.00%	5.45%	56.26	9,429.01
2005	654.55	14.82%	6.11%	602.83	17.32%	5.63%	51.72	10,715.20
2006	767.87	17.31%	6.23%	688.22	14.16%	5.58%	79.64	12,334.21
2007	861.05	12.13%	6.08%	778.98	13.19%	5.50%	82.07	14,161.89
2008	984.32	14.32%	6.01%	939.46	20.60%	5.74%	44.86	16,366.17
2009	810.70	-17.64%	6.41%	730.15	-22.28%	5.77%	80.55	12,655.77
2010	1,052.40	29.81%	6.85%	953.12	30.54%	6.20%	99.29	15,369.55
2011	1,244.40	18.24%	6.78%	1,154.35	21.11%	6.29%	90.05	18,347.50
2012	1,253.96	0.77%	6.80%	1,221.16	5.79%	6.63%	32.80	18,427.84
2013	1,269.59	1.25%	6.78%	1,245.69	2.01%	6.66%	23.90	18,716.89

Sumber: Badan Pusat Statistik, diolah

¹⁴ Balassa, B. (1965). Trade Liberalization and Revealed Comparative Advantage. Manchester School of Economic and Social Studies, 33. pp. 99–123

¹⁵ Kementerian Keuangan Republik Indonesia. 2014. Laporan Dampak Asean Economic Community Terhadap Sektor Industri Dan Jasa, Serta Tenaga Kerja Di Indonesia Nomor Lap- 10/KF.4/2014. Retrieved for Kemeneu RI website: <https://www.kemenkeu.go.id/sites/default/files/kajian%20dampak%20asean.pdf>

¹⁶ Ibid

Another pillar of the ASEAN Community is the ASEAN Political And Security Community. Through this pillar ASEAN seeks to deal with security issues through ADMM (Asean Defense Minister Meeting) and ADMM Plus. Some activities carried out such as 2013 Counter Terrorism Training, ASEAN Peace Keeping Centers Network (APCN). In addition to APCN, another achievement of the PKO cooperation area was the implementation of the ADMM-Plus EWGPeace Keeping Operation / Humanitarian Mine Action. Joint Exercises in PKO and HMA themed in Pune, India, in January 2016, the ADMM-Plus EWG Humanitarian Assistance and Disaster Relief / Military Medicine Joint Exercise (AM-Hex) in Chonburi, Thailand, in September 2016¹⁷.

The final pillar is the ASEAN Socio-Cultural Community. The end of 2015 was the starting point for the integration of the ASEAN community which emphasized the "people-centered" aspect as a new focus in the region. Some ASEAN documents have included this term with the aim that the programs implemented are not only oriented to the development of the country, but also involve the community in the integration process. Responding to this, ASCC was formed to provide a space for participation and benefits for the community, sustainable, strong, and dynamic. The most visible achievement of this pillar is the creation of the ASEAN University Network¹⁸. As an effort to form the Fourth ASEAN Summit initiative in 1992 in Singapore, ASEAN seeks to "continuously solidify and develop the regional identity of the promotion of human resource development so as to further strengthen the existing universities' leading networks and institutions of higher learning in the region". In the context of this goal the ASEAN University Network was formed in 1995.

¹⁷ SET-NAS ASEAN. 2017. ASEAN Defense Ministers Meeting (ADMM). Retrieved from SET-NAS ASEAN website: <http://setnas-asean.id/asean-defence-ministers-meeting-admm>

¹⁸ <http://www.aunsec.org/ourhistory.php>

The three pillars above are the efforts to implement the ASEAN Centrality which is designed to increase the unity of ASEAN countries in order to remain one and become the center of unifying the interests of major power countries in the region, which involves many countries such as India, China and Japan regionally and America globally. In terms of Regional-to-regional contact, ASEAN also establishes good relations with the European Union. Thus, the implementation of strategic management that is to be achieved in accordance with the aspirations of ASEAN in 1967 is becoming increasingly apparent, and the effort to become central to the region / region itself is a challenge. Some need to be evaluated and then challenge the ASEAN Centrality in meeting the long-term strategic plan.

The evaluation of ASEAN's strategic management to welcome the ASEAN Vision 2025 is an external challenge such as a trade war that has an impact on ASEAN as a strategic trading partner of both the US and China. However, ASEAN has a great opportunity from the trade war results as ASEAN's demographic bonus will be able to attract investment from two hostile countries, i.e the US and China. ASEAN can be an important part of new areas of foreign investment such as opening new factories and financial services. ASEAN Centrality is needed to stem the conflict of interest of both major powers in the region, especially in the South China Sea. As this issue has prevented the creation of joint statements of ASEAN member countries in 2012 and 2015, it is necessary to take strategic steps to prevent external forces from influencing intra-ASEAN relations. And ASEAN Centrality is the answer to the dynamics of the influence of interests in ASEAN.

3. Conclusion

ASEAN is an organization that starts heading toward a common union, namely the situation in which several countries become the same unit. ASEAN has the identity of the ASEAN Ways character. Through ASEAN Centrality, ASEAN Ways makes ASEAN need to be seen as an organization that is not bound by external influences. Especially because the fragmentation of ASEAN members could create instability in the ASEAN region which is the most important interest of Major Power countries in the region. Therefore, it is important for ASEAN countries to protect ASEAN Centrality to achieve the goals of the ASEAN economic community and increase the chances of investment in ASEAN. It is also important for Major Power countries to safeguard ASEAN Centrality because ASEAN fragmentation has a potential that could weaken the regional stability and reduce its security. The decline in security is a loss of new investment areas as ASEAN is part of emerging markets supported by its demographic bonuses, as well as natural resources.

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