



EXPLAINER
SERIES

Indo-Pacific Explainer: **ASEAN**



Why ASEAN matters

The Association of Southeast Asian Nations (ASEAN) is Southeast Asia's primary multilateral organisation, established in 1967. Since then, it has become essential to political and economic cooperation in the region and taken on a broader regional and international significance as the hub at a centre of a network of regional institutions in East Asia.

ASEAN has also become a vital part of Australia's relations with Southeast Asia. Its members are among Australia's most important economic partners – Australia's trading relationship with the bloc exceeds \$100 billion a year, ahead of the United States and Japan. Moreover, several ASEAN-led regional institutions such as the ASEAN Regional Forum (ARF) provide a platform for Australia to promote political stability and cooperation in the wider region.



What is ASEAN

The Association of Southeast Asian Nations (ASEAN) is a regional grouping constituted by eleven members: Brunei, Cambodia, Indonesia, Laos, Malaysia, Myanmar, the Philippines, Singapore, Thailand, and Vietnam. Timor-Leste is ASEAN's newest member, having joined the grouping in 2025 after three years as an observer.

These member states are enormously diverse. There are huge size differences between them – with more than 270 million inhabitants, Indonesia's population vastly exceeds that of Brunei's approximately 445,000 inhabitants. They also have very different political systems ranging from democratic to highly authoritarian. And there are significant development gaps between ASEAN members that include both global economic hubs like Singapore's and least developed countries like Laos and Cambodia.

These differences also explain why ASEAN cooperation is guided by the so-called ASEAN Way. The ASEAN Way encompasses a set of principles including sovereignty and non-interference in members' domestic affairs, an emphasis on consensus-based decision-making, as well as peaceful conflict resolution. These principles guarantee that no state will be able to dominate another and are key to bringing diverse members together at the negotiation table. But this approach also poses a challenge for the grouping. Because member states differ in their geopolitical outlooks and priorities, ASEAN's decision-making is often slow and ineffective.

Australia's relationship with ASEAN across time

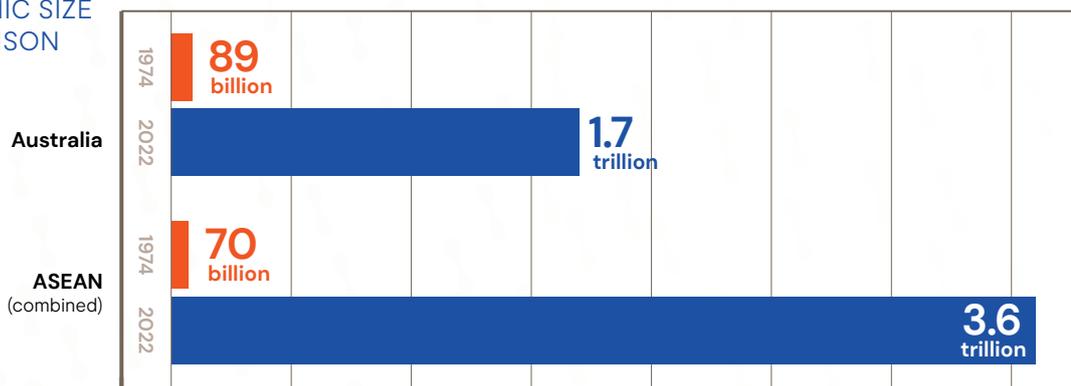
ASEAN was established on 8 August 1967 by only five Southeast Asian countries: Thailand, Malaysia, Singapore, the Philippines, and Indonesia. The idea for a regional organisation emerged from intensifying Cold War tensions. As the USA and Soviet Union expanded their spheres of influence, ASEAN's five 'founding fathers' sought to establish a stable region less vulnerable to external interference.

Worried over the effects of great power rivalry and the spread of communism in the region, Australia was strongly supportive of this objective. In 1974, Australia (and New Zealand) attended the ASEAN Summit as Association's first dialogue partners, making it the first external country to develop a formal multilateral relationship with ASEAN. After the Cold War ended and the perceived common threat of communism receded, it was uncertain whether ASEAN would remain relevant. By the early 2000s, however, ASEAN asserted its ongoing importance by deepening cooperation within Southeast Asia and between the grouping and other powers like the US, China, India, or Japan through new multilateral fora.

Australia became a founding member of several of these new regional institutions, including the ARF and the Asia-Pacific Economic Cooperation (APEC), and continued to deepen its relationship with the grouping throughout the next two decades. Marking five decades of partnership in 2024, however, their relationship has significantly changed. As Southeast Asia wins in economic and strategic significance, Australia's relative importance for the region is in decline. Thus, Canberra has invested significantly in strengthening its links to the region. In October 2021, both sides elevated their diplomatic ties to a Comprehensive Strategic Partnership (CSP). One year later, the government also appointed a Special Envoy for Southeast Asia, tasked with developing an economic strategy to deepen Australia's links with the region.

AUSTRALIA AND ASEAN: ECONOMIC SIZE COMPARISON

Annual GDP (in current US\$)¹



ASEAN's security interests

ASEAN prioritises ASEAN centrality, the idea that ASEAN acts as, and should remain, the 'anchor' for a wide network of regional institutions, in its view of the Indo-Pacific (see Box 1).

The 2019 ASEAN Outlook on the Indo-Pacific (AOIP) was a response to the various Indo-Pacific strategies and concepts promoted by several states, including Australia. AOIP is a vision document that presents an alternative to these concepts, which ASEAN member states perceived as too exclusionary (anti-China). Instead, ASEAN wanted to maintain good relations with both the US and China and thus promoted an inclusive Indo-Pacific architecture based on cooperation across four broad fields: maritime cooperation, connectivity, the UN Sustainable Development Goals (SDGs) and economic cooperation.

It is important to note, however, that there is no homogenous 'Southeast Asian' view on the Indo-Pacific, because ASEAN members have different geopolitical alignments. Hardening US-China competition frequently challenges ASEAN unity and cohesion as illustrated in the South China Sea territorial dispute. Divided over how to respond to an increasingly assertive China, the grouping has been unable to formulate a joint stance on the conflict.

Australia formally supports ASEAN centrality and the primacy of ASEAN-centred multilateralism. But in practice, its strategic priorities, particularly its reliance on the US alliance, diverge from ASEAN's interests. The rise of new mini-lateral arrangements like the Quad between the US, Australia, Japan, and India or AUKUS are seen in the region to undermine the relevance of ASEAN. AUKUS in particular also raised significant fears in Southeast Asia over heightened strategic competition and a potential arms race within ASEAN.

BOX 1: **What is ASEAN centrality?**

The term 'ASEAN centrality' is often used but rarely clearly defined. ASEAN sits at the centre of a network of cooperative arrangements with its dialogue partners such as the ASEAN Plus Three, as well as multilateral fora including the ASEAN Regional Forum, East Asia Summit and Asia-Pacific Economic Cooperation (APEC).² Simply put, ASEAN centrality refers to the grouping's role as an institutional 'anchor' for this broad network of regional institutions. Implicit in the term is often an assumption of ASEAN leadership. The deliberative and non-confrontational ASEAN Way, some argue, provides an open and inclusive platform for different regional powers to build confidence and promote the peaceful resolution of regional security issues.³ Ever growing strategic uncertainty and the rise of new security arrangements in the Indo-Pacific, however, have made the limits of ASEAN-led institutions increasingly apparent.

**Australia and the Indo-Pacific:
Understanding our strategic
connections to Asia**

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