The Influence of Indo-Pacific Economic Framework on Peace Stability in The ASEAN Region

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ABSTRACT

By taking into account all motives for foreign economic cooperation, including the Indo-Pacific Economics Framework (IPEF), this framework will definitely affect the economies of several countries in the region, especially Southeast Asia. ASEAN is demanded not only as an elite state organization but furthermore, is also required to have the capability to involve all elements of its member countries’ societies, in the varying fields, especially economic, political and peace stability. This paper then raised a question regarding how does the IPEF influence the peace stability in the ASEAN Region. In examining this question, the author used the theory of international organizations typology, international economic regime theory, and regional peace stability theory. It is concluded that the step that’s certainly must be taken by countries in the region is to help each other. Thus, it is the joint responsibility of each country, both inside and outside the region to prevent the emergence of conflict and voluntarily build trust to achieve regional stability. In this context, ASEAN certainly must be stronger.

Keywords: ASEAN, economy, stability


Kata-kata Kunci: ASEAN, ekonomi, stabilitas
In May 2022, United States (US) President Joe Biden made a visit to Asia. This visit is followed by the ASEAN-US Summit in Washington, D.C. on May 12-13th, 2022. President Joe Biden then visited South Korea on May 20th-22nd and attended the Quad Summit in Japan on May 22nd-23rd (Ryall 2022). The visits were aimed at enhancing US engagement and cooperation in the Asia-Pacific region. During the visit, President Joe Biden announced a new Indo-Pacific economic cooperation framework called the Indo-Pacific Economics Framework or also known as IPEF (Puspaningrum 2022). The IPEF currently has 13 members, including the United States, of which altogether account for 40% of the world’s gross domestic product. The members are Australia, Brunei Darussalam, India, Indonesia, Japan, South Korea, Malaysia, New Zealand, Philippines, Singapore, Thailand, and Vietnam (Bimo 2022).

Taking into account all forms of foreign economic cooperation, including the IPEF, this recent economic framework must have an impact on the economies of several countries in the region, especially Southeast Asia. After reviewing and examining the data from 13 IPEF members, seven of them are ASEAN member countries, namely Brunei Darussalam, Indonesia, Malaysia, Philippines, Singapore, Thailand, and Vietnam. This is considered to widen the influence of IPEF, which is not only limited to economic influence. The existence of IPEF will also have an impact on regional stability in the Southeast Asia in an effort to maintain peace in the region. This is because IPEF, which is spearheaded by the US is considered as an effort to counter China’s dominance and influence in Asia, especially Southeast Asia. The presence of US through IPEF for ASEAN itself can be considered as a counterweight in the region. In a broad sense, IPEF can be understood as a way for the United States to display a sign of commitment to become a major power in Asia (Bimo 2022).

In a short period of time, ASEAN will face new challenges based on the influence of IPEF cooperation. Based on the purpose of IPEF establishment, ASEAN is required not only to be an organization of state elites, but also must have the capacity to include all elements of its member countries’ societies in all fields, especially economic, political, and peace stability. In addition, ASEAN member
countries that are members of IPEF must also be able to balance their alignments between the two world economic hegemonies, namely the United States and China, especially Indonesia.

**Indo-Pacific Economics Framework on Peace Stability in the ASEAN Region**

The questions explored in this article are stated in the literature review section, which contains a systematic description of the results of prior research. Literature research is conducted by examining different publications that are aligned with the subject of current research to obtain the results of each previous research. This process is important in order to avoid plagiarism or imitation of existing article topics. The reviewed literatures presented in this section includes several articles, papers, theses, books and other sources that discuss the impact of the of the Indo-Pacific Economics Framework on peace stability in the ASEAN region.

Based on Montratama (2016) research, the Indo-Pacific region is known as the most dynamic region of the 21st century with economic growth outpacing other regions. The increasing prosperity of countries in the region has coincided with an increase in defense budgets, giving the impression of ambition for an arms race. This phenomenon is inseparable from the existence of conflicts of interest in several regional countries in different forms. Border dispute is the most sensitive issue that can arise in armed conflict (Montratama 2016). The key point that will differ the existing research (Montratama 2016) to this current research is marked by the current research’s main focus whereas this research will analyze the point of view of IPEF’s influence on peace stability in the ASEAN region.

Cited from Iriawan (2018), Donald Trump’s statement “You Say Asia-Pacific, I Say ‘Indo-Pacific’” signals a change in the world geopolitics, which marks a fundamental change in world global politics. As an Indo-Pacific discourse, it requires a fundamental change in the way of understanding the dynamics of international politics once known as the Asia-Pacific region. The main focus of Iriawan (2018)’s research is the geopolitical transformation of the
Asia-Pacific region to Indo-Pacific region which later influenced the creation of US grand strategy. This research is different from the previous aforementioned research because it will completely focus on the ASEAN region.

Research from Langgeng Gilang Pangestu (2020) shows that as a new region, the Indo-Pacific, has been formed based on various existing potentials. This environment creates conflicts of interest from various countries. The conflict between China and the United States is inevitable and has significant effects on regional stability. Indonesia, which is located in the center of the Indo-Pacific, faces several threats, national interests, regional stability, and ASEAN centrality. This article uses the concepts of national interest, strategic environment, Security Community and diplomacy with a descriptive qualitative research approach consists of; literature studies and interviews, that describes the research problems empirically. This research will be different from the existing research because it will focus on the application of Theory of International Organizations Typology, International Economic Regime Theory and Regional Peace Stability Theory.

A journal article written by Yanuarti et al. (2020) stated that since the establishment of Free and Open Indo-Pacific (FOIP) by the US President Donald Trump in November 2017, FOIP has drawn more attention to the Indo-Pacific as a form of geopolitical transition. Ultimately, FOIP is seen as the first step in strengthening deterrence strategies against China’s rise and re-establishing order in the region. Many flashpoints in the region are unavoidable and the situation has been exacerbated by the rivalry between the US and China. Indonesia as a natural leader of middle power countries should not be silent in observing the changes in the strategic environment that occur between US-China rivalry, to stimulate the concepts of Indo-Pacific as a geostrategy. While this existing research mainly discuss about FOIP and the centrality of Indo-Pacific as geopolitical transition and geostrategy, this current research will provide different analysis because it focuses on the ASEAN region whereas previous research merely focuses on Indonesia’s defense perspective.

The journal entitled “China Versus the United States: Interpretation of Superpower Security Rivalry in the Asia Pacific Region” written
by Al Syahrin (2018) aim to find the current security policy issue between the great powers of the United States and China in the Asia-Pacific region. With the development of China, the relationship between China and the United States has become important for the stability and security of the Asia-Pacific region. The security conflict between the two countries is a form of “old tradition” that is now repeated by the “new organization”. The political and security rivalry that culminated along with the end of the Cold War has not left the United States as the only entity that has the ability to continue to dominate the world political situation. This paper is different from the research presented by Al Syahrin (2018), as this paper focuses on a different security rivalry condition.

In the paper entitled “The Effect of Japan’s Increased Military Capability on Security Stability in the Asia Pacific Region 2014 - 2017” written by Waskito (2018), the purpose of the research is to analyze the impact of Japan in carrying out the principle of pacifism, instead of building military capabilities in various forms, and describing the military strength of countries in the Asia-Pacific region such as China, North Korea, and India. Waskito (2018) uses classical realism theory which focuses on how anarchic international conditions can influence a country to develop its own military capabilities, hence generating the uncertainty in predicting one state’s use of military capabilities. This research will be different in terms of theory, as the author uses the Theory of International Organization Typology, International Economic Regime Theory and Regional Peace Stability Theory.

Research from Abhiram Singh Yadav (2020) explained that India’s foreign policy towards ASEAN centrality is based on its national identity and interests. Adopting constructivism through the comparative history method, this thesis concludes that India’s current national interest is the realization of a long journey of several past relationships in the socio-cultural, religious, political spheres, economic and traditional era commercial contacts in the Indo-Pacific region. India’s role is naturally seen as a “major center” of economic and cultural influence in the region. Moreover, it is argued that the reinvention of India’s national interests is essentially related to the acquisition of a new identity as the “first hub” in the Indo-Pacific region. A conceptual analysis of the
"Look East" and later "Respond East" policies shows that these strategies embody India’s key national interests, indirectly aiming to maintain India’s role as a “great power” connecting African and Gulf countries, as well as East Asia and Southeast Asia. This current research is different because it focuses on the ASEAN region while the previous research on the contrary, focused on India’s national Identity and national interests.

On the other hand, Yunanto and Samhudi (2019) research, entitled; “Different Interests Explain Different Proposals: The Contestation of Indo-Pacific Cooperation Framework between ASEAN and the US” presents that China’s rise, in line with strategic shifts around the Indian and Pacific Oceans, has recently initiated a new stage of great power contestation. ASEAN, which hosts Southeast Asian countries, has a certain attitude to face the challenges and opportunities presented by the competition. Meanwhile, the US Government with its global interests will never allow the region to fall under China’s influence. Simultaneously, both ASEAN and the US have the same approach in this situation to use the Indo-Pacific cooperation framework that is definitively open to any explanation to gain the benefits resulting from global interaction in the region. However, their perceptions on defining the Indo-Pacific cooperation framework are diverse. Therefore, Yunanto and Samhudi (2019) attempts to analyze the rationale of ASEAN and the US in developing the concept of Indo-Pacific cooperation based on their respective strategic assessments. The paper argues that the different interests and threat insights of ASEAN and the US towards China’s rise and great power contestation in the region are the two main factors for their different perceptions of the Indo-Pacific cooperation framework concept. While the aforementioned research focuses on the explanation of ASEAN and US’ perceptions towards Indo-Pacific cooperation framework, this research is focused on analyzing the impact of IPEF on Southeast Asia peace stability.

Navy and the weakening influence of the US in the region. In response to this situation, India and Japan as regional powers agreed to cooperate. Based on Prime Minister Shinzo Abe’s speech in 2007, both India and Japan have common ground on maritime security. Since Prime Minister Shinzo Abe returned to power in 2012, Japan has expanded its security scope by viewing India as a security partner. Meanwhile, India’s “Act East” policy is taking a more active role in the East, especially in Japan. Furthermore, Japan then coordinated their strategic policies to enhance maritime cooperation. This article describes the implementation of Indian and Japanese naval cooperation as a counterweight to China in the Indo-Pacific. This article is highly different from the existing publication, as it focuses on the analysis of regional stability of the ASEAN region.

Having showed the difference between this paper and the previous existing research, the author would like to point out that this study explores the impact of the Indo-Pacific Economic Framework (IPEF) on peace and stability in the Southeast Asian region, particularly in ASEAN member countries. The IPEF is a new economic cooperation framework that was launched by the US President Joe Biden in May 2022, which aims to counter China’s dominance and influence in Asia. The paper argues that the IPEF’s presence will have a significant impact on stability in the Southeast Asian region as it will require ASEAN member countries to balance their alignments between the US and China in all-encompassing fields, including economic, political, and peace stability. The author conducts a literature review of prior research on the influence of the Indo-Pacific economic framework on peace stability in the ASEAN region, including studies on border disputes and the increasing defense budgets in the region. This paper aims to provide a distinct and different perspective by exploring the influence of the IPEF on peace and stability in the ASEAN region.

**International Organization Typology Theory**

According to Harold K. Jacobson (1979), there exists one type of typology which shows four classifications of international organizations based on membership and purpose. In this
The Influence of Indo-Pacific Economic Framework on Peace Stability in The ASEAN Region

Theoretical basis, the author has classified which quadrant ASEAN is positioned in and how ASEAN then moves based on its membership and purpose.

On the other hand, according to Sumaryo Suryokusumo (2007), starting from the 17th century, the progress of international organizations was not only carried out in various international meetings which eventually gave birth to agreements, but more than that, it has been organized in diverse variations of the commission, union, council, league, association, united nations, commonwealth, community, cooperation, and others.

According to Sands et al. (2001), there are currently many international organizations, especially existing international organizations, which can be classified and distinguished between organizations that have a universal position and regional organizations.

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International Economic Regimes Theory

Stephen D. Krasner (1983), defines the International Regime as a set of explicit or implicit principles, norms, rules and decision-making procedures where all actors’ ambitions converge on a particular area of international relations.
In general, regimes are known by other terms which include international treaties, international agreements, etc. However, regimes should also be assumed as entities that are more than just “temporary agreements” that undergo changes whenever there is a shift in power or interest.

According to several scholars, the Indo-Pacific Economics Framework can be studied through economic regionalism deliberately created by Jacob Viner and Bertil Ohlin in the 1930s. Therefore, the theoretical basis related to the Economic Regime needs to be used.

**Economic Regionalism Theory**

The theory of economic regionalism is a concept that is relevant in understanding the current global situation, including the pandemic, Russia’s invasion of Ukraine, and the IPEF in ASEAN. The pandemic has highlighted the importance of economic regionalism as countries have had to work together to mitigate the economic impact of the global crisis. Regional economic cooperation and integration can help build resilience against future shocks and facilitate economic recovery. Russia’s invasion of Ukraine has also brought economic regionalism into focus, as countries in the region have had to work together to respond to the crisis. Economic sanctions have been imposed by Western countries on Russia, and regional economic integration has become more important as a means in strengthening economic ties and reducing dependence on Russia. The IPEF in ASEAN is also related to economic regionalism, as it aims to promote economic integration and cooperation among ASEAN countries and their trading partners in the Indo-Pacific region. The IPEF is seen as a means in promoting regional economic stability and reducing the risk of conflict by fostering greater economic interdependence among countries in the region.
Indo-Pacific Economics Framework (IPEF) Background

The Indo-Pacific Economic Framework (IPEF) is a regional economic cooperation initiative that was announced by US President Joe Biden during his visit to Asia in May 2022. The IPEF aims to enhance economic cooperation and integration among its 13 member countries, which includes the United States, Australia, Brunei Darussalam, India, Indonesia, Japan, South Korea, Malaysia, New Zealand, the Philippines, Singapore, Thailand, and Vietnam.

The IPEF has several implications for ASEAN, such as; (1) promoting economic integration and cooperation among ASEAN member countries. This can benefit ASEAN by enhancing trade and investment flows within the region and facilitating economic growth. ASEAN member countries that are also part of the IPEF, such as Indonesia, Malaysia, the Philippines, Singapore, Thailand, and Vietnam, can leverage this framework to deepen economic ties with other member countries and strengthen their position within the regional and global economy; (2) counterbalancing China’s influence, of which IPEF is considered as a strategic move by the United States to counterbalance China’s growing economic influence in the region, particularly in Southeast Asia. By promoting economic cooperation and engagement through the IPEF, the United States aims to provide an alternative to China’s Belt and Road Initiative and assert its presence and influence in the Indo-Pacific region. This can contribute to ASEAN’s efforts to maintain a balance of power and avoid overreliance on any single country; (3) achieving regional peace and stability as IPEF’s focus on economic cooperation and integration is expected to contribute to regional peace and stability. By fostering greater economic interdependence and connectivity among member countries, the IPEF can create incentives for peaceful relations and cooperation, as economic integration often leads to shared benefits and reduced incentives for conflict. This can lead to positive implications for ASEAN’s goal of maintaining peace and stability in the region; (4) strengthening ASEAN Centrality, as the IPEF’s inclusion of ASEAN member countries reinforces ASEAN’s centrality in the regional economic architecture. It recognizes the importance of ASEAN as a key driver of economic growth and integration in
Southeast Asia and provides opportunities for ASEAN to play a leading role in shaping the economic agenda and rules within the IPEF framework.

Overall, the IPEF can have a significant impact on ASEAN by promoting economic integration, countering China’s influence, contributing to regional peace and stability, and strengthening ASEAN’s centrality in the Indo-Pacific region. However, the extent of these effects will depend on the implementation and success of the IPEF and the cooperation among its member countries.

**Southeast Asian Peace and Stability**

Southeast Asia is one of the many regions that have numerous conflicts and problems. Although the conflicts are usually latent conflicts between countries or conflicts within countries that have not yet manifested, ASEAN, known as the regional organization of Southeast Asia, is now in the international spotlight and is predicted to become a political community that can provide a good impact on the people of Southeast Asia through regional progress and integration.

The ASEAN Community currently has three main pillars, namely, the ASEAN Economic Community (AEC), ASEAN Political and Security Community (APSC), and ASEAN Social and Cultural Community (ASCC) which has been in effect since December 2015 (Anthoni 2019). With the establishment of the ASEAN Community, especially the ASEAN Political and Security Community, ASEAN should play an increasing role in maintaining peace and stability in the region, especially in contributing to create peace and stability in the South China Sea (SCS) which has strategic political value.

According to the data provided by the Deputy for Social Sciences and Humanitarian Affairs of LIPI, the Philippines, Vietnam, Malaysia, and Brunei Darussalam do not prioritize the ASEAN regional system in the case of conflict resolution, in regards to handling and managing the SCS conflict. This proves that fellow ASEAN member states still harbor mutual suspicion and distrust regarding the SCS conflict to be submitted and resolved in
accordance with ASEAN norms and values (Anthoni 2019). This also proves that the South China Sea region is now a geopolitical struggle for the dominance of the new stage of world hegemony.

Geopolitics in the SCS is now growing to become a struggle for activities that not only involve countries that has dispute over sovereignty in the region. As of now, the SCS has received the attention of a numerous number of major countries who claims to have an interest in the SCS area. Beijing, which openly has historical rights, is very ambitious to regulate more than 80 percent of the SCS (Anthoni 2019). China is aggressively building man-made islands in the South China Sea, with sophisticated military power. Observers argue that China, with its cultural, linguistic, economic and commercial as well as military power, wants to project its dominance in the South China Sea as a stepping stone to global dominance.

This is also in line with the efforts made by the United States, which is also present through IPEF as a manifestation of the US’ marker and commitment to become a major power in Asia. Although IPEF is still very new, China has begun to sniff and criticize IPEF, moreover, the Chinese government now believes that any agreement or forum can become “exclusive” which will cause greater chaos in the region (Bimo 2022).

The condition of the world has indeed become a law to continue to run dynamically. One thing that is certain is that the steps that countries in the region should take are to promote mutual cooperation, scientific research, environmental protection, disaster prevention, and others. Thus, it is the shared responsibility of countries within and outside the region to prevent the emergence of conflict and voluntarily build mutual trust in order to achieve stability in the region. In this case, ASEAN must become stronger and more united in its efforts to resolve disputes that threatens peace and stability.
IPEF’s Linkage to Southeast Asian Regional Stability

The Indo-Pacific Economic Framework (IPEF) has important implications for Southeast Asian regional stability, as it aims to enhance economic integration and cooperation among countries in the region. The IPEF is a strategic concept developed by Japan and the United States, with the goal of promoting economic growth, development, and connectivity in the Indo-Pacific region.

The IPEF is based on the principles of openness, transparency, and inclusiveness, and seeks to promote free and open trade, investment, and economic cooperation. It is seen as an alternative to China’s Belt and Road Initiative (BRI), which some countries in the region view as a threat to their sovereignty and territorial integrity.

One of the key ways in which the IPEF can contribute to Southeast Asian regional stability is by promoting economic interdependence and reducing the risk of conflict. When countries are economically interdependent, they are less likely to engage in conflict with one another, as they have a shared interest in maintaining economic stability and prosperity. By promoting greater economic cooperation and integration in the region, the IPEF can help reduce tensions and promote regional stability.

Another way in which the IPEF can contribute to Southeast Asian regional stability is by promoting the development of infrastructure and connectivity in the region. This can help to promote economic growth and development, reduce poverty and inequality, and enhance social and economic opportunities for people in the region. Improved infrastructure and connectivity can also help reduce the risk of conflict by facilitating the movement of goods, people, and ideas across borders.

Overall, the application of the theory of economic regionalism, as exemplified by the IPEF, can play an important role in promoting Southeast Asian regional stability by promoting economic integration, interdependence, and connectivity. However, it is important to recognize that economic regionalism is not a panacea, and that there are still many political and security challenges that need to be addressed in order to ensure long-term regional stability and prosperity.
Conclusion

In conclusion, economic regionalism and international economic regimes theory are essential concepts in understanding the current global situation, including the COVID-19 pandemic, Russia’s invasion of Ukraine, and the Indo-Pacific Economics Framework (IPEF) in ASEAN. The IPEF is a regional economic cooperation initiative that aims to enhance economic cooperation and integration among its 13 member countries, including ASEAN. The IPEF has several implications for ASEAN, such as promoting economic integration, countering China’s influence, contributing to regional peace and stability, and strengthening ASEAN’s centrality in the Indo-Pacific region. However, the extent of these effects will depend on the implementation and success of the IPEF and the cooperation among its member countries. Additionally, ASEAN should play an increasing role in maintaining peace and stability in the region, mainly in contributing to create peace and stability in the South China Sea.

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**Book and Book Chapters**


**Journal and Online Journal**


The Influence of Indo-Pacific Economic Framework on Peace Stability in The ASEAN Region

Maritime Power Nexus in Balancing China (2012-2017)


Thesis


Online Article


The Influence of Indo-Pacific Economic Framework on Peace Stability in The ASEAN Region