



Konrad  
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# East Asia Regionalism

Papers of the  
Workshop on "Differing  
Perspectives on East  
Asian Regionalism"  
organized by the  
Konrad-Adenauer-Stiftung  
and the Hiroshima Peace  
Institute in Hiroshima 2010



Edited by  
Narayanan Ganesan and  
Colin Dürkop

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Narayanan Ganesan and Colin Dürkop

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## Preface

This edited volume is the outcome of a workshop that was jointly organized by the Hiroshima Peace Institute and the Konrad-Adenauer-Stiftung in December 2010. The immediate motivation for the workshop was the general feeling among us that whereas there was a tremendous amount of regional activities tending in the direction of East Asian regionalism, there was an equal amount of dissonance that could be observed. In other words, although participating countries in the regionalist process were generally enthusiastic about achieving a measure of regional coordination, their efforts were not always congruent or convergent. In fact there seemed to be many instances where the policy initiatives of one country appeared to be at odds with that of another. In light of this situation we decided to host a workshop in Hiroshima and gather feedback from prominent scholars in the field about the preferred directions of individual countries.

The meeting brought together scholars from ASEAN, China, Japan and South Korea. During the workshop the paper writers benefitted from the presence of a number of invited discussants. They included Dr. Axel Berkofsky from Pavia University in Italy, Prof. Kim Gi Jung from Yonsei University and Dr. Tatsuya Nishida from Hiroshima City University. Their robust engagement of the speakers allowed the paper writers to rework their papers and make them stronger.

This edited volume that arose from the workshop brings together revised versions of the papers that were presented at the workshop as well as a solicited piece from Dr. John Ciorciari from the University of Michigan. Participants at the workshop felt that since the United States has an overwhelming influence in regional affairs, its position should also be included. As a result, the book contains an introductory theoretical chapter that examines the various schools of thought in international relations and their respective positions on regionalism. Subsequently, the positions of five major players in the process are examined. Then the conclusion addresses areas of convergence and diversion among the country positions.

In bringing this book to fruition we are thankful to our corporate sponsors – the Hiroshima Peace Institute and the Konrad-Adenauer-

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Narayanan Ganesan, Hiroshima, JAPAN

Colin Dürkop, Istanbul, TURKEY

## List of Abbreviations

ABF	Asian Bond Fund
ABMI	Asian Bond Market Initiative
ADB	Asian Development Fund
AFTA	ASEAN Free Trade Area
AICHR	ASEAN Commission on Human Rights
AMF	Asian Monetary Fund
APC	Asia-Pacific Community
APE	ASEAN Plus Eight
APEC	Asia-Pacific Economic Cooperation
APT	ASEAN Plus Three
ARF	ASEAN Regional Forum
ASA	ASEAN currency swap agreement
ASA	Association of Southeast Asia
ASEAN	Association of Southeast Asian Nations
ASM	Asian Summit Meeting
BDA	Banca Delta Asia
BSA	Bilateral swap agreement
CGDK	Coalition Government of Democratic Kampuchea
CMI	Chiang Mai Initiative
COMINTERN	Communist International
CSCAP	Council for Security Cooperation in the Asia-Pacific
DK	Democratic Kampuchea
DPJ	Democratic Party of Japan
EAC	East Asian Community
EAEC	East Asia Economic Caucus
EAEG	East Asia Economic Grouping
EAS	East Asia Summit
EASG	East Asian Study Group
EAVG	East Asia Vision Group
ECSC	European Coal and Steel Community
EDCF	Economic Development Cooperation Fund
EPA	Economic Partnership Agreement
EPG	Eminent Person Group
EU	European Union

FPDA	Five-Power Defence Arrangements
FTA	Free Trade Agreement
FTAAP	Free Trade Agreement of the Asia-Pacific
IMF	International Monetary Fund
LDP	Liberal Democratic Party (Japan)
MFN	Most Favoured Nation
NAFTA	North American Free Trade Area
NATO	North Atlantic Treaty Organization
NLD	National League for Democracy
ODA	Overseas Development Aid
OSCE	Organization of Security and Cooperation in Europe
PECC	Pacific Economic Cooperation Council
PMC	Post-Ministerial Conference
ROK	Republic of Korea
SC	Seoul Conference
SCO	Shanghai Cooperation Organization
SEATO	Southeast Asia Treaty Organisation
TAC	Treaty of Amity and Cooperation
TOR	Terms of reference
TPP	Trans Pacific Partnership
USFK	US Forces in Korea
USSR	Union of Soviet Socialist Republics
WTO	Warsaw Treaty Organization
WTO	World Trade Organization

## Regionalism in International Relations Theory

Narayanan Ganesan

The study of regionalism in international relations theory is informed by both the various schools of thought in the field as well as actual developments in the real world. Suffice it to say that the earliest proponents of regionalism were from Europe and the emphasis was on regionalism arising from functional cooperation among states in the aftermath of World War II.<sup>1</sup> In its early stages regionalism derived its inspiration from liberal theories of international relations that emphasized the mutual gains deriving from multilateral cooperation. It was also thought that international economic cooperation was one of the best ways of addressing tensions in international relations. Yet, it was not liberalism but rather realism that acquired hegemonic status in the study of international relations from 1945 onwards. This hegemony lasted till the 1980s although realism itself underwent a good amount of metamorphosis. Within the realist tradition regionalism provided the promise of cooperation among like-minded states to deflect the challenges deriving from the assumed template of anarchy. And from the 1990s, constructivism has inspired the study of international relations with its focus on ideas and ideational norms. For constructivists, the international relations template, especially that at the regional level, is informed by elite and cultural considerations of identity and community.

Notwithstanding the differences in the core assumptions regarding the motivation of states for cooperation between the various schools of thought, regionalism or the regionalist enterprise has resonance in the study of international relations at large. In this regard although motivations may differ, states often engage in collaborative efforts at the regional level. And indeed if the last two decades are any indicator of trends, there has been a proliferation of such efforts. Arguably some regional organizations have fared far more successfully than others and those embedded in East Asia have seen certain resilience both in terms of embeddedness as well as scope of activities and membership. The outward expansion of the Association of Southeast Asian States (ASEAN)

in the 1990s to embrace all the states of the region was completed by 1999 with the absorption of Cambodia. Whereas Laos and Myanmar had joined ASEAN in 1997 Cambodian membership was delayed as a result of the civil war between the forces of Hun Sen and Norodom Ranariddh that broke out that same year. Consequently, the original plan for the ASEAN footprint to encompass all of Southeast Asia by 1997 was delayed owing to Cambodia's later entry. And in the aftermath of the Asian financial crisis of 1997, ASEAN has sought a greater and more structured embrace of East Asian states. Such efforts culminated in the ASEAN Plus Three (APT) in 1998, the East Asian Community (EAC) and the East Asian Summit (EAS) in 2005. Notwithstanding differences among the major drivers of this regionalist enterprise the general trajectory of developments appears to be in favour of greater collaboration and coordination.

This chapter examines the phenomenon of regionalism in international relations theories. It also seeks to unbundle some terms associated with regionalism like regionalization and multilateralism. The first part of the chapter looks at the three dominant schools of thought in international relations theory and their position on regionalism. The second section looks at other terms closely associated with regionalism in the literature and attempts to conceptually clarify these terms. And finally, the third section broadly engages the evolution of East Asian regionalism especially as it pertains to Northeast and Southeast Asia. In this regard, the paper is not concerned with developments in South Asia that typically has its own dynamic and regional footprint.

### **Schools Of thought in international relations and regionalism**

The study of international relations has generally been dominated by three schools of thought. The first and most dominant of these is realism that came into vogue after World War II and essentially dominated the discourse during the Cold War. Although adherents of the approach often trace the roots of the approach to the Greek philosopher Thucydides and the Italian courtesan Nicolo Machiavelli, the most prominent intellectual associated with the school was Hans Morgenthau.<sup>2</sup> Hedley Bull from the English school is another important intellectual from this tradition.<sup>3</sup> Realism was characterized by a number of distinctive claims regarding international relations and the template against which it should

be measured and understood. The first and perhaps most important assumption was that international relations is generally characterized by a state of anarchy. Within this broad state of affairs states exist in an essentially competitive relationship as they seek to preserve and enhance state power.

Realists also hold the state to be the central and most important unit of analysis in international relations. Consequently, all attempts at meaningful interpretations of international relations begin and end with the state. The political realm was regarded as super ordinate in international relations and the pursuit of power was amoral for Morgenthau.<sup>4</sup> Critics of realism typically tend to take aim at the basic assumptions of the theory. Those that are most often challenged are the centrality of the state in the theory, the presumption of a state of anarchy at the outset and the competitive acquisition of state power. It was also described as being reductionist in its focus on the state and power as the ultimate goal of states. Notwithstanding these criticisms the school was dominant during the Cold War and offshoots of the school retained some of the core assumptions of the school. The evolution of international relations after 1945 and the ideological and strategic rivalry between the United States (US) on the one hand and the Soviet Union (USSR) on the other appeared to validate realism and as a result the theory became intertwined with developments in Europe as well. US hegemony in the social sciences in general and political science in particular were also helpful to the realist interpretation and enterprise.

Within the realist tradition a cooperative enterprise like regionalism was meant to enhance the power of individual states that remained the most important focus of study as the basic unit of study. The bipolarity and intense ideological and national competition that characterised relations between the US and the Soviet Union during the Cold War also became manifested in the European theatre where two world wars had previously broken out. The United States-led North Atlantic Treaty Organization (NATO) and the Soviet-led Warsaw Treaty Organization (WTO) simply bore the hallmarks of interpretive realist academia as the competitive organizations that were the extensions of the national quest for power between the US and the USSR. These organizations also came to conveniently occupy the second tier of realist musings regarding international relations as representing regions or sub-systems while the world constituted the system at its broadest level. Regional

organizations that evolved during the Cold War demonstrated a clear obsession with security and the US clearly had a hub and spokes strategy for containing the threat of communism through regional or sub-systemic security arrangements. Such a development was well in line with realist interpretations of international relations as essentially anarchic and the need to maintain order among like-minded states through mutual cooperation to strengthen national capacity and power. It was motivated essentially from fear and mutual distrust of the other states and their intentions within the system.

For realists, regional organizations performed a very specific strategic function. They were not meant to integrate states and weaken the sovereignty of states. Rather, the collective grouping of states was meant to enhance the power of individual states. In this regard, realists do not condone the surrender of state authority and sovereignty. Hence, regional organizations do not have the teleological predisposition in favour of supranationalism. They merely obtain to lubricate the dense transactions among states within an anarchic environment.

The metamorphosis that realism underwent from the 1970s both accommodated developments in the real world and reflected the fissuring of the dominant school of thought. Structural realism or neorealism became popular by the 1970s and this sub-school downplayed the centrality of states and their thirst for the acquisition of power in international relations. Structural realism sought greater accommodation for international organizations that transgressed the borders of states as well as non-state actors. Kenneth Waltz was one of the foremost theorists from this school.<sup>5</sup> His original contribution was to detail the state of anarchy as one without effective government rather than a state of disarray and to introduce the three levels of analysis in international relations. Additionally Waltz argued that the social sciences cannot claim predictive ability like the natural sciences since they cannot conduct controlled experiments. Consequently, the best that can be hoped for is a cogent explanation of international relations.<sup>6</sup> In this regard, offshoots of realism had a general tendency to emphasize structural norms or activities that transcended the state. Both neorealism and structural realism emphasized such norms although classical realism distanced itself from such looser interpretations. Other well-known proponents of structural realism include Robert Keohane and Joseph Nye.<sup>7</sup> Given the theory's flirtation with international norms and cooperation, a strand of

this school branched off into regime theory as well.<sup>8</sup>

The earliest intellectual challenge to realism came from liberalism and occurred immediately after World War II. In fact, liberalism competed with realism as the dominant intellectual school of thought informing research in political science. However, it receded into the background by the early 1950s as realism became the dominant and hegemonic school of thought. Liberalism differed from realism in major ways in that it assumed a much more benign international environment and the general willingness of states to cooperate for mutual gain. In this regard, liberalism made fundamentally opposite assumptions from realism regarding the motivations and intentions of international conduct. Liberals tended to emphasize mutual cooperation and mutual gain rather than anarchy and mutual fear. Additionally, liberals tend to focus on political economy or gains arising from mutual economic cooperation rather than conflict arising from the competitive acquisition of power. In international relations theory, liberalism had a strong impact on the study of federalism, communications theory, integration theory, functionalism and systems theory. Some of the most pioneering work in these areas concentrated on the European experience in part because it was the natural landscape for the conduct of such research and also because liberals held out the hope that Europe could be persuaded away from conflict into more regularised and cooperative norms after two world wars.

Owing to realism's hegemony during the course of the Cold War, liberalism and its assumptions were often frowned upon. It was only after détente in the 1970s that interest in liberalism became revived. There was also a much greater focus on political economy and liberal institutionalism that derived from the study of international cooperation. This variant of liberalism that was sometimes called neoliberalism also had major differences from neorealism. David Baldwin identifies six areas where there is general disagreement between the two schools notwithstanding their general agreement of focussing greater attention on international structures and norms.<sup>9</sup> Neorealists generally believe that international cooperation is the result of states exhibiting self-interest in a state of anarchy whereas neoliberals emphasize the interdependent nature of international relations. Secondly, although both schools subscribe to international cooperation, neorealists believe that such an outcome is harder to achieve and sustain and is essentially dependent

on state power and resources. Thirdly, neorealists tend to regard gains arising from mutual cooperation in relative terms. In other words, there is always the lingering question of how the gains deriving from international cooperation will be divided between the states involved. Neoliberals on the other hand generally subscribe to some notion of absolute gains and emphasize the mutual nature of gains deriving from international cooperation. In other words, neoliberals regard cooperation as leading to gains compared to a situation where such cooperation and gains deriving from it does not obtain. Fourthly, arising from their core assumptions regarding the centrality of states in the international system and the competitive acquisition of power between states neorealists emphasize cooperative norms in security affairs. Neoliberals on the other hand emphasize cooperation in economic and welfare issues. Fifthly, neorealists tend to emphasize the capabilities of states as opposed to neoliberals who emphasize intentions, interests and information. And finally although both agree on the importance of regimes and international cooperative norms, neorealists downplay the ability of regimes to seriously mitigate the state of anarchy that is assumed to exist. Neoliberals on the other hand have a much more optimistic view of international regimes as establishing the template for more collaboration and cooperation in international relations and thereby mitigating the effects of anarchy.

The third and most recent major school of thought in international relations theory is constructivism. This school of thought that became vogue in the 1990s essentially sought to downplay the structural determinism of neorealism. The school's major contribution to international relations is emphasizing the social nature of political constructions and their impact in turn on international relations. In other words, international relations as we understand is a socially constructed phenomenon. As a result of this foundational assumption constructivists argue that reality can be transformed and reshaped by social forces and conditions. Accordingly this approach regards ideas, ideational norms, and cultural practices as being an integral part of the landscape that determines the texture and calibration of international relations. Structural and material conditions are therefore not a given state of affairs like the assumption of anarchy among realists but rather the conditions deriving from the subjective choices made by elites and society. The most celebrated proponent of this school of thought is

Alexander Wendt and suffice it to say that constructivism has had a significant impact on the study of international relations in the last two decades.<sup>10</sup> Elite choices, perceptions of identity, cultural values and deliberate choices are often emphasized when this approach is utilised.

Constructivism has had a major impact on the study of regionalism in East Asia that focuses on identities, interests, cultural norms and strategic choices of elites. For constructivists regionalism is the result of social forces that tend in the direction of cooperation and elites who desire certain values and identity and strive to realise that outcome. Accordingly regionalism is for constructivists a function of aggregate identity formation and the conscious appropriation of opportunities to realise structural conditions that sustain and further such a community. Whereas identities may derive from a broad and specific cultural context elites are important mobilisers of the appropriation of this identity and the formation of regional communities that reflect these norms and values. And as in the case of neoliberalism constructivists are much more inclined to view regional cooperation as a mutually beneficial enterprise. Yet, the gains deriving from such cooperation extend beyond the economic realm. They are also meant to foster a sense of identity and belonging to a specific conception of community that is likely to be mutually exclusive in some form. In this regard a constructivist conception of regionalism has the potential to be a closed community rather than the open one generally preferred by liberals.

### **Multilateralism, Regionalism and Regionalization in International Relations Theory**

In the international relations literature there are a number of terms associated with regionalism or those that share some aspects of it. Some of these terms are assumed to have equal connotative value, to borrow a phrase from Giovanni Sartori. In any event, as previously argued it is a truism that scholars approaching the study of international relations from a realist viewpoint are likely to be concerned with security issues and those informed by liberal considerations are more likely to be concerned with political economy issues. Notwithstanding this broad difference there is a sense in which both these areas overlap or converge at some point. Additionally, there is also the probability that the evolution of cooperation is likely to expand across domains or issue areas over time as levels of



comfort between countries involved in regionalism increase. Strengthened relations between countries involved in regionalism are typically reflected in more mature structural conditions as well as an outward expansion of the agenda.

Beginning in the 1990s the word that became most closely associated with international cooperation was multilateralism. Whereas the loose definition of multilateralism is three or more countries coordinating their policies generally or more likely in specific issue areas the more rigorous definition of the term harkens to a much more qualitative aspect of the relationship than the minimalist definition involving a certain number of states implies. Etel Solingen draws our attention to John Ruggie's insistence on the qualitative aspects of the relationship that comprise certain ordering principles among the states engaged in a multilateral enterprise.<sup>11</sup> The qualitative principles include what Ruggie calls generalized conduct that is devoid of the "particularistic interests of the parties or the strategic exigencies" that may obtain in a specific situation. In other words, multilateralism dictates ordering principles for the conduct of states that bind them to common norms. And it is on account of these demanding norms that multilateralism is thought to be difficult to achieve but once it has come into being it retains a certain longevity. Similarly, Robert Keohane identifies the principle of diffuse reciprocity that he argues provides for an even share of aggregate benefits for members of multilateralism over time.<sup>12</sup> Similarly, Caporaso identifies three distinguishing characteristics of multilateralism – indivisibility "scope over which costs and benefits are spread", generalized principles of conduct "norms exhorting general modes of conduct among states", and diffuse reciprocity – "actors expect to benefit over the long term and over many issues".<sup>13</sup>

In reviewing the basic literature on multilateralism it is clear that as an organizational form it is meant to be an exacting enterprise. It provides a platform for states to share commitments and benefits alike. Additionally it does not cater to the specific idiosyncratic demands of member states. Consequently, states must exhibit a measure of compliance with common norms that do not exempt or exclude members from obligations. This organizational form clearly requires a high degree of trust and commitment among member states. So for example richer and more developed states may well regard their involvement in such fora as not being in their natural interest since other lesser members are

subjected to similar treatment. On the other hand less developed and more dependent states may well find it worthwhile to participate in such a forum in order to enhance their political and economic standing.

There is near universal agreement that regionalism and regionalization have significantly different meanings and connotative value. Regionalism has traditionally been associated with far greater levels of structural institutionalization and the involvement of elites in consciously crafting greater engagement among regionally proximate states. Regionalization on the other hand is generally regarded as the development of a disproportionate traffic, often in the economic realm, in favour of a particular area. It is also regarded as having a momentum that is generated at lower levels of society. Consequently, regionalization has a greater tendency to be informal and involving different actors than states and elites.

A sampling of the literature collated by Solingen may provide additional clarity. For Stephen Haggard regionalism involves economic integration or political cooperation whereas regionalization, in economic terms involves a disproportionate flow of goods and services into a particular area in relation to the rest of the world.<sup>14</sup> Similarly, Breslin and Higgott emphasize the state-led nature of regionalism that includes projects, inter-governmental dialogues and treaties while regionalization involves market driven flows of trade and investments.<sup>15</sup> T. J. Pempel also offers a similar distinction that emphasizes the state-led nature of regionalism that involves inter-governmental cooperation and the evolution of structures to deal with common problems. Regionalization on the other hand, is identified as a bottom up process of social construction that is driven by society at large.<sup>16</sup> Regionalization is also thought to have a clear spatial dimension and some authors identify the possibility of regionalization acting as a counter balancing force against the pressures of globalization.<sup>17</sup>

### **The Evolution Of East Asian Regionalism**

Most writers on East Asian regionalism will acknowledge that the Association of Southeast Asian Nations (ASEAN) constitutes the embryonic core of the wider regionalist enterprise. In this regard it may be useful to remember the circumstances under which ASEAN was founded in 1967. The interstate problems that spawned as a

result of the formation of the Federation of Malaysia in 1963 was the immediate regional background whose dynamics derived in turn from the Malay archipelago security complex.<sup>18</sup> Indonesia's unhappiness at the expansion of the Malayan federation that had no historical precedent in the region other than British colonization led in turn to the policy of military confrontation against Malaysia from 1963 to 1966.<sup>19</sup> Sukarno regarded the new federation as an affront and was also having difficulty balancing the three major social groups in the country. As a result of the latter consideration some scholars think that the confrontation was an attempt at diversionary foreign policy meant to deflect pressures from the domestic political situation. Similarly, Philippine claims to the state of Sabah led to diplomatic ties between it and Malaysia being severed. The formation of ASEAN in 1967 was preceded by the formal conclusion of the Indonesian confrontation that was in turn aided and abetted in no small measure by regime transition in Indonesia. President Suharto's New Order regime that replaced the revolutionary leadership of Sukarno was crucial to the evolution of the Indonesian policy of developmentalism. Importantly, the Suharto regime severed its linkages with communist countries and evolved a pro-Western orientation. Additionally it indicated willingness to lead the region through the leadership of ASEAN. This decision was welcomed by other countries that had a domestic coalition with international economic linkages.<sup>20</sup>

Notwithstanding the changed situation in Indonesia and the calm deriving from it in wider maritime Southeast Asia, mainland Southeast Asia continued to be mired in conflict. The First Indochina War that ended French colonization of the Indochinese states neatly dovetailed into the Second Indochina War and like before attracted external intervention.<sup>21</sup> Vietnam and the smaller states of Cambodia and Laos also became caught in the conflict as part of a larger proxy war that was waged between the United States and Western countries against communism. This second conflict only ended with the communist victory and the reunification of Vietnam in 1975. However, shortly afterwards and arising from a deteriorated and competitive strategic relationship between China and the Soviet Union, the conflict continued owing to the Vietnamese occupation of Cambodia from 1979 to 1989. It was the significant involvement of the United Nations and the international community that allowed for the stabilization of the Cambodian political situation through externally supervised elections and a power sharing arrangement. The

Khmer Rouge that refused to participate in the elections was partly co-opted and partly defeated over time.

During the first decade of its existence ASEAN was characterized by a certain lethargy. This state of being was attributable to remaining anxieties over Indonesian ambitions in maritime Southeast Asia and the British-inspired external security guarantees that protected Malaysia and Singapore.<sup>22</sup> The American bilateral defence arrangements with Thailand and the Philippines meant that at least in security matters there was a greater reliance on the Western security architecture. It was the U.S. withdrawal from mainland Southeast Asia and the Communist victory in Vietnam that galvanized ASEAN into assuming a greater leadership role in determining regional affairs. And the evidence for this observation is clear to see. In 1976 and in response to developments in Vietnam, ASEAN established a central secretariat in Jakarta and signed two treaties – the Treat of Amity and Cooperation (TAC) and the Treaty of ASEAN Concord. The former renounced the use of violence in the resolution of disputes between member states and the latter served to symbolise ASEAN solidarity in the event of external threats. TAC was later used as a requirement prior to membership in ASEAN in order to cement a regional protocol that was meant to pre-empt political violence.

Between 1976 to 1989 ASEAN efforts were essentially devoted to containing the spread of revolutionary communism in mainland Southeast Asia. Towards that end and in defence of Thai security considerations ASEAN mounted a two-pronged strategy to deny Vietnam legitimacy for its occupation of Cambodia.<sup>23</sup> The first prong of this strategy was a diplomatic campaign pursued in the UN to retain the Cambodian seat for the government of Democratic Kampuchea (DK) and the second that was primarily articulated by Thailand was a strategic alignment with China to deflect the perceived Vietnamese threat arising from its occupation of Cambodia.<sup>24</sup> China and Thailand also facilitated encampments along the Thai-Cambodian border for Khmer Rouge troops who regularly engaged Vietnamese occupation forces. It may be remembered that earlier on in February 1979 China had already launched a month-long punitive expedition against Vietnam in defence of Thai security interests. As part of the first prong of the strategy ASEAN was also involved in the expansion of the DK government to include the forces of Prince Norodom Sihanouk and former premier Son Sann.<sup>25</sup> This new coalition that came to be called the Coalition Government of Democratic Kampuchea (CGDK)

subsequently held the UN seat until 1989. From these developments it is clear to see that ASEAN was primarily concerned with regional security developments from the mid-1970s to the end of the 1980s.

The UN-brokered ceasefire and elections returned Cambodian politics to a modicum of normalcy from 1993 onwards. And beginning from 1990 ASEAN had to deal with a number of developments that altered the strategic landscape in the region.<sup>26</sup> The first of these was the thaw in Thai-Vietnamese relations that came about as a result of the newly elected government of Chatichai Choonhavan in Thailand in August 1988. Chatichai who announced a new Indochina Initiative proposed turning the battlefields of Indochina into market places. This newly announced policy immediately downgraded Vietnam as a security threat and unveiled a new policy promoting economic cooperation. China that was previously aligned with Thailand sought to retain its regional influence by helping the Malaysian and Thai governments to disband their communist insurgent movements in December 1989. The combination of these developments and the reordering of regional relations in the aftermath of the collapse of the Soviet Union in 1991 meant that ASEAN had to respond to an entirely new regional equation.

Beginning from the 1990s ASEAN's response to the new situation was to attempt regional reconciliation in the first instance. Towards this end ASEAN eventually extended its membership initially to Vietnam in 1995, Laos and Myanmar in 1997 and finally Cambodia in 1999. This outward expansion in its membership allowed ASEAN to fulfil one of the desires of the organization's founding fathers – the inclusion of the entire region in the organization's membership. The 1990s allowed for this realization in large measure as a result of the end of the Cold War and the collapse of communism as an ideology that had in turn divided the region.

The 1990s was also the time when ASEAN experienced the trauma of the Asian financial crisis and the severe degradation of the regional economies. Indonesia and Thailand were especially badly affected and in the case of the former, the food riots associated with the structural reforms of international donor agencies led to the collapse of the Suharto government. Consequently, ASEAN was suddenly bereft of its traditional leader and underwent a period of relative quiet.<sup>27</sup> The inward looking nature of most regional countries in the aftermath of the crisis also meant that there was much less regional coordination in any event.

Yet it was the trauma and economic difficulties associated with the

financial crisis that brought Northeast Asia and Southeast Asia closer together. The earliest sign of this union was the meeting of Finance Ministers from Northeast Asia and ASEAN to help stabilise the regional situation. This meeting led in turn to a regional currency swap initiative that was agreed upon in Chiang Mai and eventually metamorphosed into the ASEAN Plus Three grouping (APT). Over time this initiative expanded and became part of a larger East Asian Community (EAC) and an East Asian Summit (EAS) that first met in Malaysia in 2005. This sequence of developments clearly point in the direction of ASEAN-led initiatives in the evolution of East Asian regionalism.

Significantly, ASEAN has been aided and abetted by a number of factors in the evolution of East Asian regionalism. The first of these has been the general willingness of Northeast Asian states to work together with ASEAN while putting aside their own differences. The second reason has been lessened resistance to the regionalist enterprise from within and without the region. From within the region the collapse of the Suharto regime in Indonesia and the political transition that accompanied the situation provided Malaysia with a window of opportunity to realize its idea of East Asian regionalism without hindrance. Prior to that Indonesia which traditionally articulated a proprietary claim to regional order regularly thwarted the Malaysian plan.<sup>28</sup> From outside the region, the Asia Pacific Economic Cooperation forum (APEC) no longer posed a serious challenge as regional states weighed their options. As a result of the confluence of these forces, ASEAN was able to expand outwards and embrace Northeast Asia. Although the major actors within this community like China, Japan and Indonesia have differences with regards to the agenda and leadership of the evolving regionalism they appear generally keen on the idea whose time appears to have come. ASEAN's preliminary leadership of the organization and its initiatives have also allowed for China and Japan to postpone the potential differences between them in their preferred vision and priorities.

### **East Asian Regionalism and International Relations Theory**

Returning to the various schools of thought and their positions on regionalism, how should we characterize the evolution of ASEAN? Clearly elements from all schools of thought can be said to have applied to the regionalist enterprise. During ASEAN's first decade of existence

mutual fear of member states towards each other motivated collective membership in an organization that eventually yielded greater cooperation and collaboration. At the same time it was the promise of mutual cooperation and a notion of regional identity that inspired ASEAN.<sup>29</sup> Consequently a case can be made that all three schools of thought – neorealism, neoliberalism and constructivism – played a role in the formation and early evolution of ASEAN.

During the second phase of ASEAN from 1976 to 1989 all three schools can also claim relevance. Yet the neorealist school has dominated the discourse during this period and for very obvious reasons. ASEAN's evolution was in relation to the changed security scenario and the threat presented by revolutionary communism emanating from Vietnam. Consequently and including ASEAN's attempts to manage the regional security situation it can be argued that security considerations were paramount. There were also residual fears resulting from the Cold War and the new threat from the Sino-Soviet strategic rivalry. Whereas ASEAN's actions and intentions were structural cooperation and collaboration the motivations clearly derived from security considerations. Hence, neorealism as the theory of choice for analysing this part of ASEAN's evolution.

During the third phase of ASEAN's outward expansion to include all the countries of Southeast Asia and engage Northeast Asia, neoliberal and constructivist considerations appear to have played a greater role.<sup>30</sup> Following the end of conflict in Indochina and the resolution of the Cambodian situation ASEAN appears to have clearly been inspired by constructivist considerations of community. Nonetheless security considerations remained in the background and that is reflected in the institutionalization of TAC as a regional protocol and the formation of the ASEAN Regional Forum (ARF) in 1994. As for the inclusion of Northeast Asia, the early motivations were economic in nature and points in the direction of neoliberalism. ASEAN that had been battered by the 1997 financial crisis sought economic stability and assistance and was in turn prepared to work towards a larger constructivist conception of an East Asian community. In fact it is this constructivist conception of a cultural community that sometimes leads countries like China and Malaysia to remain unenthused about the possibility of countries like Australia, Canada, India, New Zealand and the US entering the community. Such constructivist concepts have a cultural frame of reference that excludes

a certain conception of the West – an East Asia without Caucasians. The Western resolve to gain admittance derives from economic and security considerations. Countries like the US have always preferred liberal and open trading arrangements and fear that East Asia might evolve to become inward-looking if left unchecked. And for countries like Japan and the US there are additional constructivist conceptions of community that include democratic norms and the rule of law.

## **Conclusion**

The evolution of regionalism in East Asia has undergone a number of stages. If one were to trace the origins of the enterprise to ASEAN then it can be argued that in the early stages of its evolution security considerations were important. This situation was understandable since ASEAN was formed immediately after the resolution of the Indonesian confrontation. In the 1970s and 1980s ASEAN was equally motivated by security considerations given developments in Vietnam and the Vietnamese occupation of Cambodia. The notion of an ASEAN identity and an East Asian community does have a constructivist resonance. This is especially so if this conception is a mutually exclusive one premised on cultural and geographical considerations. The outward expansion of ASEAN to include Northeast Asia clearly appears to have been informed by economic considerations at the outset. However, over time as with all mature organizations this role is likely to become multifaceted and acquire other dimensions as well. In this regard large and sophisticated organizations are likely to reflect both economic and security priorities corresponding to elements of neorealism and neoliberalism. The other characteristics of the community will determine the constructivist nature of its orientation.

## NOTES

- 1 See for example David Mitrany, *A Working Peace System* (Chicago: Quadrangle Press, 1966) and *The Functional Theory of Politics* (New York: St. Martin's Press, 1976). Later authors who followed in Mitrany's footsteps included the likes of Ernst Haas and Philippe Schmitter.
- 2 See Hans J. Morgenthau, *Politics Among Nations: The Struggle for Power and Peace* (Fifth revised edition) (New York: Alfred A. Knopf, 1978).
- 3 Hedley Bull, *The Anarchical Society: A Study of Order in World Politics* (London: Macmillan, 1997).
- 4 Morgenthau's six core principles are contained in pages 4 to 15 of his book *Politics Among Nations*.
- 5 See Kenneth Waltz, *Man, the State and War* (New York, NY: Columbia University Press, 1954).
- 6 Kenneth Waltz, *Theory of International Politics* (Reading, MA: Addison-Wesley, 1979).
- 7 See for example, Joseph Nye and Robert O. Keohane, *Power and Interdependence: World Politics in Transition* (Boston, MA: Little Brown and Company, 1977) and Robert O. Keohane, ed, *Neorealism and its Critics* (New York, NY: Columbia University Press, 1986).
- 8 Stephen D. Krasner, ed, *International Regimes* (Ithaca, NY: Cornell University Press, 1983).
- 9 See David A. Baldwin, "Neorealism, Neoliberalism and World Politics," in *Neorealism and Neoliberalism: The Contemporary Debate*, ed. David A. Baldwin. (New York: Columbia University Press, 1993).
- 10 The pioneering article was Alexander Wendt, "Anarchy is what States Make of it: The Social Construction of Power Politics." *International Organization* 46, no. 2 (1992): 391-425. The later and more detailed work is *Social Theory of International Politics* (Cambridge: Cambridge University Press, 1999).
- 11 See Etel Solingen, "Multilateralism, Regionalism and Bilateralism: Conceptual Overview from International Relations Theory," in *International Relations in Southeast Asia: Between Bilateralism and Multilateralism*, eds. N. Ganesan and Ramses Amer. (Singapore: Institute of Southeast Asian Studies, 2010), pp. 3-36. Solingen's reference is to Ruggie's seminal article on multilateralism "Multilateralism: The Anatomy of an Institution." *International Organization* 46, no. 3 (1992): 566-7. This section of the paper draws on the discussion and some of the references contained in Solingen's chapter.
- 12 Robert O. Keohane, "The Contingent Legitimacy of Multilateralism," in *Multilateralism Under Challenge?*, eds Edward Newman, Ramesh Thakur and John Tirman. (Tokyo: United Nations University Press, 2006), pp. 56-76.
- 13 James Caporaso, "International Relations Theory and Multilateralism: The Search for Foundations." *International Organization* 46, no. 3 (1992): 602.
- 14 Stephen Haggard, "Comment," in *Regionalism and Rivalry: Japan and the United States in Pacific Asia*, eds. Jeffrey A. Frankel and Miles Kahler. (Chicago: University of Chicago Press, 1993), pp. 48-49.
- 15 Shaun Breslin and Richard Higgott, "Studying Regions: Learning from the Old, Constructing the New." *New Political Economy* 5, no. 3 (2001): 333-52.
- 16 T. J. Pempel, "Introduction: Emerging Webs of Regional Connectedness," in *Remapping Asia: The Construction of a Region*, ed. T. J. Pempel (Ithaca, NY: Cornell University Press, 2005), pp. 19-20.
- 17 See Marianne H. Marchand, Morten Boas, and Timothy M. Shaw, "The Political Economy of New Regionalism." *Third World Quarterly* 20, no. 5 (1999): 900.
- 18 A background to relations among the maritime states is provided in Bernard K. Gordon, *The Dimensions of Conflict in Southeast Asia* (Engle Wood Cliffs, NJ: Prentice Hall, 1966). For a discussion of security complexes in Southeast Asia see Barry Buzan, "The Southeast Asian Security Complex." *Contemporary Southeast Asia* 10, no. 1 (1988): 1-16 and Muthiah Alagappa, "The Dynamics of International Security in Southeast Asia: Change and Continuity." *Australian Journal of International Affairs* 45, no. 1 (1991): 1-37.
- 19 See Jamie Mackie, *Konfrontasi: The Indonesia-Malaysia Dispute* (Kuala Lumpur: Oxford University Press, 1982) and Donald Hindley, "Indonesia's Confrontation with Malaysia: A Search for Motives." *Asian Survey* 4, no. 6 (1964): 904-13.
- 20 See Etel Solingen, "ASEAN, Quo Vadis? Domestic Coalitions and Regional Cooperation." *Contemporary Southeast Asia* 21, no. 1 (1999): 30-53 and "Mapping Internationalization: Domestic and Regional Impacts." *International Studies Quarterly* 45, no. 4 (2001): 517-56.
- 21 The involvement of external powers in Southeast Asia is detailed in Muthiah Alagappa, "The major powers and Southeast Asia." *International Journal* 44 (1989): 541-97.
- 22 Called the Anglo-Malayan Defence Agreement (AMDA), the British external security guarantee for Malaysia was extended to include Sabah, Sarawak and Singapore in 1963. After AMDA lapsed in 1971 it was replaced by the Five Power Defence Arrangements (FPDA) that brought together the Commonwealth territories of the United Kingdom as the anchor power and Australia, Malaysia, New Zealand and Singapore. See Kin Wah Chin, *The Five Power Defence Arrangements and AMDA* (Singapore: Institute of Southeast Asian Studies, 1974).
- 23 See Muthiah Alagappa, "Regionalism and the Quest for Security: ASEAN and the Cambodian Conflict." *Journal of International Affairs* 46, no. 2 (1993): 439-67.
- 24 Sukhumphand Paribatra, *From Enmity to Alignment: Thailand's Evolving Relations with China* (Bangkok: Institute for Strategic and Security Studies, Chulalongkorn University, 1988).
- 25 Prince Sihanouk led the *Front de Union Nationale Pour un Cambodge Independent, Neutrale, Pacifique et Co-operatif* (FUNCINPEC) while Son Sann led the *Khmer People's National Democratic Front* (KPNLF). The CGDK helped ASEAN deflect charges that it was supporting the genocidal Khmer Rouge government in exile.
- 26 See N. Ganesan, "Taking Stock of Post-Cold War Developments in ASEAN." *Security Dialogue* 25, no. 4 (1994): 457-68.
- 27 See Michael Smith, *Strategic Centrality: Indonesia's Changing Role in ASEAN* (Singapore: Institute of Southeast Asian Studies, 2000).
- 28 Indonesia's proprietary attitude towards regional order is described in Michael Leifer, *Indonesia's Foreign Policy* (London: Allen and Unwin, 1982), p. xiv and Leo Suryadinata, *Indonesian Foreign Policy under Suharto* (Singapore: Times Academic press, 1998).
- 29 The most forceful proponent of this approach is Amitav Acharya. See his

*The Quest for Identity: International Relations of Southeast Asia* (Singapore: Oxford University Press, 2000).

30 Narayanan Ganesan, "Testing Neoliberal Institutionalism in Southeast Asia." *International Journal* 50, no. 4 (1995): 779-804.

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## Infrastructure Versus Superstructure: Evaluating ASEAN-Style Regionalism

Pavin Chachavalpongpun

In 1967, the Association of Southeast Asian Nations (ASEAN) was born amidst an uncertain regional political environment. The Cold War was reaching its peak in that part of the world. The aggressive advancement of communism, with its base in Indochina, deeply worried the remaining Southeast Asian countries. Thailand, particularly as a frontline state, was led to believe in the domino theory: If a country in the region came under the influence of communism, the surrounding countries would follow and succumb in a domino effect.<sup>31</sup> The success of ASEAN in its embryonic stage was made possible mainly because the original members—Indonesia, Malaysia, Philippines, Singapore and Thailand—were able to identify a common enemy and find a common position. Such a stand, in turn, greatly reduced the level of mutual suspicion among some of the founding members. But with the end of the Cold War, the face of the communist enemy melted away. ASEAN, for the first time, felt directionless. ASEAN leaders were confronted with an urgent task to reinvent their organisation in order to cope with the changing international order. One of the major steps was to enlarge ASEAN membership, materialising the dream of the founding fathers of uniting all ten countries of Southeast Asia into one entity. The enlargement approach did not limit itself to the Southeast Asian region. Rather, ASEAN looked towards other external powers, inviting them to participate in regional activities through the Dialogue Partner process. In a move to institutionalise these links, ASEAN, in 1997, initiated what became a watershed in its relations with the East Asian region—the ASEAN Plus Three cooperation scheme, connecting ASEAN with China, Japan and South Korea. ASEAN's ambition did not end there. In 2005, ASEAN launched a new forum, the East Asia Summit (EAS), also known as the ASEAN Plus Six, to include three new members, India, Australia and New Zealand, in the strengthening of region-wide cooperation. In 2010, the EAS agreed to admit the United States and Russia as latest members.<sup>32</sup> The official participation of the United States and Russia in

the EAS in 2011 will complete ASEAN's ultimate objective of involving all major powers in Southeast Asian Affairs, with ASEAN in the "driver's seat" to ensure its predominant position within an atmosphere of multipolarity. Hence, it is evident that ASEAN recognises as important the need to polish its organisational image and exert its leading role on a global stage. This chapter defines such a process as ASEAN engineering a "superstructure" with itself at the core while engaging with players outside the region. To prevent confusion, here, the term "superstructure" simply means a model and an approach for ASEAN to interact with outside partners, in contradistinction to the term "infrastructure" which is used to refer to ASEAN's approach in dealing with internal affairs. The chapter suggests that the effectiveness of ASEAN's superstructure depends much upon the progress of its own infrastructure building. While there is an inexorable link between infrastructure and superstructure, ASEAN has seemed to treat the two elements as separate entities. However, the definition of superstructure in this paper is different from the more familiar term in the Marxian sense which carries the meaning of a system designed to protect, strengthen and influence the production base.<sup>33</sup>

Concentrating on creating an outward-looking organisation fails to cloak certain realities within ASEAN. Through the years, ASEAN has been reproached by the international community for being unable to address critical issues facing the grouping, including the inability to alleviate bilateral tensions between members, as shown in the case of the Thai-Cambodian conflicts, to change the behaviour of Myanmar's military regime and to seriously discuss domestic crises in some member countries, ranging from the protracted political turmoil in Thailand to human rights abuses in Vietnam. This chapter argues that while ASEAN has carefully constructed a "superstructure" as a symbol of ASEAN's aspiration to locate itself at the forefront of Asian politics, it has failed to build the necessary internal "infrastructure" and to develop the much needed mechanisms that could be used to resolve internal problems. The superstructure-infrastructure dichotomy has resulted in considerable impact on ASEAN's overall progress and indeed, its relationship with Dialogue Partners, including those in the East Asian region. More importantly, the excessive attention on ASEAN's centrality in all existing regional enterprises has served to undermine other potential mechanisms proposed by non-ASEAN powers, such as Japan's East Asia Community

(EAC) and Australia's Asia-Pacific Community (APC). ASEAN has been overly protective of its own regional turf even when it has clearly shown on numerous occasions that it lacks capability and resources to drive the regional engine or to seek solutions to regional crises.<sup>34</sup>

### **Regionalism á la ASEAN**

ASEAN is proud of its own unique brand of regionalism. It has prided itself on the ability to secure peace and prevent members from engaging in full-blown war since its inception in 1967; and this is a testimony to the success of ASEAN's kind of regionalism. But what exactly is ASEAN regionalism? Earlier studies on ASEAN regionalism tended to tie the notion closely with the manner in which member countries conducted their diplomacy with each other. One prominent study by Michael Antolik simply equated ASEAN regionalism with the much celebrated "ASEAN way". Antolik stated that ASEAN invented a number of codes of diplomatic conduct which dictated the way members talked to each other, spoke with one voice and stood together in order to display solidarity.<sup>35</sup> The organisation placed special emphasis on personal familiarity which reflected the years of good faith in their dealings. Personal familiarity reinforced the image of ASEAN as an organisation that thrived on informal relationship among ASEAN leaders. This relationship has developed through ASEAN meetings, which as of today, amount to more than 700 a year. Meanwhile, ASEAN adopted a consensus principle which was carefully practiced to manage sensitive issues. But as Donald Weatherbee put it, "ASEAN consensus has handled difficult choices by postponing difficult decisions to the future, leaving and living with the unsettled issue for the present."<sup>36</sup> Juxtaposed with the consensus rule was the practice of "quiet diplomacy" which, as ASEAN has claimed, has sustained ASEAN decision making. The New Straits Times once entertained the headline, "We should not hang out our washing in public".<sup>37</sup> Antolik also observed that ASEAN members have maintained the image of a successful organisation by not having any failures. "ASEAN worked because it was not asked to do anything", said Antolik.<sup>38</sup> It can therefore be argued that ASEAN in the old days operated on the basis of ambiguity. Guy Sacerdoti averred that, ASEAN had the skill to indicate something without saying it, to identify the boundaries of acceptable political activity without committing itself to uphold them, thus leaving room for flexibility by



keeping definitions murky and interpretations variable.<sup>39</sup> On top of this, ASEAN effectively institutionalised the principle of non-interference in each other's domestic affairs. Over the years, it has been further sanctified by ASEAN members and became a doctrine that has governed ASEAN's relationship with outside powers. To the critics, the principle of non-interference acted as a major hindrance to ASEAN's regionalisation.

From this perspective, ASEAN's regionalism is a process that brought about fundamental norms, values and practices that have, over time, socialised the ASEAN members into endorsing a sense of regional belonging. The socialisation has in turn formed the foundation of a regional community of Southeast Asian states. On this basis, ASEAN regionalism highlights the effort to constitute a "regional identity" in a world replete with many other regional organisations. It also connotes a sense of unity among its members. But this connotation has proven troublesome. In reality, behind the façade of unity lies extraordinarily poor chemistry among ASEAN members. In ASEAN's early years, the "love-hate" relationship between Indonesia's Suharto and Malaysia's Mahathir Mohamad was evident. As N. Ganesan argued, "Within ASEAN, Indonesia was not particularly comfortable with Malaysian attempts at regional leadership. It was also fairly well known that the two leaders had rather poor chemistry between themselves."<sup>40</sup> The lack of chemistry affected the evolution of regionalism with ASEAN as its core. For example, Indonesia was not particularly enthusiastic about Malaysia's proposal of an East Asian Community, primarily because of Suharto's fear of losing his leading role in ASEAN. Ganesan also noted that the original Malaysian proposal of an East Asia Economic Grouping (EAEG) was meant to bring together Northeast and Southeast Asia in defence of Asian interests when the world seemed to be drifting into trading blocs like the European Union (EU) and North American Free Trade Area (NAFTA) in the late 1980s. However, the U.S.-inspired and Australian and Indonesian-endorsed Asia-Pacific Economic Cooperation (APEC) gained precedence and institutionalisation. Subsequently, the EAEG was downgraded to the East Asia Economic Caucus (EAEC) in ASEAN deliberations and cynically referred to as East Asia without Caucasians before the emergence of the ASEAN Plus Three concept in the late 1990s and the onset of the financial crisis in 1997.<sup>41</sup> The longstanding competition among political elites in ASEAN, those who could make an impact on the progress or delay of regionalism, has remained a significant character of the grouping.

Indonesia has often seen itself as a natural leader of ASEAN, a perception underpinned by various factors, including being the largest state in Southeast Asia and the most populous Muslim country in the world. It has believed that this condition legitimises Indonesia's claim to play a proprietary role in ASEAN. Today, this remains in the minds of Indonesian leaders, even when ASEAN represents both a blessing and a curse for Indonesia. Those who favour ASEAN tend to regard it as an important structure to project Indonesian regional leadership whereas those who oppose it argue that the country has been structurally restrained by ASEAN. In fact, the former school has been wary of an expanded regionalism that might undermine the Indonesian dominant role in the organisation. Rizal Sukma, Executive Director of Indonesia's Centre for Strategic and International Studies, even suggested the formulation of a post-ASEAN foreign policy. Sukma stated, "ASEAN should no longer be treated as the only cornerstone of Indonesia's foreign policy...We should stand tall and proclaim that enough is enough. It is enough for Indonesia to imprison itself in the golden cage of ASEAN for more than 40 years."<sup>42</sup> He observed that Indonesia has increasingly become frustrated by the slow progress of ASEAN and the need to show unity even when there are huge differences in each member's method of thinking, willingness and commitment. Clearly, Sukma's argument is based primarily on the need for Indonesia to maintain its leading role in ASEAN as well as extending this leadership role beyond the region.

This is one side of ASEAN-style regionalism. There is another side which ASEAN wishes to portray: its *modus operandi*. ASEAN leaders have claimed that "openness" defines the essence of their regionalism and assigns the roles and functions of its members. Open regionalism, for ASEAN, simply means inclusiveness, in contrast to the closed regionalism prevalent in the past, such as the Communist International (COMINTERN, 1919-1943) and the Southeast Asia Treaty Organisation (SEATO, 1955-1977), which offered exclusive membership based on shared political and economic ideologies. It is observable that ASEAN's open regionalism has three main criteria. First, open regionalism is accompanied by open membership with positive encouragement for non-ASEAN countries to join. Second, there is no restriction on members' relationship with the outside world. In other words, members' foreign affairs have remained absolutely sovereign and independent. For example, Thailand is entitled to enter into joint military exercises with any outside powers. Similarly,

Myanmar's bilateral relationship with North Korea is supposedly none of ASEAN's business, even when it has been closely watched by ASEAN members. Third, ASEAN has come to the agreement that new cooperative projects can be carried out by at least two members without the grouping's consensus: this is known as the ASEAN-X principle.<sup>43</sup> Yet, the notion of open regionalism has remained highly contentious in ASEAN. Critics find the term inherently contradictory: arrangements that are open cannot be regionally confined and those that are regionally confined cannot be open.<sup>44</sup> Moreover, a general willingness to open up the region for peaceful cooperation does not necessarily appear to be associated with a general willingness in ASEAN to resolve conflicts by peaceful means. At the same time, an increase in trade, as a result of open regionalism, does not necessarily lead to an increase in peaceful conflict resolution.<sup>45</sup>

Hence, not everyone has agreed with ASEAN's own sanguine interpretation of regionalism. Some have interpreted it as a mere instrument of ASEAN to accomplish the narrow interests of its member states. They are of the impression that any sense of regionalism within ASEAN is illusory at best.<sup>46</sup> ASEAN's view of regionalism can sometimes be highly selective and erratic. ASEAN has obviously emulated certain characteristics of Western regionalism, including openness, inclusiveness, equal rights among members, and an outward-looking personality in order to display its maturity and to be perceived as a serious regional community. At other times, ironically, ASEAN is willing to differentiate itself from those regional organisations, as it deals with the issue of sovereignty. Ostensibly, sovereignty has remained an exceedingly sensitive notion in ASEAN. Meanwhile, member states have constantly exploited the sensitivity of the issue so as to fulfil certain purposes at home, particularly in resisting outside interference. In Southeast Asia, policymakers have repeatedly claimed their unchanged position of rejecting turning ASEAN into an entity like the European Union. As one ASEAN diplomat once said, "In ASEAN, we are not aiming to build a union, but a neighbourhood."<sup>47</sup> As this chapter shall demonstrate, the ongoing debate on ASEAN's regionalism has evolved around these two opposing interpretations, thus making the superstructure-infrastructure dichotomy starker, especially as ASEAN continues to segregate the two objectives: consolidating its driver's seat role in the region but showing no interest in developing internal mechanisms in support of such a role.

By the end of the Cold War, the unique style of ASEAN regionalism came under heavy strain. ASEAN's overemphasis on sovereignty was viewed as an impediment to organisational progress, when in fact it should have concentrated on building new mechanisms to deal with old problems. ASEAN was very much a state-led organisation which cared little about people's participation in the developmental process and did not accept bottom-up inputs from non-governmental organisations and civil society groups. Its outlook was remarkably traditional, looking at the region and the world through an old perspective of the Cold War where state had the ultimate power in decision making and where sovereignty and territorial integrity eclipsed other emerging issues, especially non-traditional issues that affected individuals and groups but did not contest territoriality and sovereignty. As the world order was in the remaking, ASEAN felt the need to overcome some of these shortcomings. A question emerged in ASEAN: Is it realistic for ASEAN not to discuss sensitive issues in public in today's globalised world? Under new regional circumstances, ASEAN was expected to pay attention not only to comfortable issues but also other more pressing ones, such as human rights violations and armed conflicts in the region. Was ASEAN ready to deal with them?

### **Institutional Facelift**

In the new millennium, ASEAN had been challenged by a new set of regional realities. The growing rivalry between the United States and China reminded ASEAN of the need to stay in the region's front seat. ASEAN was obliged to engage, and perhaps manipulate, the two powers in order to preserve the regional equilibrium of power and more importantly to remain a relevant regional organisation. India, a newly emerging Asian power, for the first time expressed its interest in the politics of ASEAN. The government of Narasimha Rao announced in 1991 its Look East policy—a foreign policy tool for its rapprochement with Southeast Asia. In 1997, the region was badly hit by the financial crisis that exposed the economic vulnerability of ASEAN members. The incident revealed the unattractive truths about ASEAN regionalism—a failure to create some sort of financial infrastructure against sudden shocks as well as a seeming preoccupation with security-centric issues while overlooking other aspects of regional affairs. True, the ASEAN Free Trade Area (AFTA) was initiated in 1992 to promote economic integration

among members. But progress had been slow primarily because of the differences in each country's economic development and certain constraints caused by domestic politics. In 1994, despite traditionally projecting itself as a relatively peaceful region, ASEAN launched yet another ambitious project—the ASEAN Regional Forum (ARF)—as a platform devoted to all issues concerning security. Over time, it has been evident that the ARF has met with little success because ASEAN members preferred not to discuss contentious security issues—issues which triggered anxiety and insecurity among them in the first place. Violent incidents, such as the attack against the Royal Thai Embassy in Phnom Penh by so-called Cambodian patriots in 2003, the state's crackdown on pro-democracy protesters in Myanmar in 2007, the armed conflict between Thailand and Cambodia as a result of the territorial disputes over the Preah Vihear Temple complex during 2008-2010, and recently the eruption of conflict in the South China Sea which involves a number of ASEAN claimants, China and Taiwan, with a possibility of turning into military confrontations, have been swept under the carpet during the ARF meetings.<sup>48</sup> ARF's non-ASEAN members have occasionally belittled the authority of this security forum. In spite of the fact that all members of the Six-Party Talks—North Korea, South Korea, the United States, China, Japan and Russia—are members of the ARF, they have never invited the ARF to play a role in the search for a peaceful solution to their security concerns as a result of the North Korean nuclear weapons programme.<sup>49</sup> All these developments have posed a threat to ASEAN's much-celebrated notion of regionalism. They also served as a wake-up call for ASEAN leaders to urgently embark on institutional readjustment.

### ***The ASEAN Charter***

This chapter examines ASEAN's institutional consolidation in the post-Cold War period through its two major initiatives: the launches of the ASEAN Charter in December 2008 and the ASEAN Commission on Human Rights (AICHR) in October 2009. Such institutional developments could arguably be perceived as the most important step since ASEAN signed the Treaty of Amity and Cooperation (TAC) and the Treaty of ASEAN Concord in 1976 as part of institutional reinforcement. The former was designed to explicitly outlaw the use of force in the settlement of regional disputes while the latter sought to inform Vietnam then of ASEAN's

resolve to coalesce and confront common security threats. The ASEAN Charter has practically given ASEAN a juridical personality and a legal entity after more than 40 years of its establishment. It was first adopted at the 13<sup>th</sup> ASEAN Summit in Singapore in November 2007.<sup>50</sup> Two years earlier, ASEAN assigned ten high-level government officials, each representing their respective countries, to produce recommendations for the drafting of the constitution. This panel of ten ASEAN representatives, later known as the ASEAN Eminent Person Group (EPG), held altogether 13 meetings in 2007. Some of their proposals were radical, such as the removal of the non-interference policy, which critics recognised as fundamental to the subsequent setting up of a human rights body. Some members were more progressive than others in pushing the boundary of ASEAN's regionalism. New principles were recommended, which included: enhanced consultations in matters seriously affecting the common interest of ASEAN; adherence to the rule of law, good governance, the principles of democracy and constitutional government and; respect for fundamental freedoms, the promotion and protection of human rights. Indonesia was particularly enthusiastic about pushing ASEAN to become more accountable. Dewi Fortuna Anwar noted that Indonesia, which in the earlier period was regarded as one of the more conservative member of ASEAN, has since its transition to democracy tried to align its foreign policy stance with its amended constitution and new democratic priorities, which put democratic consolidation, rule of law, good governance, and the protection human rights at the top.<sup>51</sup>

The ASEAN Charter, as elaborated by the ASEAN Secretariat, serves as a firm foundation in achieving the ASEAN three communities—political-security, economic and socio-cultural<sup>52</sup>—by providing legal status and an institutional framework for ASEAN.<sup>53</sup> It also codifies ASEAN norms, rules and values, as well as setting clear targets for ASEAN, and presenting accountability and compliance. The norms laid down in the Charter cover not only longstanding ones governing interstate behaviour (the non-use of force or threat of force, the peaceful settlement of disputes and non-interference in internal affairs), but also encompass norms governing the relations of the state with its citizens (the promotion of good governance, the rule of law, human rights and fundamental freedoms, constitutional government, democracy, social justice and equitable access to opportunities). The Charter places on the ASEAN leaders the responsibility for making decisions, in case consensus fails

at lower levels. It expands somewhat the mandate and authority of the ASEAN Secretariat and the Secretary-General, particularly on matters of compliance. On the whole, the Charter has clearly been conceived to strengthen ASEAN's internal infrastructure to help members cope with regional and global changes. But as former ASEAN Secretary-General Rodolfo C. Severino cautioned, "Realism compels us to recognise that the ASEAN Charter is but a tool. The member countries have to use it well and comply with it. It cannot be expected to change the nature of ASEAN overnight, but it is clearly a step forward."<sup>54</sup>

Indeed, the Charter is not without flaws. First, it offers certain unrealistic promises in the building of a genuine community based on shared norms, values and identity. Southeast Asia has remained a largely diverse region with different types of political regimes, cultural backgrounds and levels of economic development. The Charter does not stipulate how to reconcile these differences in order to ensure successful community building. Second, an attempt to recreate ASEAN into a rules-based entity through the declaration of the Charter has not yet succeeded because of the lack of necessary mechanisms to enforce compliance. Third, the Charter continues to echo the old ASEAN way, as being a state-led organisation. There is no provision that deals with empowering citizens of ASEAN through extensive interactions with the state and among themselves. As pointed out in the Charter, a decision can only be made by the conventional principle of consensus, either at a lower or higher level. It lacks a "people-centric element" and public participation. Rizal Sukma doubted whether ASEAN possessed the capacity to project a future for the people of ASEAN, comparing the making of the ASEAN Charter with pouring "old wine into a new bottle".<sup>55</sup> Thus, the original objective of concocting the ASEAN Charter as part of providing quintessential infrastructure for the members so as to better manage the organisation has not been realised. In fact it acts as the main encumbrance as ASEAN has been reaching to connect with partners outside the region. At the end, the Charter could be viewed as a political document—a result of intense negotiations among sovereign states. This condition has to a certain extent prevented ASEAN from forming a coherent position on any given matter. ASEAN leaders may have acknowledged the inevitability for the organisation to change according to the current regional and global environment. But exactly how far forward to move has long been a contested issue within ASEAN.

### ***The ASEAN Inter-governmental Commission on Human Rights***

Some ASEAN leaders were quick to celebrate the launch of the AICHR as the grouping's accomplishment in advocating human rights which were previously an overly sensitive issue. The fact that it had taken ASEAN sixteen years to finally set up a human rights body suggested that the grouping encountered a myriad of critical hurdles.<sup>56</sup> Today, these hurdles still persist. The AICHR has become ASEAN's latest attempt to prove its critics wrong. They painted ASEAN as being a mere talking shop. The grouping's credibility and legitimacy depend much upon the way it treats the human rights issue. For this reason, the AICHR was widely publicised as a symbol of ASEAN's affinity with the emerging norm of respecting and protecting human rights. More essentially, it showed that ASEAN was willing to break free from its orthodox principle of non-interference in the internal affairs of member states. However, instituting the AICHR and making it work are totally two different missions. Ultimately, not all ASEAN members are champions of human rights. To make the AICHR authoritative and yet not to give the impression that particular countries are targets of the new body is an extremely elusive exercise.

The AICHR may have been a massive stepping stone for ASEAN in reconstructing itself. But it is considered a half-built bridge. There is no provision for human rights experts to sit on the body. The terms of reference (TOR) of the AICHR does not have any provision that allows for sanctions against members that commit human rights violations. It does not investigate or prosecute human rights violators. In fact, it clearly emphasises the principle of "respect for the independence, sovereignty, equality, territorial integrity and national identity of all ASEAN member states", as well as "non-interference in the internal affairs of ASEAN member states".<sup>57</sup> The AICHR does not function in a naming and shaming manner.<sup>58</sup> Instead, it takes a "constructive and non-confrontational approach" to promote and protect human rights. In a discussion with Kyaw Tint Swe, Myanmar's representative at the AICHR, he admitted that the commission would not consider issuing a statement condemning human rights violations in a given country in ASEAN. He offered this comment in the aftermath of the Thai government's brutal crackdown on the red-shirted protesters in May 2010 which led to almost 100 people being killed.<sup>59</sup> The primary role of the human rights body, at this stage, is only limited to advocacy, capacity-building and drawing up conventions

and declarations on specific areas of human rights.<sup>60</sup> The inefficiency of the AICHR, or in actual fact the lack of its muscle, has already put ASEAN at odds with some of its Dialogue Partners and the international community in regard to human rights violations in Myanmar. Not only is the AICHR incapable of influencing Myanmar's government to enshrine the human rights of its citizens, it is unable to provide any guidance on how the human rights issue in Myanmar should be dealt with since it is not a part of the AICHR's functions. This has further challenged ASEAN's aspiration to play a central role in regional affairs.

ASEAN's institutional consolidation through the construction of two pivotal enterprises—the Charter and the AICHR—is far from being satisfactory in the eyes of outsiders and even among some of ASEAN's own members. There are a number of reasons behind the absence of enthusiasm in ASEAN when it comes to solidifying internal infrastructure. First and foremost, many ASEAN members have not practiced good governance or wholeheartedly endorsed democratic principles, and as a consequence, have felt a great sense of vulnerability. Such vulnerability forces them to rebuff any new ideas within ASEAN that could jeopardise their power interests at home. For example, Vietnam, as a chair of the ASEAN Standing Committee in 2010, refused to condemn Myanmar's government for not releasing Aung San Suu Kyi, leader of the now-defunct National League for Democracy (NLD), from her house arrest.<sup>61</sup> Vietnam itself does not have a reputable human rights record. On the eve of the 17<sup>th</sup> ASEAN Summit in Hanoi, the Vietnamese courts sentenced three labour activists to up to nine years in jail, convicted several Catholic villagers in a dispute over a cemetery, and arrested a dissident. These incidents undeniably cast the AICHR in the global spotlight.<sup>62</sup> Second, the level of trust and confidence in regionalism among some ASEAN member has not improved. They still prefer to manage conflicts on a bilateral basis, bypassing regional instruments for fear of losing control over their internal affairs. At the height of Thai-Cambodian armed conflict in 2009, the Abhisit Vejjajiva government repudiated ASEAN's offer to play the role of a peace broker. The Thai premier then made clear his preference to handle the issue bilaterally. In the meantime, the Cambodian government led by Prime Minister Hun Sen initially called for the United Nations to intervene in the conflict without first consulting ASEAN's existing dispute settlement mechanisms.<sup>63</sup> And in 2011 when the foreign ministers of Thailand and Cambodia agreed to the presence of

Indonesian observers at the disputed border through a Jakarta-brokered truce arrangement, the Thai military made the agreement impossible to implement. It continued to argue for a bilateral solution through existing mechanisms and sought to impose unilateral conditions like Cambodian troop withdrawal from the Preah Vihear Temple complex first. Naturally, the Cambodian government balked at the idea of withdrawing troops from its own soil and the situation continued to remain stalemated. Third, as domestic political conditions continue to constrain ASEAN's undertaking of institutional restructuring and threaten its carefully crafted image of a serious regional organisation, ASEAN has turned its attention to other activities that better showcase its regionalism, more specifically to the deepening of relations with foreign partners. In this study, such a process is defined as a superstructure building. Lastly, it is imperative to understand that ASEAN, nowadays, has been unable to totally discard its old way of reifying regionalism, since some of the conventional principles have served well as a shield against outside interference and criticism. Occasionally, ASEAN's norms are employed to offset threatening international norms. In doing so however, ASEAN leaders have in fact pulled their organisation away from the reality of today's world.

The above reasons illuminate certain mysteries behind ASEAN regionalisation. They permit one to realise that the ongoing institutional strengthening could at times become superficial, serving primarily to fulfil certain policy needs of ASEAN members at the national level. This superficiality could potentially prove disastrous for ASEAN. Without strong organs, ASEAN is at risk of damaging its own credibility and integrity as it is fighting to maintain its driver's seat status in regional affairs. The infrastructure-superstructure clash has emerged as a critical issue at the time when ASEAN is expediting its community building process, now set to be completed by the year 2015.

### **Superstructures in the Making**

ASEAN's concentration on inventing multiple layers of superstructures has engendered a negative impact on its internal institutional development. While the progress on reinforcing internal infrastructure has been slow, the move to set up new superstructures has been fast. This move first began during the 1990s with the launch of the first ASEAN Plus Three (APT) Summit in 1997. But promoting external relations can be traced

back into ASEAN's early historical period. ASEAN's external relations took a strong footing in 1976, when the Dialogue Partners programme was first launched with the European Union, Japan and the United States. The key goals of ASEAN's external relations were three-fold: securing technical assistance for regional cooperation projects, promoting trade and economic relations, and solidifying political relations with third countries and regional groupings.<sup>64</sup> Along the way, ASEAN had begun to admit new members in the neighbourhood with Cambodia as the last Southeast Asian state to join the grouping in 1999.<sup>65</sup> A thrust to play a leading role in regional politics has compelled ASEAN to become proactive in subsequent regional groupings, including the Asia-Pacific Economic Cooperation (1989), Asia-Europe Meeting (1996), Asia Cooperation Dialogue (2002), and Asia-Middle East Dialogue (2005).

In this spaghetti bowl of complex multilateral collaborations, it is the APT process that was specially manufactured to satiate the grouping's ambition to remain in the region's driving seat. Unlike other international cooperative enterprises, the APT process was without doubt ASEAN's organic initiative. In other words, ASEAN has been the nucleus of such cooperation between Southeast Asia and Northeast Asia. An ASEAN diplomat even suggested that, since ASEAN gave birth to the APT process, it should be entitled to play a "parental role" vis-à-vis its relations with the three East Asian countries.<sup>66</sup> Since 1997, the APT cooperation has broadened and deepened in many areas, including both traditional and non-traditional security issues. The late Ali Alatas, former Indonesian foreign minister, proffered at least three reasons behind the origin of APT. First, in the wake of the financial crisis in 1997, ASEAN needed to reach out to neighbouring countries. For him, economic interdependence and complementarity, especially in the areas of trade, investments and transfer of technology, were the true engines that drove the region's growth. The economies of East Asia had already undergone a process of informal integration through Japanese foreign direct investments and the workings of overseas Chinese business and financial networks. The APT could thus enhance that process by providing the institutional framework to it. It is imperative to point out here the important linkage between the Asian financial crisis and the APT expansion. While this study maintains that ASEAN's intention to build a superstructure by constructing a new APT forum in order to satisfy its outward-looking policy, it also supports an argument in which ASEAN

was in many ways forced to forge its ties with neighbours in the East Asian region as a way out of the financial crisis. Thus, there were both "push and pull factors" involved in ASEAN's expansion process and the construction of a superstructure has not always been rosy. Second, there had been strong political will in ASEAN toward cooperation with East Asia, as reflected by the early advocacy of then Malaysian Prime Minister Mahathir Mohamad for the establishment of an East Asia Economic Grouping (EAEG). And third, the new challenges posed by globalisation, including the risk of contagion in times of financial and economic crisis, which made closer cooperation an imperative.<sup>67</sup> However, Alatas failed to mention ASEAN's most important agenda behind the APT's creation: to guard their regional power turf against the rise of China and the economic domination of Japan, by inviting them (together with emerging South Korea) into the club of ASEAN and acclimatising them with its own brand of regionalism. Today, whereas the APT cooperation covers all aspects of relationship between ASEAN and the three East Asian countries, progress in the economic field is most tangible. There has been a general consensus in East Asia that the APT dialogue should move towards the goal of a free trade agreement (FTA). But while timing and details of the FTA are yet to be agreed upon, significant achievements in the area of financial monetary cooperation have been steadily made. The in-principle agreement between APT finance ministers at the Asian Development Bank annual meeting in Chiang Mai in May 2000 to pool hard currency resources has been one of several endeavours included in the Chiang Mai initiative (CMI) to increase regional cooperation. The CMI has resulted in a series of bilateral currency swap arrangements among member states, helping economies move out of the currency crisis and avoid future crises.<sup>68</sup> Such an initiative became the most useful contribution to regional financial cooperation in the APT framework during the financial crisis in 1997 and the recent global economic meltdown which began in 2008.

On the surface, the APT symbolised ASEAN's responses to internal pressure to seek close cooperation from stronger neighbours in the East Asian region in times of crisis.<sup>69</sup> At a deeper level, ASEAN hoped to use the APT to minimise the impact of China's growing military and economic clout and to cope with the latest shift of regional balance of power. The APT thus served two vital purposes: first to avoid being trapped in the sphere of influence of outside powers and second to engage them through

the regionalisation process as part of building up ASEAN's own bargaining power. It could therefore be argued that one of the key reasons ASEAN has wanted to develop complex superstructures with powers in the region is to become a part of the competition game. In this game, ASEAN has insisted on leading Southeast Asian politics, as the main driver of the region's vehicle. Later, this logic was also employed to explain ASEAN's endorsement of the ASEAN Plus Six framework, encompassing three more countries in the greater Asian continent—India, Australia and New Zealand. Subsequently, the Plus Six process was upgraded to become the East Asia Summit (EAS). ASEAN has claimed that the EAS is a forum for dialogue on broad strategic, political and economic issues of common interest and concern with the aim of promoting peace, stability and economic prosperity in East Asia. It is an open, inclusive, transparent and outward-looking forum, which strives to strengthen global norms and universally recognised values "with ASEAN as the driving force" working in partnership with the other participants.<sup>70</sup> The EAS was inaugurated in 2005 in Kuala Lumpur. While upbeat reasons behind the establishment of EAS were put forward in the pages of the international media, ASEAN failed to conceal the fact that the APT was encountering a difficult period of political wrangling between China and Japan. The EAS was set up as another superstructure that could possibly help dilute the tensions in Sino-Japanese relations. Some perceived the EAS as a new regional playground for India, and to a lesser extent Australia and New Zealand, to balance the mounting Chinese power.

The first EAS Summit ended without any tangible results, partly because of the continued political divide between China and Japan. On the contrary, it seemed to only stir up further debates on whether any future East Asian Community would arise from the EAS or the APT. The opinions on the issue were divided into two camps: one led by China which preferred the APT to take lead, and the other led by Japan, and presumably India, which campaigned for the EAS to champion the East Asia Community.<sup>71</sup> Chinese Premier Wen Jiabao once commented, "The EAS should respect the desires of the East Asian countries and should be led by East Asian countries."<sup>72</sup> Australian Foreign Minister Alexander Downer added, "I think there are a whole series of different drivers of regional integration."<sup>73</sup> Meanwhile, former ASEAN Secretary General Ong Keng Yong played down the heated debates when he stated that he regarded the EAS as little more than a "brainstorming forum". EAS

is convened on an annual basis. While the ultimate objective is to steer the East Asian region into becoming a genuine community, the summit is often eclipsed by "critical agendas" of the day. A number of scholars have agreed with Ong's statement that the EAS serves merely as a discussion forum. In many ways, the EAS represents a superfluity of ASEAN-led regional gatherings, since ASEAN already has bilateral ties with individual members of the EAS and since the EAS is an outgrowth of the APT.

While the debates over the real functions and contributions of the EAS to East Asian regionalism have not yet subsided, ASEAN decided to expand the EAS by including two more major powers under its wing—the United States and Russia. Both were admitted to the EAS, also known as the ASEAN Plus Eight (APE), in October 2010 at the 17<sup>th</sup> ASEAN Summit in Hanoi.<sup>74</sup> Unlike the old EAS, its reinvention has more salient purposes, particularly on the part of the United States. The Obama administration has announced its reengagement policy vis-à-vis Southeast Asia which culminated during the first ever ASEAN-U.S. Summit in Singapore in November 2009. The return of the United States to this part of the world was loudly reaffirmed by Secretary of State Hillary Clinton when she said, "The United States is a resident power in the Asia-Pacific region".<sup>75</sup> Washington has its policy requirements to fulfil: to counterbalance the growing Chinese power in Asia and to safeguard its interests in this region. In doing so, it was willing to sacrifice some foreign policy choices by signing the TAC with ASEAN in July 2009, thus being automatically confined by ASEAN norms and practices. But in so doing, the United States has exploited the hand of ASEAN to weight up the rise of China. Likewise, ASEAN has taken advantage from the power competition between Washington and Beijing. Psychologically speaking, the fact that the United States has tilted more toward ASEAN, with U.S. President Obama hosting the second U.S.-ASEAN Summit in New York in September 2010, was interpreted in ASEAN as Washington accepting the centrality of the grouping in regional affairs. The transformation from APT into APE will undoubtedly generate various implications and introduce new dynamics in the relationships among all members. Proposed by Singapore and enthusiastically endorsed by Indonesia, the APE reflects the latest attempt of ASEAN to remain in the spotlight while allowing it to engage with the big powers and make them direct stakeholders in regional economic and security affairs. As Eul-Soo Pang argued, "For the United States, maximising the centrality of ASEAN continues to remain

as the core of its trade and security strategy. For ASEAN, an active reengagement of the United States in the region will assure continued stability and material prosperity for decades to come. For the world, the APE can be a new global institutional pacesetter, bringing together three of the four great powers (the United States, China, Russia, and the European Union) under one roof with Southeast Asia and thereby laying an important cornerstone for the coming 21st century Asia Pacific architecture.<sup>76</sup>

But the United States' supposed recognition of ASEAN's centrality in the EAS was put to the test during the latter half of 2010 when the territorial conflicts in the South China Sea erupted. The fear of such conflicts being turned into armed clashes was felt in Washington. Whether China has classified the South China Sea as one of its core interests, like Tibet and Taiwan, has been widely discussed and speculated upon in the American capital.<sup>77</sup> The Obama government found it necessary to protect its interests in the area of conflict, especially the right of free navigation. This context points to an alternative way of interpreting America's renewed interest in ASEAN. That is, the expanded EAS has become a new battlefield between the United States and China in the intense rivalries and competition to maintain their respective spheres of influence in Asia. The Americans might have talked about ASEAN serving as the epicentre of many regional enterprises. The real centre of attention, however, lies in the U.S. interests. And offsetting the Chinese influence in Southeast Asia has been one of the U.S. interests. It is also perplexing to witness that, while maintaining the driver's seat has been prioritised in ASEAN, some members, for the sake of their own benefits, are less interested in working toward defending ASEAN's centrality. Vietnam, for example, has gained tremendous advantage from the aggressive approaches of America and China to win the hearts and minds of the Vietnamese people, besides of course both countries' own economic and strategic interests. China has already invested around \$1.6 billion in a large bauxite mining and alumina refining projects in Vietnam. On the other hand, in March 2009, Vietnam and the United States launched talks on nuclear cooperation, including the possibility of allowing Hanoi the right to enrich uranium and reprocess plutonium.<sup>78</sup>

Equally important is American support for the emerging Trans-Pacific Economic Partnership Agreement (TPP), which, as argued by a number of scholars, could threaten ASEAN's leading role in the larger Asia-Pacific

region. The United States entered negotiations in March 2010 to join the TPP, a relatively unknown trade agreement that includes Brunei, Chile, New Zealand, and Singapore. The pact is perhaps humble in its origins, with the population of its largest member—Chile—less than 16 million at the time of its inception in 2005, with the group's share of global GDP minute. But the TPP has quietly gained momentum over recent years and may come to serve as a free trade zone that incorporates large parts of both sides of the Pacific.<sup>79</sup> So far, ASEAN's response to the TPP has been mixed. Some members of ASEAN have participated in the TPP, therefore entertaining a favourable view of this new free trade arrangement. As reflected in the Joint Statement of the Second ASEAN-U.S. Summit, held in New York in September 2010, ASEAN endorses the TPP idea, seeing it as a part of progressing regional trade and investment liberalisation and facilitation. Beneath the flowery diplomatic language, some ASEAN members have voiced their concern about the possibility in which the TPP could supersede ASEAN's economic integration attempt. A number of diplomats in Indonesia cautioned that the TPP could crowd out efforts already taken by ASEAN and its trade partners. Indonesian Trade Minister Mari Pangestu also said that while Indonesia would study the proposal, it was better to use the existing building blocks to build greater Asia-Pacific integration. She reportedly said, "We can start from the existing mechanism. We ourselves already have a forum, like ASEAN Plus One, ASEAN Plus Three and ASEAN Plus Six." As ASEAN has always insisted on being in control of the agenda of the existing fora, some members may have agreed with the US' proposal but the majority would likely reject the TPP if it took away ASEAN's focus and energy from its current process of integration, said an ASEAN diplomat.<sup>80</sup>

### **Has ASEAN's Licence Expired?**

ASEAN's insistence on upholding the driver's seat status has unfortunately delivered false beliefs among its members of the success of their own regionalism. Don Emmerson has recently posed a series of critical questions about ASEAN's yearning to remain in the driver's seat; for example, asking whether ASEAN has the "licence" to drive. If yes, then, is ASEAN's driving licence out of date? What type of vehicle is ASEAN driving? How fast is ASEAN's vehicle? Has ASEAN chosen to take the expressway? Is ASEAN's vehicle heading in the right direction?



How should the passengers in the back seat behave? Where is ASEAN's destination? What is the traffic like? Has ASEAN been overtaken by other vehicles? And if so, is "being over taken" a good or a bad thing? Times have changed since 1967, but has ASEAN changed accordingly?<sup>81</sup>

The list of questions also harkens back to the argument illuminated at the beginning of this chapter: the incongruity between ASEAN's infrastructure and superstructure. First, ASEAN's centrality to all cooperative enterprises in the region will be interrupted if the grouping fails to address a key challenge—overcoming intra-ASEAN differences through the building of compulsory infrastructure. Despite its success in minimising interstate conflicts and fostering economic cooperation, ASEAN's precept of loose cooperation, characterised as the ASEAN way, has made it difficult to achieve a truly integrated community. ASEAN may have already moved toward extraordinary achievements through the creation of the ASEAN Charter, the AICHR, the AFTA and other instruments. But to what extent are members willing to cede state power to ASEAN for the sake of institutional development? Second, the status of being in the driver's seat comes with great responsibilities of leadership. These traits can in turn only be achieved if infrastructure has been utilised to the fullest. For example, if only ASEAN was able to formulate a unified position toward Myanmar, making use of the newly created AICHR to pressure the military government to adopt a less repressive attitude toward its own people, ASEAN could have commanded the world opinion concerning the political deadlock in this country. So far, the West's sanction policy against the Myanmar regime has not functioned well, but neither has ASEAN's constructive engagement approach. Accordingly, ASEAN has lost its centrality, and moral authority, in the Myanmar issue, despite the fact that Myanmar is a member of ASEAN.

Third, because ASEAN's institutional upgrading was more cosmetic and less purposeful and because ASEAN's superstructures were built on shaky ground, when it comes to preserving its regional centrality, ASEAN tends to overreact and at times becomes highly illogical or even vicious. When the then Australian Prime Minister Kevin Rudd proposed his idea of Asia-Pacific Community (APC), some ASEAN apologists came out in unison to condemn his idea as a cheap tactic to disparage ASEAN's long years of success. Their action reflected an escalating concern inside ASEAN of a possible loss of its control over regional affairs. ASEAN's line of argument was that the APC was a dangerous concept. The APC

would encompass the United States, China, Japan, India, South Korea, Indonesia, Russia and Australia. Past, present and future ASEAN chairs may be invited to join APC. It would also become a full-fledged regional community by 2020. Hence, ASEAN risked becoming "the potential loser" in Rudd's new regional architecture.<sup>82</sup> Severino reasoned that the APC would only undermine already existing regional mechanisms, including ASEAN and its dialogue system, and thus its role as the region's driving force.<sup>83</sup> One former ASEAN diplomat questioned: Why should ASEAN embrace Rudd's vision at the expense of its own diminishing role. Another even called for Canberra to leave ASEAN alone. When then Japanese Prime Minister Yukio Hatoyama propositioned the East Asia Community (EAC) along the lines of the European Union, he also received cold responses from ASEAN. A number of ASEAN leaders immediately issued strong statements questioning why countries in the region should spend more energy, time and resources on a new regional cooperation mechanism instead of developing the existing ones. In any case, the EAC might not fulfil the interests of ASEAN. Aurelia George Mulgan argued that the EAC brought to light Japan's affinity of multilateralism but also suggested that it may serve to weaken China's presence in the region.<sup>84</sup>

The making of a superstructure alongside the infrastructure is crucial if ASEAN is serious about transforming itself into a successful organisation in the years ahead. ASEAN's future relies much on the leadership from its chair. For ASEAN to keep its title as the chief driver of Southeast Asia, it will need progressive vanguards to ensure that the two processes—infrastructure and superstructure—work in tandem.

## NOTES

- 31 Over a decade earlier, in 1954, U.S. President Dwight D. Eisenhower elaborated the domino theory. He said, "Finally, you have broader considerations that might follow what you would call the "falling domino" principle. You have a row of dominoes set up, you knock over the first one, and what will happen to the last one is the certainty that it will go over very quickly. So you could have a beginning of a disintegration that would have the most profound influences." See, "President Eisenhower's News Conference," *Public Papers of the Presidents*, April 7, 1954, p. 382, <http://www.mtholyoke.edu/acad/intrel/pentagon/ps11.htm> (accessed November 14, 2010).
- 32 U.S. Secretary of State Hillary Clinton and Russian Foreign Minister Sergey Lavrov attended the Fifth EAS in Hanoi, Vietnam, on October 30, 2010.
- 33 In their writings, Marx and Engels showed the relation between the base of society and the edifice – the superstructure – which arose upon that foundation. The base of society is the way people relate to one another in the production of their lives and their means of life, in other words, the productive relations. Classes are an aspect of these productive relations. People do not relate on just any basis. They relate to one another through their mutual relation to property. This in turn defines the society. A state, a legal system, social institutions, and ideas arise on this base. These elements make up what we call the superstructure. The superstructure reflects, protects, organizes and strengthens the base. See, *Marxist Philosophy, The Institute for the Study of the Science and Society*, <http://www.marxists.org/subject/students/index.htm> (accessed December 17, 2010).
- 34 For further discussion, see, Rodolfo C. Severino, *Southeast Asia in Search of an ASEAN Community: Insights from the Former Secretary-General* (Singapore: Institute of Southeast Asian Studies, 2006), 375.
- 35 See Michael Antolik, *ASEAN and the Diplomacy of Accommodation* (New York and London: An East Gate Book, 1990).
- 36 Donald Weatherbee, "Southeast Asia in 1982: Making Time," *Southeast Asian Affairs 1982*, (Singapore: Institute of Southeast Asian Studies, 1983), 13.
- 37 This headline appeared in the *New Straits Times*, July 26, 1975. Quoted in Antolik, *ASEAN and the Diplomacy of Accommodation*, 100.
- 38 *Ibid.*, 102.
- 39 Guy Sacerdoti, "This is the Captain Speaking," *Far Eastern Economic Review*, August 22, 1980, 28.
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- 41 *Ibid.*, 87.
- 42 Rizal Sukma, "Indonesia Needs a Post-ASEAN Foreign Policy," *The Jakarta Post*, June 30, 2009.
- 43 The "ASEAN-X" principle was first used to refer to the economic integration process: member countries that are ready to remove barriers on goods and services, investments, capital and labour should be allowed to do so while the remaining member countries can join in as and when they are ready. See Denis Hew, "Build and ASEAN Economic Community Step by Step," *Business Times*, June 5, 2003.
- 44 Arvind Panagariya, *The Regionalism Debate: An Overview* (College Park: University of Maryland, 2008), 37, <http://129.3.20.41/eps/it/papers/0309/0309007.pdf> (accessed November 22, 2010).
- 45 See, Monty G. Marshall, *Third World War: System, Process and Conflict Dynamics* (Lanham, MD: Rowman and Littlefield Publishers, Inc., 1999), 213.
- 46 Shaun Narine, *Explaining ASEAN: Regionalism in Southeast Asia* (Boulder, CA: Lynne Rienner Publishers Inc., 2002), 1.
- 47 In an interview with an ASEAN diplomat, Singapore, July 15, 2010.
- 48 Claimants in ASEAN include Malaysia, Vietnam, Brunei and the Philippines. ASEAN has adopted an ambivalent attitude vis-à-vis the South China Sea issue, presumably because it did not want to upset the Chinese leadership. China has made clear that it preferred to tackle the issue on a bilateral basis and that ASEAN should refrain from interfering in the disputes.
- 49 Interview with Dr. Surin Pitsuwan, ASEAN Secretary-General, Seoul, Republic of Korea, March 21, 2008.
- 50 "Indonesian Ministers Asked to Follow up ASEAN Summit Results," *Xinhua*, November 22, 2007, [http://news.xinhuanet.com/english/2007-11/22/content\\_7129449.htm](http://news.xinhuanet.com/english/2007-11/22/content_7129449.htm) (accessed November 24, 2010).
- 51 Dewi Fortuna Anwar, "The ASEAN Charter: The Case for Ratification," in *The Road to Ratification and Implementation of the ASEAN Charter*, ed. Pavin Chachavalponpun, Report No. 3, (Singapore: ASEAN Studies Centre, Institute of Southeast Asian Studies, 2009), 36-37.
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- 54 Rodolfo C. Severino, "The ASEAN Charter," in *The Road to Ratification and Implementation of the ASEAN Charter*, 31. Also see, Rodolfo C. Severino, *ASEAN Charter: An ISEAS Perspective* (Singapore: Institute of Southeast Asian Studies, 2005), 3-32.
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- 58 Yukiko Nishikawa, *Human Security in Southeast Asia* (New York: Routledge, 2010), 99.
- 59 In a discussion with Kyaw Tint Swe, Singapore, June 2010. He is also Ambassador and Permanent Representative of the Union of Myanmar to the United Nations.
- 60 Olivier De Schutter, *International Human Rights Law* (Cambridge: Cambridge University Press, 2010), 30. Schutter considers AICHR's tasks promotional in nature.
- 61 Suu Kyi was finally set free from her house arrest on November 13, 2010. She had been in and out of house arrest for most of the past 20 years.
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- 63 "Thailand Asks ASEAN not to Intervene in Temple Row," *Bangkok Post*, August 20, 2010. Also see, "Hun Sen Urges International Intervention in Preah Vihear Row," *Thai-ASEAN News Network*, August 10, 2010, <http://www.tannetwork.tv/tan/ViewData.aspx?DataID=1033335> (accessed 25 November 2010).
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- 66 In an interview with an unnamed ASEAN diplomat, Singapore, September 21, 2010.
- 67 Ali Alatas, "ASEAN Plus Three" Equals Peace Plus Prosperity, paper presented at the Regional Out Look Forum organised by Singapore's Institute of Southeast Asian Studies, January 5, 2001. The author's own copy.
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- 70 Source: *East Asia Summit Research Initiative* <http://www.aseansec.org/aadcp/repstf/abouteastiasummit.html> (accessed November 25, 2010).
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## China's Pessimist Views on and Pragmatic Involvement in East Asian Regionalism

Li Mingjiang and Irene Chan<sup>85</sup>

China's international profile blossomed with the initiation and subsequent deepening of China's reform and open-door policy during the 1980s-90s. In comparison with China's stellar performance in regional institutions today, its involvement in regional multilateralism prior to the late 1990s was considerably unimpressive and unenthusiastic, due to the late development of multilateralism in East Asia. It has been argued that in the past China avoided multilateral institutions, preferring instead to work with its neighbouring countries based on bilateral terms. But the truth cannot be more opposite today. With multilateral diplomacy being held as an integral and important part in China's foreign policy, Beijing is taking an increasingly active stance in promoting and supporting the growth of Asian regionalism, although constantly attempting to shape the development of regionalism for the benefit of its national interests.

This chapter seeks to explain and analyze China's positions regarding East Asian regional integration. We attempt to answer why China holds to those positions and how China has approached and contributed to the growth of regionalism in the region. We examine China's official positions and compare those positions with China's actual behavior in regional multilateral activities. We conclude that while it is likely that the level of Chinese activism will be maintained and even intensified in the years to come, China has not yet developed a grand vision for regional multilateralism and regional integration. Pragmatism in pursuit of short-term national interests in accordance with changes in regional political and economic circumstances remains as the single largest driving force behind China's behavior in Asian regional integration. This pragmatism is evident in China's super-activism in economic multilateralism, its rising interest in non-traditional security cooperation, and its obstructionist approaches to conflict prevention and conflict resolution in East Asia.

### **China's Pessimist Views on East Asian Regionalism**

It is impossible to exaggerate the importance which China attaches to its relations with its neighbouring countries. In fact, Chinese analysts propose that as part of China's strategy to ensure its rise, China should regard East Asia as its strategic hinterland and actively participate in regional institution-building as a fundamental policy.<sup>86</sup> China's increasing involvement and enthusiasm with regards to East Asian regionalism is clearly indicated in China's 16<sup>th</sup> Congress, which featured a historical first attempt by Beijing to juxtapose regional multilateral cooperation with bilateral relations in its foreign policy considerations.<sup>87</sup> Five years later, despite disputes with its neighbouring states, Beijing reaffirmed this commitment towards multilateralism at the 17<sup>th</sup> Party Congress in 2007. Two of China's four basic foreign policy guidelines now emphasize the importance of good relations with its contiguous areas and multilateralism as the stage for China's rise.<sup>88</sup>

Several points in China's official positions with regard to regional integration are worth highlighting. First of all, at the official level, Beijing has repeatedly vowed to support close regional cooperation and integration. In numerous documents and speeches, Chinese leaders have unequivocally expressed their support to the process of regional integration. For instance, in 1999, at the landmark third ASEAN Plus Three (APT: ASEAN plus China, Japan, and South Korea) summit, leaders of the 13 countries agreed on the principles, direction and key areas in East Asian cooperation. At the sixth APT summit in 2002, China approved the report drafted by the East Asian Vision Group together with the other members in the APT framework. The report proposed an East Asian Free Trade Area (FTA) and an East Asian Community. Second, it is worth noting that China has also repeatedly pledged not to be exclusive in the building of the East Asian region. Chinese policy makers have on numerous occasions made it clear that they are all for an open regionalism. This essentially means that China would not be opposed to the participation of the United States and other external powers in the process of regional integration.<sup>89</sup> Third, China has clearly stated that its institutional preference for regional integration is the APT. Officially, China does not oppose the existence and operation of other regional institutions and fora, but it has unambiguously made its position known that the APT mechanism has to be the main institutional framework for

regional integration. Premier Wen Jiabao made this point very clear in his speech at the 13<sup>th</sup> APT leaders' meeting in October 2010 in Hanoi. He said that China strongly supports the APT as the main channel for East Asian cooperation, stressing that the ASEAN-led framework is an inevitable path towards East Asian rejuvenation.<sup>90</sup>

Fourth, China has not been bashful in stating that in the foreseeable future its preference for regional integration will focus on economic cooperation, which includes trade, investment, finance, and infrastructure. In the political arena, exchanges and interactions are necessary and certain level of institutionalization is useful, but China does not wish to push for any acceleration of political consultation mechanisms. Instead, many Chinese officials feel that there are too many political institutional frameworks and mechanism at work. They do not feel comfortable that so many regional institutions and fora overlap in their functions and many of them are simply talk shops. At the moment, perhaps in the foreseeable future as well, China has very little interest in joining other states to substantively discuss any regional approach to security issues. Fifth, Beijing has indicated that it does not desire the realization of regional integration any time soon. Rather, China has suggested that the growth of regionalism has to be gradual. China insists on an incremental approach to regionalism because it believes that the political, economic, and cultural diversity in the region does not allow any grand proposal or the possibility of dramatic transformation of the region anytime soon. The reality in China's policy towards regionalism is that despite growing activism Beijing has yet to give concrete outlines of its ultimate goal for pursuing regional integration or the kind of regional community that it expects to see.

These five major points perhaps characterize China's official positions on East Asian regional integration. To a large extent, China means what it says and these positions reflect China's real considerations. These five points, taken as a whole, pretty much demonstrate a pessimist Chinese view of regional integration. Chinese optimism is shown in its belief that community building is a good thing to do. China shares the common wisdom that the realization of a regional community would ultimately help create a sustainable peaceful region. It believes that enhanced multilateral cooperation at the regional level would benefit all parties concerned. But at the same time, China exhibits much pessimism about the prospect of the growth of regionalism. Beijing regards the

process of regional integration as a realistic struggle for power and influence. It does not foresee any regional community coming into being any time soon.

China's open embrace of regionalism then stems from a few pragmatic considerations. Chief among those factors is the necessity of China uniting the markets in regional states. In the late 1970s, when Deng Xiaoping started the reform and opening up policy, the basic approach was to pursue an export-led growth model that Deng and his cohorts so convincingly learned from the experience of the little Asian dragons like Hong Kong, Singapore and Taiwan. China's participation and membership in the world economic and financial system since then was an inevitable outcome of that export-led growth approach to economic development. Economic interactions with East Asian neighbouring countries became an integral part of the story of China's reform and opening up. Moreover, this export-led growth has proven to be tremendously successful. And this success, to a very large extent, is contributable to China's economic interactions with its regional neighbours. In the past decades, China benefited enormously from the investments from Japan, South Korea, Taiwan, and ethnic Chinese businesses in Southeast Asia.

At the same time, regional countries provided a fairly large market for Chinese manufacturing goods. It is fair to say that China's interest and confidence in East Asian regionalism are almost exclusively based on its conviction that regional cooperation, especially in the economic arena, continues to serve Chinese national interests—the ultimate rise of the central kingdom in the coming decades. This explains why China has been so enthusiastic about liberal trade agreements in the region. China is willing to participate and support regional integration also because it has realized that closer regional cooperation, particularly at the multilateral level, helps create a more peaceful and stable regional environment. Chinese leaders are perhaps sincere when they say they need a peaceful and stable region in order to focus on domestic economic development. Chinese decision makers have also apparently realized in a globalizing world and increasingly integrating region, many problems simply cannot be solved by any single state; rather only a regional approach could be effective in dealing with numerous non-traditional security challenges.

### **China's Concerns and Pragmatism**

China's official statement of supporting an open regionalism has to be understood in the right context. It should not be taken at face value. Beijing has been adamant in its position that the geographical focus of regional integration should be Northeast Asia and Southeast Asia. In the past decade or so, China has proactively engaged with Southeast Asian countries. Beijing has, over the years, constantly touted Sino-ASEAN relations as a good example of regional integration. Due to various reasons, regional integration in Northeast Asia has been rather slow. But this slow pace has not deterred China from contemplating the possibility of merging the three free trade areas between China and ASEAN, South Korea and ASEAN, and Japan and ASEAN in the future. Obviously, when Chinese decision makers talk about regionalism, they are talking about economic integration in the East Asian region. Even China's conceptualization of the geographical boundary of East Asia is very different from what is emerging as the new reality. For ASEAN and other major players, East Asia now increasingly includes India and the Oceania. China still has a difficult time to adapt to this changing reality. In this sense, China's policy posture of supporting an open regionalism is, to some extent, disingenuous.

The case of India's membership in the emerging East Asia Summit back in 2005 is a good example. Beijing had initially objected to the inclusion of India in the new regional body but later gave in when it sensed that such opposition worked against its other interests. Even today, Beijing has profound suspicion of the US role in East Asian regionalism. Officially, Beijing proclaims that it does not seek to exclude the United States in East Asian regional integration, but Beijing has been very vigilant against any grand proposal that would formalize American dominance or leadership role in regional community building. The Chinese concern was clearly demonstrated in the cases of the former Australian Prime Minister Kevin Rudd's "Asia-Pacific Community" proposal and the two Japanese "East Asian Community" schemes proposed by former Prime Ministers Koizumi Junichiro and Hatoyama Yukio. In the above-mentioned cases, Beijing neither proffered any positive comment nor indicated its support as it evidently feared that such proposals might provide a legitimate excuse for the United States to play a leading role in regional integration.<sup>91</sup> When the United States, together with Russia,

was about to join the East Asia Summit in the second half of 2010, China kept a close watch over how American participation in the EAS might change the functions of the forum. China understood that the US decision to take part in the EAS was part of Washington's strategy, partly urged by Southeast Asian countries, to counter the rising Chinese influence in the region.<sup>92</sup> This was perhaps one of the reasons why Premier Wen Jiabao, at the 5<sup>th</sup> EAS in Hanoi, emphasized that the EAS should stick to its existing objectives, nature, and principles and serve as a strategic forum on issues concerning global economic growth, climate change, and macro-level coordination among regional states on matters of common concern.<sup>93</sup> Wen's emphasis was consistent with China's position that the 10+3 mechanism should remain as the core institutional architecture for regional integration.

In some sense, China's positions on East Asian regionalism are defensive and reactive in nature. Ever since the end of the Cold War, China has never felt fully confident of its regional strategic environment. In much of the 1990s, the "China threat" rhetoric was rampant in East Asian capitals. In response, China began to adjust its regional policy in the mid-1990s. In much of the 2000s, Beijing made tremendous efforts in reaching out to regional states, particularly the smaller neighbors in Southeast Asia. As a result of these efforts, China's regional status has changed significantly. But even today, China still harbors profound strategic suspicion of the United States and to a lesser extent Japan and India. To China, the changing dynamics in the development of East Asian regionalism, for instance, the creation or expansion of new institutions or fora, the addition of new members, agenda-setting, and changing realignments among the major powers in the region, all have negative implications for China, i.e. restraining the growth of China's regional influence. It is then no surprise that Beijing has treated the process of regional community building as a partially zero-sum game.

China's realistic concern about the development of regionalism has been most significantly affected by its attitude towards and perception of the United States. It is proving very difficult for China to believe that the US has the ability to play a constructive role in promoting East Asian integration. During her state visit to Cambodia in early November 2010, US Secretary of State Hillary Clinton had openly urged the mainland ASEAN state, which has close economic ties with China to seek cooperation with a variety of partners throughout the region

instead of becoming over-dependent on a single country.<sup>94</sup> In recent years, Washington has been actively promoting the expansion of the Trans-Pacific Partnership (TPP), also known as the Trans-Pacific Strategic Economic Partnership Agreement. The TPP agreement is a multilateral free trade agreement that aims to integrate the economies of the Asia-Pacific region. China feels that the TPP is an American effort to weaken China's economic clout in East Asia.<sup>95</sup> Beijing takes note that the US under the Obama administration also stepped up efforts to defend and promote its interests within the region by raising the South China Sea as a core US interest alongside Taiwan. Emboldened by US support, ASEAN states have endorsed Secretary Clinton's call for multilateral commitment to the resolution of the South China Sea disputes. "Although not seeking confrontation, the Southeast Asian nations were not afraid to choose between Beijing and Washington's preferences this time"<sup>96</sup> It is hardly news that China would view Obama's renewal of US hub-and-spokes ties during his visit to its immediate neighbours as an attempt to step up US' encirclement of China. Beijing regards these US efforts as inimical to China's interests in the region and accordingly is suspicious of any future US role in East Asian regionalism.

Despite US reassurances of supporting regionalism in East Asia, China believes that continued US supremacy in East Asia is counter-productive to regional integration. China argues that there is simply no incentive on the part of many regional states to further enhance multilateral cooperation within the East Asian region due to the fact that many of them remain highly dependent on the US for political, economic, and security interests. Hence, these states will continuously pay respect to US preferences when it comes to regional multilateralism as a result of being beholden to the US. For instance, during the Asian financial crisis in 1997, Japan proposed the setting up of an Asian monetary fund to cope with future financial problems in the region. However, this idea was quickly dropped when faced with strong opposition from the US.<sup>97</sup> Fast forward to current times, ASEAN has already sent a clear signal to China that it looks to the US for a balance of power inside the regional grouping which is seen to be increasingly dominated by China, first with the US signing of the TAC in 2009 and its formal invitation to join in the EAS in 2010.

The same argument can be applied to regional security issues. Beijing believes that the traditional US "hub and spokes" security



arrangements are providing a non-conductive environment for the growth of new security modes in East Asia, e.g. cooperative security. Due to the popular expectation among regional states of US security protection, there is little incentive for them to seek new security arrangements. Given the fact that US predominance and its bilateral security ties with various regional states are perceived as essential and effective in maintaining regional security, the possibility of developing cooperative security in East Asia is extremely slim in the foreseeable future.<sup>98</sup> Despite its professed pessimism, China is showing signs of determination to challenge US security preponderance in East Asia by conducting military exercises with some smaller states such as Thailand and Singapore in 2010.<sup>99</sup>

Although China understands that it is possible for the United States to live with an open, inclusive East Asian regionalism that is capable of solving all problems including security issues, US actions are repeatedly showing Washington's resolute opposition to a stronger Chinese role in any regional grouping. Since the Cold War, the US actively groomed Japan as its principal ally in East Asia. While Japan was naturally the US's favourite pick for leadership in spearheading East Asian multilateralism, it was unsuccessful in its bids to capture regional leadership over the past two decades. Most importantly, the US confidence in its favourite East Asian ally has been shaken over the recent years by Japan's political instability, its volatile relations with China and South Korea, its stagnant economy and, in particular, the mixed signals that the US repeatedly receives on the Futenma military base relocation.<sup>100</sup> By encouraging ASEAN – the sub-region still reliant on US economic linkages and the traditional hub-and-spoke security arrangements with allies like the Philippines and Thailand – to use a multilateral approach to resolve territorial disputes with China, the US can be seen to be signalling increased support for ASEAN as the primary driver for East Asian regionalism over Japan.<sup>101</sup> Fearing that the rising Chinese influence would diminish US clout in East Asia, the US is not ready to accept any Chinese leadership role in pushing for East Asian regionalism. Washington is also concerned about the function of a future East Asian Community. Chinese analysts posit that this concern arises from Washington's fear that China's leadership in an East Asian Community would marginalize the Asia-Pacific Economic Cooperation (APEC) and ASEAN Regional Forum (ARF), two institutions that it regards as useful tools for advancing its

interests in East Asia.<sup>102</sup>

More importantly, Beijing believes that the US does not have a clear policy towards supporting East Asian multilateralism, as shown by Washington's history of conflicting policy pronouncements with regards to the issue. In 2004, former Secretary of State Collin Powell expressed US disapproval of an East Asian Community and cautioned against any attempts towards the formation of such a community at the expense of Washington's good and stable relations with its Asian friends.<sup>103</sup> In 2006, while unequivocally reiterating the importance of trans-Pacific institutions and organizations, US APEC senior official Michael Michalak conceded that the US did not view East Asian regional processes such as the APT or EAS as posing a threat to American interests.<sup>104</sup> In a follow-up to this statement, former Assistant Secretary of State Christopher Hill expressed America's support towards the Asian countries' consideration for regional architecture largely as a reflection of economic and financial integration among these nations.<sup>105</sup> Due to these slightly different policy pronouncements by American officials, China is not convinced that the US has a clear policy on East Asian multilateralism. China believes that this uncertainty in American policy towards East Asian regionalism is reflected in its conditional support to and selective participation in East Asian multilateralism. In particular, they pointed to the need for the US to further adjust its policy in order for it to be a constructive force in East Asian integration.<sup>106</sup>

The other major factor generating Chinese pessimism is China's perception of Japan's inconsistent policy on regional integration. In China's assessment, this is largely attributed to Japan's uncertain strategic orientation. Japan identifies itself as a Western power but, with the rising economic importance of East Asia, it has a desire to re-establish its East Asian roots. Chinese analysts have detected evidence of oscillation in Japanese strategy in regional multilateralism between strengthening its alliance with the US as its key international strategy and pushing for a leadership role in regional integration. They have much reason to believe that currently Japan does not have a coherent regional integration plan, which augurs ill for a Japanese leadership role in furthering regional multilateralism.<sup>107</sup> In August 2009, former Prime Minister Hatoyama proposed a hotly-debated vision of an East Asian Community in an article titled "A New Path for Japan".<sup>108</sup> Hatoyama hoped to counter China's military rise by strengthening the US-Japanese

military alliance and at the same time he sought to counter the US-led *laissez faire* economy with East Asian economic integration. China, for a period of time when Hatoyama's proposal was floated around, largely kept silent as it was not sure how the Japanese plan would locate the US and the plan failed to offer specific policy suggestions.

Leadership contention with Japan has also been a major concern for China. Many Chinese analysts firmly believe that Japan intends to continue striving for a leadership role as well as to restrain and forestall China's dominance in East Asia. Taking note of the many instances in Japan's policy moves in Southeast Asia as a demonstration of its intention to establish itself as the primary leader within East Asia, they argue that the continued Sino-Japanese rivalry works against the smooth development of multilateral cooperation in the region.<sup>109</sup> For instance, in 2002, when former Japanese Prime Minister Koizumi proposed the idea of an "expanded East Asian community," it was his intention for Japan to assume a leading role, with support from ASEAN, and to include extra-regional states such as Australia. Japan was ultimately successful in achieving ASEAN's support for the incorporation of Australia, India and New Zealand in the 1<sup>st</sup> EAS in 2005. Needless to say, China saw Koizumi's plan as an obvious initiative to check growing Chinese influence in East Asia.<sup>110</sup>

Another example that Chinese analysts frequently mention is the Japanese reaction to China's signing of the ASEAN TAC in 2003. Japan's decision to do likewise shortly after China acceded to the treaty was seen as a clear indication of Japanese response to China's proactive engagement in Southeast Asia. Beijing maintained that Japan's insistence of incorporating India, Australia, and New Zealand in the East Asian Summit in 2005 was another major attempt by Japan to restrain Chinese influence in East Asia.<sup>111</sup> Riding on the wave of its earlier victory over China, Japan proposed an East Asian Economic Partnership Agreement, which envisioned the concluding of an economic partnership agreement among ASEAN countries, Japan, China, South Korea, India, Australia, and New Zealand at the 2<sup>nd</sup> EAS in 2006. As the Japanese proposal far surpassed a regional FTA to include arrangements in investment, services and human flow, Chinese reports claimed that it was yet another blatant attempt to put Japan in a leadership position in East Asian regionalism and to counter China's rise.<sup>112</sup> This negative perception of an assertive Japan is deeply encapsulated in the Sino-Japanese leadership struggle

in East Asian multilateralism that contributed much to China's lack of confidence in the future of regionalism in East Asia. Three years later, with the proposal of his hotly debated vision of an East Asian Community, Hatoyama hoped to counter China's military rise by strengthening the US-Japanese military alliance, he also sought to counter the US-led *laissez faire* economy with East Asian economic integration. Although his balance of power plan to counter both China and the US in Japanese interest ultimately failed to take off, Hatoyama had similar intentions in his version of an East Asian community when he sought ASEAN's help to curtail China while hitching the Japanese wagon on to China's economic growth to jumpstart its declining economy.<sup>113</sup>

One can conclude that the lack of clarity on China's vision of an East Asian community is owed largely to the profound skepticism of the prospect of East Asian regionalism. Within informed Chinese opinion, there are still many outstanding challenges with regard to the further development of regionalism in East Asia. One such challenge is the ambiguous boundary and indefinite geographical expansion of regional cooperation and the accompanying forum. For instance, the East Asian Summit (EAS or ASEAN Plus Six) was formed in 2005 with the inclusion of India, Australia and New Zealand to the APT framework. The EAS looks set for further expansion with ASEAN's formal invitation to Russia and the US at the 5<sup>th</sup> EAS in Hanoi earlier this year. Many Chinese analysts have come to regard the EAS as a new barrier, and even a setback, to the growth of East Asian multilateralism. They see that such continuous expansion as an inhibition that would eventually prevent the successful formation of a common geographical identity, which is an essential element to any regionalism.<sup>114</sup>

Chinese analysts also draw attention to the fact that, as the current driver of East Asian regionalism, ASEAN is sorely lacking in consensus on the geographical boundary of regional multilateral processes. They argue that two of the three conditions required by ASEAN for other states to become EAS-ASEAN dialogue partners – signing ASEAN's Treaty of Amity and Cooperation (TAC) and substantive interactions with ASEAN – have no specific geographic limitation. According to Chinese analysts, this borderless regional community vision would only compound the growth of multilateralism in the region, given the fact that even within the 10+3 framework, differences in cultural identities and values already pose a huge challenge.

China is also unconvinced by ASEAN's ability in readjusting its policy on East Asian multilateralism by pointing to its volatile potions on the geographic boundary of regional integration. The decision for the APT process (with China being the dominant APT player) to remain as the main vehicle to an East Asian community was originally proposed by China and reaffirmed in the Chairman's statement of the 12<sup>th</sup> ASEAN Summit in January 2007.<sup>115</sup> Much to China's disappointment, the Chairman's statement of the 13<sup>th</sup> ASEAN summit 10 months later did not renew its resolve in using the APT as the main vehicle for promoting East Asian multilateralism. In fact, more emphasis was placed on the "mutually reinforcing and complementary roles" of other regional processes like the EAS and ARF with the APT process.<sup>116</sup> At the third East Asia Summit, ASEAN Secretary-general Ong Keng Yong noted that "ASEAN has reached a consensus regarding Japan's proposal of including Australia, New Zealand, and India into East Asian community."<sup>117</sup> Such subtle changes in ASEAN's positions do not escape Chinese scrutiny. ASEAN's vacillation is likely to be viewed as another piece of evidence that it is still not time for Asia to substantiate further growth of regionalism. It can be expected that China may begin to lose all confidence in ASEAN's ability to lead East Asian multilateralism in the long run. According to one Chinese observer, the rightful leadership for East Asian multilateralism has to be assumed by a three-power consortium comprising of China, US, and Japan in order for it to lead to further regional integration at all.<sup>118</sup> But, given the above evidence in the relations among the three powers, such a suggestion is simply not feasible in the foreseeable future.

In response to all these challenges, China is steadfast in its insistence in relying on the APT as the primary framework for regional economic cooperation and is unwavering in its support for ASEAN's role at the driver's seat. At the same time, China maintains a gradualist approach to East Asian regional multilateralism. China believes that the APT should not be replaced by the EAS and that the conditions for a FTA among the EAS countries are still in the slow process of maturing.<sup>119</sup> Rather than to appear as an obstructionist, China does not refuse to be part of the EAS but continues to downplay its importance by pointing that the EAS functions better as a strategic platform for the exchange of ideas and facilitation of cooperation.<sup>120</sup> In practice, Beijing still prefers using the APT and the ASEAN Plus One (ASEAN + China) mechanisms for substantive cooperation.

Although China is an active participant in all regional institutions and places much emphasis on the APT and ASEAN-China mechanisms, it is convinced that such regional multilateral processes are unlikely to result in the emergence of a discernable East Asian community in the near future. As discussed above, there are too many factors restraining the growth of such a community – the issue of state sovereignty, cultural differences, historical baggage, and US predominance to name a few.<sup>121</sup> Owing to US hegemonic presence and the Sino-Japanese rivalry, East Asian multilateralism can only lead to the development of a highly limited regionalism as well as an incomplete regional security architecture and security community.<sup>122</sup> As such, China is unable (and unwilling) to clearly define its role and position in the East Asian community.<sup>123</sup> Meanwhile, it seems that China chooses not to be bothered by its pessimistic estimation of the prospect of East Asian multilateralism and has shifted its focus on pragmatic cooperation in areas of short-term national interest.

## Conclusions

In the post-Cold War era, China's attitude and policy towards regional multilateral institutions and regional integration have experienced dramatic changes. In the early 1990s, China had profound suspicion towards any regional institutional establishment; even ASEAN was regarded as a hostile or at least an unfriendly grouping. Largely due to the imperative of breaking its diplomatic isolation in the aftermath of the Tiananmen Incident, China began to take actions to improve its relations with individual neighbouring countries, which perhaps inevitably led to a better understanding of the various regional multilateral institutions on the part of China. China soon learned that ASEAN and ASEAN-related regional architectural settings were not simply a united front against China and that other major powers, especially the US, did not have the kind of absolute control over those institutions as Beijing had previously believed. Furthermore, China realized that participation was far better than non-participation because Chinese presence and membership provided the opportunities for the outside world to become familiar with Chinese interests and to understand China's concerns and preferences. It also realized that active participation could help shape agenda-setting at those institutions to better protect Chinese interests.

By the end of the 1990s and early years of this century, some new

driving forces had emerged and prompted an unprecedented level of Chinese activism in regional integration. Economic benefits and the impulse of attempting to play a larger role in the shaping of a new regional order became the new catalysts behind China's strong interest in East Asian regional integration. Yet, despite the fact that China has become a very active participant and a formidable player in East Asian regionalism, one has to seriously consider two facts. First, China has not attempted to propose any regional architecture. Instead, China has simply been taking part in all the institutions that had been created or pushed by other players, particularly ASEAN, and China's participation has been selective, favouring those that are more beneficial to its own national interests while at the same time downplaying those that might undermine its interests and presence. Second, there has been no Chinese grand blueprint as to what kind of regionalism or regional community a favourable situation should look like in the coming decades. As a reflection of China's pessoptimist views on regional integration, Beijing has demonstrated a high level of pragmatism in handling issues concerning regional community building or even regional multilateralism. As this chapter has made clear, Chinese pragmatism is evident in China's selective emphasis of various groupings, keen interests in economic regionalism, and obstructionist role in institution-building for regional conflict prevention and conflict resolution.

The Chinese pessoptimist views on East Asian regionalism could be explained by several factors. First of all, China, similar to many other regional actors, does not have a very sanguine view on the prospect of regional integration in the foreseeable future. Beijing is clear-minded that all the diversities and differences among regional states do not bode well for any optimistic prediction. Second, China seems to feel satisfied with the status quo regarding the pace of regional integration. It seems that China has been able to achieve its major objectives on the basis of the current state of region-building. Third, Chinese decision-makers are sober-minded that China simply cannot make any major compromise on territorial disputes in East Asia, including the Taiwan issue, East China Sea disputes with Japan, and the South China Sea disputes with some ASEAN countries. With these security disputes in existence, it is almost impossible for China to come up with any grand blueprint for regional community building. Fourth, China seems to fear that any grand Chinese proposal regarding regional architecture would be viewed with suspicion

and even negatively by other major powers and smaller states. Lastly, apparently China is confident that as its economic and military power grows, it will ultimately wield more influence on the shape of East Asian regional order in the future. Time is on China's side. If the current trend of Chinese socio-economic ascendance continues, it is likely that regional order will become one in which China exercises far more influence.

In conclusion, the Chinese views, positions, and policy on East Asian regionalism indicate that there are still many difficult obstacles on the path of the development of regionalism in East Asia. The further growth of regionalism in East Asia will have to hinge on the outcomes in Sino-US power transition, Sino-Japanese reconciliation, the resolution of regional hotspot security issues, the evolution of China's domestic political economy, and the realignments of major power relations in the coming decades. This pessimistic note notwithstanding, one thing is certain: regional integration is still moving forward, albeit grudgingly and very slowly and the current state of regionalism, by and large, contributes to overall regional peace and stability in East Asia. And that present assessment is sufficient for China to continue its participation in existing schemes while awaiting for the longer term situation to alter in its favour.

## NOTES

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## Japan and East Asian Regionalism: The Best Supporting Actor?

Haruko Satoh

Japan has yet to articulate—or given much thought to—a comprehensive strategy toward East Asian regionalism.<sup>124</sup> Or as put bluntly by one commentator: “There is no single Japanese government vision of how regional community building should proceed.”<sup>125</sup> Why?

When former Prime Minister Hatoyama Yukio of Japan’s new ruling party, the Democratic Party of Japan (DPJ), called for the creation of an East Asian community its reception at home was hardly enthusiastic. This is not surprising. The idea tends to evoke the ultimate and difficult choice to most Japanese: Who should Japan side with, the United States or China?<sup>126</sup> Most Japanese feel that there is little point in an East Asian community that does not include the United States; they fear—not unreasonably—a community that might be dominated by China. Japanese ambivalence toward China seemed to be reconfirmed with the 3.11 treble earthquake, tsunami and nuclear disasters as China only sent a small team of rescuers to the disaster site while the U.S. demonstrated its all-out willingness to help its ally through Operation Tomodachi. At best, the idea is discussed with cautious optimism. In any case, many are resigned to think that a new Asian order is not in Japan’s power to shape; the outcome depends more on how/or whether China and the United States settle their differences.

But these are not necessarily carefully thought out responses. They are, for one, “gut reactions” of a country that has become too accustomed during the Cold War period to a low profile approach to international politics and of letting others—the United States in particular—take the lead. They also reflect Japan’s present difficulty in conceiving a constructive relationship with China. Consequences for having chosen to selectively forget its pre-war Asian past, especially the disastrous attempt to shape and lead the Asian order under the concept of the Greater East Asian Co-Prosperty Sphere, are hard to ignore. Moreover, few can imagine their country playing a positive role in regional institution building as the nation has become so inward looking

and self-referential.<sup>127</sup>

The nature of the evolution of East Asian regionalism, however, surely rests on how/or whether Japan emerges from the historical amnesia and strategic inertia of sinking between the U.S. and China, with a resolve to play an active role to inform (and ideally, influence) the regional policies of the two larger powers. There is no doubt that how the two conceive and steer their bilateral relationship impacts greatly on the region’s order and stability, but few states in the region are tied to both countries in the way Japan is.<sup>128</sup> Japan might not be powerful enough to lead (at least on its own), but it is not small enough to be a mere follower either. In fact, the economic impact of 3.11 on the manufacturing industries around Asia demonstrated that Japanese industries are still penetrated deeply into and indispensable to the economic structures of regional states, from China, South Korea to states in the Association of Southeast Asian Nations (ASEAN).

Perhaps more importantly, just as there is no hope for—or even a meaning to—an East Asian community without versatile China–Japan reconciliation in the fashion of Franco-German reconciliation over World War II, there is as yet little confidence among other regional states in a regional security order without the Japan–U.S. alliance. While Japan’s regional orientation has become increasingly sensitive to the vicissitudes of China–U.S. relations, there is also no doubt that Japan’s articulation of its regional strategy in this historical phase of fundamental reconfiguration is very much needed, if only because Japan is uniquely positioned historically and geopolitically as well as endowed with a combination of powers—economic, cultural, as well as social—to play a positive role in creating a blueprint for a peaceful East Asian community. For, importantly for Japan that does not possess military force in the conventional sense, there are currencies of power other than military power, such as economic power, the power of persuasion by ideas and example—often referred to as ‘soft power’ as opposed to ‘hard’ power of missiles and bombs—that cannot be ignored in the thinking of international relations today.

### **Supporting role?**

Any country, given the circumstance and the right resources and resourcefulness can play a supporting role that could be pivotal in



international politics. A country's particular choice of policy may not be the decisive factor in changing the course of international political issues, especially when they involve conflicting interests of large powers. However, one might usefully recall Norway's mediating role in bringing about a breakthrough in the peace talks between Israel and Palestine or in Sri Lanka.

So, what kind of role should Japan play for the region? It is not my wish to engage in the debates about the variously contested notions of power, such as 'soft power', 'smart power',<sup>129</sup> or 'middle power'. My objective here is to think of a purposeful aspect of Japanese power and its role in East Asian regionalism, which also contributes to the Japanese appreciation of its own potential role. There are two examples that suggest Japan's potential to play an effective supporting role—but not the main actor—in various international engagements. One is the genesis of the Fukuda Doctrine<sup>130</sup> that set the mode of Japanese engagement with Southeast Asian nations in the 1970s and the other is Japan's resumption of ties (including the visit to China by Emperor Akihito) with China after the Tiananmen Incident of 1989. On both occasions, one could argue that Japan's actions were pivotal in preventing the deterioration of a particular situation: regional instability in Southeast Asia in the first case and China's international isolation in the latter. Japan's manoeuvring and positioning behind the establishment of APEC (Asia Pacific Economic Cooperation) and ARF (ASEAN Regional Forum) might also qualify but in both cases Japan was not the only actor.

In the case of the Fukuda Doctrine, Japan's role was to fill in the strategic gap after U.S.'s declining presence in Southeast Asia after the Vietnam War. Japan's commitment to Southeast Asian stability and development became indispensable, as described by Surin Pitsuwan: "As the United States withdrew militarily from mainland Southeast Asia, no longer playing its traditional hegemonic role, and as Sino-Soviet competition for influence intensified, Japan was called upon to contribute to the stability of the region."<sup>131</sup> Quite significantly for Japan at the time, the Fukuda Doctrine was a Japanese original in that it was not a product of prior consultation with the United States ("follow the U.S." pattern) and yet it did not diminish the importance of the U.S.-Japan alliance. As Lam Peng Er writes: "Although Japan exercised its initiative in forging the Fukuda Doctrine, its ideas, essence and content did not contradict the U.S.-Japan alliance... Indeed, a stronger Japanese role in Southeast Asia

which diminished the Soviet presence then would be in the interest of the U.S. in the context of the Cold War".<sup>132</sup>

In the case of post-Tiananmen China, Japan became the first major country in the Western alliance to lift its sanctions, including the embargo on yen loan. Japanese diplomatic efforts focused on convincing the Western countries not to isolate China from the international community, and Japan announced the gradual easing of its economic embargo at the G-7 Summit in Houston in July 1990 in spite of criticism that such unilateral action could undermine international sanctions against China.<sup>133</sup> Japan's interest to engage pragmatically with China and the Western countries' political interest to press China to embrace liberal values was clearly at odds. Nonetheless, China, too found Japanese positioning useful, as Murata Koji notes of Emperor Akihito's visit to China in 1992, the year of the twentieth anniversary of normalization of ties between Japan and China: "Seeking to avoid the international isolation it had suffered since the Tiananmen Incident, China tried to show that it enjoyed good diplomatic relations with Japan".<sup>134</sup>

In both cases, Japanese policymakers had to strike a balance between Japan's own objectives and the overall strategic interest of the United States as America's main Asian ally. Importantly, the Fukuda Doctrine and Japan's re-engagement with post-Tiananmen China demonstrate that Japan can enter into meaningful relationships with regional states without undermining the alliance with the United States, which is of paramount importance to Japanese foreign and security policy. Recent Japanese involvement in various peace-building efforts in East Asia also suggests that Japan can play a similarly supportive role in consolidating peace and assisting nations in post-conflict reconstruction and economic development because Japan has the resources—willingness, sense of commitment, know-how as well as material resources, including cash.

So, how could Japan play the good supporting role in East Asian regionalism? We first need to lay out the regional context in which Japan is placed.

### **East Asia at a historical crossroads**

In East Asia, there exists a modern system of war between nation states (the neo-realist world) and another, emerging system of relations where

states are less interested in warring with each other (the neo-liberal world in the making), as in the case of the European Union (EU). This emergent system is the result of increasing region-wide, interdependence of the economies, encouraged over time by Japan's commitment to Southeast Asian economic development since the 1970s and then buoyed by China's economic take-off since the 1990s. For the lack of a better term, this post- or late-modern system—theoretically in the tradition of the neo-liberals—is one in which societies in regional states share values, political systems, and are open to multilateralism.<sup>135</sup> It posits the incremental influence of interactions at various levels of society, of which economic interaction between countries is one and inter-governmental relations in international organisations another, where the state is not necessarily the central actor or in the commanding position.

On the strength of the example of Europe's peaceful integration, British diplomat Robert Cooper offered to see the present international system as a cup half full rather than half empty toward such world peace. Writing *The Breaking of Nations* in 2003, Cooper reflected upon the evolution of thoughts and theories about the international system of war and peace as they took place where it began, in Europe, in order "to explain the changes that have taken place and to offer a framework for understanding the post-Cold War world." He underlines the conceptual transition that Europe has made from "the nation state balance-of-power system... [to] the post-balance system of post-modern states"<sup>136</sup> Comparing the end of the Cold War in 1989 to the end of the Thirty Years War in 1648 with the conclusion of the Peace of Westphalia and the emergence of the modern state system in Europe, he writes as a point when Europe made a major systemic change, he writes:

*What happened in 1989 was not just the cessation of the Cold War, but also the end of the balance-of-power system in Europe... What has been emerging into the daylight since 1989 is not a rearrangement of the old system but a new system. Behind this lies a new form of statehood, or at least states that are behaving in a radically different way from the past. Alliances that survive in peace as well as in war, interference in each other's domestic affairs and the acceptance of jurisdiction of international courts mean that states today are less absolute in their sovereignty and independence than before.*<sup>137</sup>

The co-existence of these two different systems in which states are required to act upon different sets of core assumptions, particularly state behaviour, is indeed the Asian paradox that often appears perplexing to

Western observers. Factors of 'power' in international politics have also become complex.

Rising economic regionalism buoyed by China's economic take-off has made the region economically interdependent, but security concerns persist, such as China's double-digit military growth, North Korea's nuclear and missile development programmes and the spread of terrorism and ethnic conflicts in Southeast Asian states. In particular, the rapid rise of China has stirred deep anxiety and speculations about how a powerful China might behave in the future. In this respect, the region is fertile ground for a new balance-of-power game between the emerging powers, such as China, India and Russia and the status-quo powers of Japan and the United States. Nonetheless, the region has also demonstrated resilience to regional crises and the ability to co-operate where necessary, such as in the 1997 Asian financial crisis, post-9.11 "war on terror" and outbreaks of SARS and bird flu. Various efforts at official and non-official levels to address and resolve these issues have enhanced regional consciousness and brought regional states to share concerns, co-operate and co-ordinate policies in ways not possible during the Cold War. There is no simple explanation as to why the region is divided and moving closer at the same time.<sup>138</sup>

Evidently, the region's political and economic relations are presently in a phase of fundamental transformation, touching at least two time lines of history that influence the way the region had been organized in the past and how it might be organized in the future.

One time line is the history of East Asia's modernization, where the main drama is the rise of Japan and the fall (and re-rise) of China. The arrival of Western powers to East Asia in the nineteenth century and the unique history of success that Japan wove among and against them had planted a seed of rivalry that was new to both China and Japan. It came by way of an epochal challenge to China's hegemonic role that established an understanding of hierarchical order in the region for over four millennia. Japan had been peripheral in this regional order for the last 2000 years and also in self-isolation since the seventeenth century during what is known in Japan as the Edo period (1603-1868). However, the encroachment of Western powers, the rapid modernization of Japan since the country decided to open up with the imminent collapse of the Edo *bakufu* (the Tokugawa shogunate) since the mid-nineteenth century and the slow demise of dynastic China together began to unravel the

Sino-centric hierarchical world of tributary states, bringing unprecedented change to the regional paradigm. Japan's imperial ambition for status and prestige among the world's great (Western) powers fuelled the disastrous attempt to organize the region in its design, the East Asian Co-Prosperty Sphere, which plunged the region into a bloody war and chaos but also served to eventually end colonialism in East Asia.

The other time line begins after 1945, which we might be the arrival of the age of international system of sovereign states in Asia. Most—in fact, one could argue all—states in East Asia are young, born after the last war and decolonization. Even Japan, which was independent before the war, was reinvented after defeat in 1945 from an imperialist, authoritarian state into a democratic and pacifist state. Co-existing with each other as sovereign states, equal in status in international law but widely diverse as nations and in size, has been a new experience to all Asians.

In this historical context, the transformation of Sino-Japanese relations is undoubtedly pivotal to the reconfiguration of international system as conceived and dominated by the Western powers. For the first time in Asia's modern history a clearly East Asian strategic relationship that is not necessarily beholden to the logic of super- or great power politics is emerging.<sup>139</sup> One might even be witnessing this East Asia to become all embracing, as the rise of India also signals a major historical change on the way. In the long history of rise and fall of civilisations, the twin rise of China and India appears as if two ancient civilisation states, now clad in modern garb, are about to reclaim their rightful positions on the world map. However, the impact of the Cold War on the region's security situation is hard to ignore.

### **East Asian regionalism at a crossroads**

When the Berlin Wall came down in 1989 and the Cold War ended in Europe, there was no comparable dramatic improvement to the security environment that might offer a sense of relief that the ideological conflict was over in East Asia. While the communist regimes in Eastern Europe began to collapse and the Soviet Union disintegrated a few years later, East Asia was and still is home to several, including China, North Korea and Vietnam. Additional to the residual influence of the East-West confrontation were memories and legacies from World War II that still

shaped the tone of relations particularly between Northeast Asian states, such as Japan's relations between China, North Korea and South Korea. The historically rooted rivalry between China and Japan, the contested status of Taiwan, and territorial disputes between Japan and Russia, China and South Korea were, thus, considered likely sources of tension and instability.

Two decades on a slightly different scenario has unfolded. The initial worries have not been wholly misplaced, as disagreements and mutual suspicion rooted in the last world war that were kept in deep freeze during the Cold War have surfaced more prominently as thorny diplomatic issues, particularly between Japan and China, the two most powerful states in the region that have never shared power in the past. The post-Cold War relationship between these pre-1945 two protagonists is usefully understood as a re-encounter after ceasefire in 1945, even though the two countries had already normalized ties in 1972. For, during the ideological conflict the two belonged to two different worlds organized according to different ideas, Japan in the liberal order and China in the world of socialist revolution, and even though they were neighbours they were separated over time and space.

Security specialists predisposed to thinking of security primarily in terms of military balance (the realists), particularly in the United States, have tended to stress military build-up, tension spots and the lack of a security framework comparable to NATO to focus on elements of instability in Asian security since the Cold War ended. (This is perhaps inevitable considering Asia-Pacific strategic stability has been an American responsibility.) The "China as threat" view that anticipates China to reclaim its dominant position in the region or even go further to challenge global U.S. supremacy gained currency among Western analysts as well as in Japanese policy circles.<sup>140</sup> Nevertheless, no one predicted with any certainty or a sense of optimism twenty years ago that Asian states—including China and Japan—would also be entertaining the idea about East Asian community. One could say, therefore, to Western analysts that post-Cold War East Asia has not turned into a major conflict zone—no major war has erupted, that is.

Yet, compounded by the fact that China is also suspicious of the United States, the other major power with a high stake in the region, the East Asia has become a place of conflicting ideas about how the region might be organized: will it be one of an expanded international

liberal order or some other idea if that would be attractive to all. And the undertones in this conflict of ideas are complex, reflecting the cultural as well as political diversity of the region itself. East Asia is home to several distinct civilizations and cultures from Sinic, Buddhist, Western, Japanese and Islamic (by Samuel Huntington's categorization).<sup>141</sup> Many countries, particularly in the Association of Southeast Asian Nations (ASEAN), are multi-ethnic, multi-cultural, and multi-religion and also share the legacies of Western colonization. Political systems also differ. China, Vietnam and North Korea are communist states, the military regime rules in Myanmar, and political modernization and liberalization is still an on-going process in many countries, including Indonesia, Malaysia, the Philippines, and Thailand. Moreover, Indonesia and Malaysia are home to sizeable Muslim populations.

Such diversity has resulted in the rather elastic nature of the membership in regional groupings as well as the creation of multiple layers of groupings that are each issue-specific, especially on security issues. A fundamental problem in East Asian regionalism has been, in fact, the difficulty in establishing an overarching security structure. The region did not see during the Cold War period the development of an overarching regional framework comparable to the Organization of Security and Cooperation in Europe (OSCE) that could address mutual security concerns to diffuse tension and absorb potential flare-ups between historical rivals, and to increase transparency between the rivalling camps as a confidence-building measure. Therefore, even after the Cold War ended, bringing, for example, delegates from China and Taiwan on the same international conference table was nearly impossible.<sup>142</sup> Moreover, there was no serious attempt to create a regional collective security organ comparable to the North Atlantic Treaty Organization (NATO) even among the allies of the United States.

### **Japan-U.S. nexus: Addressing old security conditions**

The U.S.-Japan security alliance is *de facto* the region's pillar of order, but American presence in the region is not without inherent difficulties, since there is a varying degree of ambivalence among Asian countries toward U.S. power—military, economic and 'soft'.<sup>143</sup> Even America's security allies, such as Japan and South Korea, have not been fully comfortable with American dominance throughout and beyond the

Cold War; there is still a lack of consensus about the desirable mode of American involvement in East Asia's growing regionalism (just as there is a lack of consensus about China's mode of engagement). This may in part be due to the fact that East Asia is culturally and politically diverse, but also in the nature of America as a superpower, as Robert Cooper captures:

*The United States is the only power with a global strategy—in some sense it is the only power with an independent strategy at all. The rest of the world reacts to America, fears America, lives under American protection, envies, resents, plots against, depends on America. Every other country defines its strategy in relation to the United States.*<sup>144</sup>

An additional complexity about the role of the U.S. in the region is Japan, America's key anchor to Asia as well as the region's leading economic player, which has been historically ambiguous about which part of the world—Asia or the West—it belongs to, swaying between *Ajia shugi* (Asianism; Japan's residual 'Occidentalism') and being a member of the West. It has hesitated to champion East Asian regionalism that does not have America's blessing until the new ruling party, the Democratic Party of Japan (DPJ) sought more explicitly to pursue an Asia-centred agenda to restore balance to the Liberal Democratic Party's (LDP) excessive U.S.-oriented policies.<sup>145</sup>

In security terms, however, there are at least three conditions particular to the region that needs to be considered with regard to future regional institution building.

First, unlike in the European theatre, the end of the Cold War neither dissolved the main fault lines of tension in Northeast Asia in particular, between China and Taiwan and another between North and South Korea. North Korea has come to behave more like a desperate rogue state, developing nuclear and missile programmes for its survival and, thereby, affecting security conditions in the region. While one of the two main Cold War security architectures led by the United States, the U.S.-Japan Security Treaty, continues to function as the pillar of order and stability. However, the rising powers, China, India, and a resurgent Russia, which all have stakes in Asia bring new uncertainties and challenges to how the region might be organized. As former diplomat and security analyst Okamoto Yukio typically notes of the impact of China's rise to the U.S.-Japan alliance:

*"On so many global issues—rising energy and commodities prices, the arms race in Asia, environment degradation, the spread of rogue regimes—China plays a vital role. No countries have greater economic stakes in China than the U.S. and Japan. China also represents the Japan–U.S. alliance's main regional competitor. It is simply the elephant in the room—too big to ignore."<sup>146</sup>*

While armed conflicts are highly unlikely between the members of the former Western alliance, the U.S.–Japan security alliance did not emerge triumphantly as NATO in becoming the East Asia's choice post-Cold War security regime because, for one, it was essentially bilateral, and also the region did not have a democracy-based foundation as in Western Europe for the alliance to expand into a regional collective security structure.<sup>147</sup> Rather, the redefinition of the U.S.–Japan alliance has occurred incrementally and cautiously, with Japan initially giving off the image as a reluctant partner without a clear sense of purpose about its economic power and being nudged along by the U.S. to become more realistic about security policy.<sup>148</sup>

Second, there is the question related to the above about whether the region could or should have an overarching regional security structure. The three rising powers, China, India and Russia, are integral to shaping the future politico-economic and security mechanisms, but how this will affect the status-quo led by the U.S.–Japan security alliance is the biggest question. East Asia has long avoided regional institution building in the European manner. Asian institutions—both formal and informal—have been primarily economically driven, such as the Asia-Pacific Economic Cooperation (APEC) established in 1992,<sup>149</sup> or grown out of the oldest (and arguably the only) regional organization now comparable to the EU, the Association of Southeast Asian Nations (ASEAN), such as the ASEAN Regional Forum (ARF) and ASEAN+3 that include China, Japan and South Korea.

These regional fora have so far been serving primarily to "maintain ambiguity about collective purpose while creating a sense of commonality,"<sup>150</sup> and play a less binding and disciplinary role over state behaviour compared to the European institutions that grew to be important for maintaining stability, enhancing transparency and confidence building during the Cold War.<sup>151</sup> Asia's culture to avoid regional institutions from becoming binding reflects regional particularities, such as asymmetry in power distribution (the powers—China, Japan, South Korea, Russia and the U.S. are concentrated in Northeast Asia, while

there is a cluster of smaller states in Southeast Asia), diversity of political regimes as well as social and cultural make-up, different levels of political and economic development, and a weak sense of common history between states. Given such diversity, security perception differs among regional states. Moreover, a complex matrix of economic and social factors as well as multilateralism (formal and informal) inform security policy thinking, notably among ASEAN states but also Japan.<sup>152</sup>

Third, there is the residual effect of the principle of 'non-interference' in domestic affairs of other states. The 'non-interference' principle has been necessary to build relations between states with different political regimes that ranged from authoritarian, communist to capitalist democracy during the Cold War in East Asia. Demonstratively, Sino–Japanese relations since ties were normalized in 1972 have been based upon the principle of 'non-interference' and *seikei bunri* (separating political relations from economic relations). The founding principle of ASEAN is also 'non-interference', because ASEAN placed importance on recognizing the political and cultural diversity among the member nations as well as avoiding entanglement in the ideological conflict and big power politics.

### **China-Japan nexus: Addressing the Future?**

If the U.S.–Japan alliance is partially about dealing with the past, Sino–Japanese relations are arguably about the future. The confrontational mindset thus far between Chinese and Japanese leaders has obstructed the path for the two to assume different but complementary leadership roles in the region, and the last decade has witnessed the two often competing for regional leadership. The question is can China and Japan be both powerful at the same time? Moreover, is that a good thing for the region? Sceptics are all too dismissive of Sino–Japanese co-operation for the creation of an East Asian community; but as stated at the beginning, there is no future for such a community if the two remain at odd with each other. Yet, as Tamamoto Masaru observed through the regional leadership rivalry between Beijing and Tokyo over the tsunami relief in December 2004:

"States possess comparative advantages that can be used toward the general good. Cash-rich Japan can play a meaningful role in the tsunami relief effort. But Japan is relatively powerless when it comes to solving the North Korean

question, which is where China holds leverage and plays a critical role—for geographic and historical reasons, and as the primary provider of North Korean energy... The question for East Asia, therefore, is how to conceive of a world in which China and Japan both gain in power and stature, but the rise of one does not diminish the other."<sup>153</sup>

Since normalisation of diplomatic relations in 1972, the main backdrop to Sino–Japanese relations has changed greatly. The Cold War of ideological conflict necessarily limited the scope of development of Sino–Japanese relations but after the Soviet Union collapsed, the global equation between powers and the nature of international order have altered. In the context of accelerated and global spread of capitalism Sino–Japanese economic relations began to acquire political meaning, as the interest of the two countries began to converge. Japan needed the Chinese labour and market to restructure its own domestic industries and pull the economy out of the prolonged recession. China recognised the need for Japanese capital, technology, and market to develop further. Furthermore, with Chinese membership in the World Trade Organization (WTO), China's and Japan's domestic economic policies and markets have become bound by multilateral commitment, convergence and co-ordination. This marks a break from the traditional stance of non-interference in internal affairs, as China subjects its market—and hence society—to rules and regulations of international trade and business practices.

Yet, as mentioned before, mutual suspicion rooted in the past history as enemies in the last war still haunts international relations in East Asia, especially between Japan and China. Even though economic interdependence effectively keeps the two to behave prudently and pragmatically toward each other, they do not yet see the purpose to share a political vision to establish lasting peace between the two. For the smaller states in the region, the Southeast Asian nations that remember the horrors of Japanese imperialism but are equally fearful of Chinese hegemony, escalation of rivalry between Chinese and Japanese leadership is something they would rather not see.

Gerald Curtis recognizes the twin rise of China and Japan is both possible and necessary: "East Asia needs a regional order in which China, Japan and India are rivals economically and competitors for political influence, and where the US remains a balancer against any country seeking hegemony. What it must try hard to avoid is a regional order in which China and Japan are at each other's throats and other countries

are forced to take sides."<sup>154</sup> Shiping Tang points out, however, that apart from the numerous problems in Sino–Japanese relations, the United States is unlikely to be the facilitator of Sino–Japanese co-operation because China is suspicious of both the U.S. and the U.S.–Japan security alliance.<sup>155</sup> Either way, as Tamamoto notes: "Missing is the idea of a new paradigm, in which Japan plays a valuable role by entering into a closer relationship with China and engendering a new notion of Asia, much as France and Germany did in Europe after World War II. Instead, there is a growing danger that what is today perceived as a competition for regional prestige over tsunami relief will escalate into a destabilizing battle for hegemony over the region."<sup>156</sup>

Most Japanese analysts and pundits, however, presume that engaging China is a joint matter for the U.S. and Japan, and among them there is scant recognition that some things, such as Sino–Japanese reconciliation over the last war, are Japan's own responsibility. Arguably, Hatoyama Yukio's call for an East Asian community tried to place the resolution of points of disagreement and contention between China and Japan in a broader, regional context, and thereby dilute their poisonous effect.

### **Who's in, who's out: the social and cultural foundation**

On the whole, while there is general recognition that promoting economic interdependence is important to the stability in the region, this loose consensus has yet to develop into concrete steps to pursue a more explicitly integrationist agenda in the EU model that would require regional states' willingness to be subject to institutional discipline and some form of effective, political decision-making mechanism in place of consensus-building talk-shops. Missing thus far in East Asian regionalism is a politically compelling idea or design for a "community" that could serve the region's own particularities while forging a sense of shared identity and destiny. This brings the question of why a concrete design for a community is unable to emerge in East Asia.

Attempts to seek for hints, ideas and lessons from the European model of integration often overlook the fact that Europeans did not set out to create the EU from the beginning, as one scholar points out: "Well into the 1950s it was uncommon to find intellectuals or politicians in Europe interested primarily in the future of a united continent rather

than in the politics of their own country."<sup>157</sup> But the incremental process of integration since the establishment of the European Coal and Steel Community and the European Economic Community in 1958—the 'Europe of Six' of the Benelux countries, France, Italy and West Germany—has been a rich source of inspiration in international thought, especially in the realm of international relations theory. For example, one important 'lesson' from the process of European integration is that without dropping the habit of invoking the principle of non-interference, one might as well forget any institutional building designed even for economic integration.

The breakthrough of Europeans is that they have left the bloody phase after nearly 200 years of wars between them as nation-states. As an on-going project, the EU inspires liberal theories about how national rivalry and territorial ambitions can be overcome by economic integration and prosperity. The common market and the similarity of the political system between states (in the EU's case democracy) have allowed for mobility of labour, capital and goods that compel the national borders to come down. How much these things can be engineered by political vision and leadership or requires common social, cultural or religious foundations where the feeling of sameness is more easily cultivated among the peoples is perhaps a question that cannot be answered easily. However, the European experience tells us that one cannot do without the other. After all, the EU is a zone of civilization based on Greco-Roman and Judeo-Christian heritage, woven together by a common history of fighting among each other. The question is whether East Asia represents something common to the peoples living in what is now still a geographical expression (and even that, a loosely defined one) and feel some sense of belonging to it, enough so that community building is possible.

Moreover, as Tony Judt writes of the EU to those who want to join it: "Europe today is not so much a place as an idea, a peaceful, prosperous, international community of shared interests and collaborating parts; a 'Europe of the mind,' of human rights, of the free movement of goods, ideas, and persons, of ever-greater cooperation and unity."<sup>158</sup> Whether this EU is in reality an illusion or a hopeful picture painted by those countries formerly in the Eastern bloc, there is something compelling about the idea of Europe that is attractive enough to its members as well as future members. Thus, one must turn to the inevitable question about East Asian community: What is the East Asian community for?

Broadly speaking, two blueprints for community building, none satisfactory to all, have been placed on the table thus far that reflect the diversity and divergence within the region. One is the anti-West, Occidentalists'<sup>159</sup> dream come true, of an exclusively 'East Asian' community that excludes the United States, or in other words, the interference of the West. This, perhaps, has the longest 'tradition' in the modern era, starting with the rather disastrously with pre-war Japan's infamous Greater East Asian Co-prosperity Sphere.<sup>160</sup> The botched attempt to create an East Asian Economic Caucus (EAEC) proposed by Malaysia's former Prime Minister Dr. Mahathir Mohamad in 1991 was arguably a variant of "Occidentalism." ASEAN+3 and the East Asian Summit (which included Australia and New Zealand but not the U.S. initially), however, are less about expressing 'Asian values' than recognition of newly arising realities—particularly the need for regional states to live (or cope) with a newly confident and large neighbour, China—to that have warranted such exclusively Asian gatherings. The realization of the tripartite summit between China, Japan and South Korea in 2008—an outgrowth from ASEAN+3—is a notable development in this new direction.

Then, there is the more inclusive—and promiscuous—Asia-Pacific community that includes the United States. The concept of the Asia-Pacific community is relatively young and would have arguably been inconceivable if it were not for regional importance of the Japan-U.S. security treaty. The term, Asia-Pacific, is important to Asians to ensure U.S. commitment to regional security and to Americans to define the area of their influence (and thus, security responsibility) as the leader of the liberal international order. Pacific Economic Cooperation Council (PECC) established in 1980 laid down the groundwork for the creation of the Asia Pacific Economic Cooperation forum (APEC), the largest gathering of leaders from both sides of the Pacific. The addition of the U.S. and Russia to the East Asian Summit suggests that this inclusive type of regionalism is possible—although if we see are to learn a lesson from the European Union (EU), hasty expansion before deepening integration can affect the effectiveness of collective decision-making processes.

The political will notwithstanding, the economic conditions in Asia are favourable than ever to create a regional environment that enhances economic growth and development. The flurry of negotiations for free trade agreements (FTAs) and economic partnership agreements (EPAs)

between the states in the region and most recently of the Trans-Pacific Partnership<sup>161</sup> reflects the healthy working of market logic and the existence of strong economic incentives for free trade among the regional states. Moreover, with the spread of democracy in the last two decades in ASEAN states, ASEAN has begun to reinvent itself as a regional institution promoting democracy and universal values.<sup>162</sup> This is a significant demonstration how barriers between states can be lowered as societies across different countries begin to share values. It is also proof that economic modernization brings about social transformation by way of a rising middle class, as witnessed in the Western world over a span of 200 years and more recently across East Asia in recent decades. The Communist Party of China continues to reject democratization of politics, but since embracing capitalism it has even recognized property rights in 2007, a crucial step to political liberty and democracy.<sup>163</sup>

Clearly, sharing political systems would help the regional states in sharing common values. However, that is still a faraway goal. The level of economic development among East Asian states being still uneven, and full embrace of Western, liberal values resisted even in democracies like Japan and South Korea, forging a sense of shared political values is perhaps not yet a priority for East Asian community building.

Yet, the choice economic system has become capitalism (bar a few, like North Korea and Myanmar) even for countries like China and Vietnam, demonstrating the attractiveness of the liberal international order. The gradual rise of regionalism in East Asia has primarily been underpinned by growing number of intertwined economic issues and common interests between the regional states, which is a far cry from the past when economic incentives led to war, as in the case of pre-war Japan. Clearly the material and technological benefits and prosperity that the subscription to the open, liberal international order promise is great even for authoritarian regimes. As John Kane, Hui-chieh Loy and Haig Patapan describe the situation: “[the] question for former members of the communist bloc (including China) and for Third World countries generally was less *whether* to join this thriving order than on *what terms* to join it.”<sup>164</sup> However, the other side of the coin is not a simple game, to quote the three at length again:

*“Yet, enhanced economic multipolarity sharpened the issue of whether or how far the liberal international order could accommodate nonliberal, authoritarian states without deforming its own nature. More crucially, it*

*challenged the capacity of that order to foster peaceful interdependence among its expanding membership without cracking under the strain of conflicting relations. Liberal theory had over many centuries, and a fortiori during the Cold War, propounded the thesis that economic modernization and political development (toward liberal democratic reforms) went hand-in-hand—if not quite immediately, then sooner or later. That thesis was now under practical challenge from one of the largest players in a game that had suddenly become more complicated and consequential for all the parties involved.”<sup>165</sup>*

Sino-Japanese relations represent this challenge vividly, for the bilateral relationship is also an interaction between two different, and sometimes competing, international systems mentioned at the beginning. One is the classical international system of balance-of-power between sovereign states, in which military force is central. The state’s primary interest is in protecting borders and preserving sovereignty, and nationalism is inextricably linked to this kind of a modern state. Territorial disputes and the sensitivity toward meddling in internal affairs, such as over the Yasukuni shrine, are areas where Sino-Japanese relations fall into this pattern of nationalist clash. On the other hand, the relationship also has elements of liberal thought, in which the bread-and-butter issues of the peoples and societies can influence the way states behave toward each other because of economic ties. This has laid out a new context for the bilateral relationship to be guided by increasing need for pragmatic co-operation in areas such as energy efficiency and the environment, rather than be driven only by sense of rivalry.

The question is which worldview shapes more the ideas and policies of the decision-makers in Asian states, or in this case, China and Japan.

### **The Japanese paradox**

Such an understanding of waves of epochal change of the international order over the last 150 years is particularly important for Japan, which straddles two worlds: the modern world order created and dominated by the West (the old world) that is becoming less interested in war and the emerging international system of nation-states in the region.

The present Japanese foreign policy identity is largely a product of pragmatic decisions taken by the political leaders more than half century ago, when the country had little choice but to accept the foreign-authored constitution aimed at disarming and democratizing the country as the price of defeat in World War II. In the course of becoming an economic



powerhouse, Japan “overcompensated”<sup>166</sup> for the aggressive actions of the militarily-charged pre-war state by adopting a passive pacifist identity symbolized by the war-renunciation clause, Article 9,<sup>167</sup> of the 1947 Constitution, with no inclination to play classical power politics, especially gunboat diplomacy. The article envisages a world of lasting peace, and belongs to the tradition of ideas that gave birth to the Kellogg-Briand Pact, the League of Nations and the United Nations. Therefore, Japan is no longer a classical modern state, and does not behave as one. For example, Robert Cooper notes that Japan’s behaviour as a state would naturally qualify for membership in the EU: “[Japan] has self-imposed limits on defence spending and capabilities. It is no longer interested in acquiring territory nor in using force. It would probably be willing to accept intrusive verification.<sup>168</sup> It is an enthusiastic multilateralist.”<sup>169</sup>

Cooper recognizes Japan’s way of doing things under the present constitution as strengths in the international liberal order but the problem of Japan’s security condition as it influences the nature of the Japanese state is that, in spite of America’s nuclear umbrella that allowed Japan to shed the characteristics of a modern, nation-state during the Cold War, it is now surrounded by modern states “locked in an earlier age.”<sup>170</sup> Such a regional environment of conventional power politics led by a rising China, to whom power projection capability is still central, could push Japan to “revert to defensive modernism.”<sup>171</sup>

With China’s military rise, Asia has turned, in the words of Bill Emmott, into a “menacing place” for Japan: “Many of the region’s countries, particularly in East Asia, are now richer and so can afford bigger armies, navies and air forces... The worst trouble spots are somewhat distant from Japan... but two of them are, relatively speaking, right in Japan’s backyard: China and Taiwan; and North Korea.”<sup>172</sup> The recent incident near the Senkaku/Daioyu islands between a Chinese fishing boat and the Japanese coastguard vessel was precisely the kind of Chinese challenge to the alliance that worries Japan. Michael Green, seeing it from an American perspective, describes it another way: “While the nation-state has declined in importance with the rise of regionalism in Europe, in Japan (and in most of Asia, for that matter), the nation-state is finally arriving—just as economic malaise and Chinese hubris raise questions about Japan’s weight and security in the international system.”<sup>173</sup>

While I do not necessarily agree with Green’s view that the nation-

state is arriving in Japan, I agree that the region’s security situation is forcing Japan to confront *regional* security issues as a more immediate concern that affects Japan’s own sense of security. Japan has begun to think aloud about issues that it did not address during the Cold War period when, in the words of Japanese journalist Funabashi Yoichi, it had become used to “relying on the U.S. for security, utilizing the world only as a market, and enjoying peace on its own locked up in ‘Cold War isolation’ for too long” and had lapsed into “diplomatic and political aphasia.”<sup>174</sup>

On the other hand, as noted several times, military-security issues are not the only driving force in the region’s international relations, or in Japan’s relations with China. In this regard, Japan’s choice is whether to revert to ‘defensive modernism’ because it is surrounded by modernizing, nation states, or maintains the present pacifist identity to explore ways that would build on Japan’s strengths thus far (or characteristics) to reduce the regional states’ demand for defence build-up (including Japan’s) and contribute to creating a favourable environment for peace and prosperity in the region. This is not an easy proposition, as it would require some conceptual innovation in Japan’s present foreign and security policy thinking and political debates under the influence of realist thinkers in Washington, D.C.; very few in Japan have assessed the nature of the post-war Japan state in light of what has been going on in Europe.

As such, Cooper posits a possible design of a new world security system based on what Europe has been able to achieve historically.<sup>175</sup> Although Green and Cooper are interpreting the characteristics of the Japanese state in different contexts, they are in agreement of the fact that East Asia as region is only beginning to function as an international system of states. The difference in the theoretical background and the projected worldviews between Green and Cooper influences the way they assess Japan’s present condition and future potential in the regional jigsaw puzzle.

### **Toward the future**

Post-war Japan’s immediate goal was to re-enter and regain its pre-war status. Japan was in different level of competition from its Asian neighbours, leading the region’s economic development in the “flying

geese" model that gave rise to the four Asian tigers, South Korea, Singapore, Hong Kong and Taiwan. It is only in the past twenty years or so that the playing field has begun to level for Japan and the other regional states, and Japan now faces serious competition from South Korea and China in particular for a big enough slice of the global economic pie.

Looking back at the past twenty years of tectonic shift in the geopolitical paradigm in East Asia and the massive energy that is being released from all the actors to make the region one of the most bustling centres of economic activity and human creativity, lowering the obstacles to East Asian regionalism has become a desirable objective for most, if not all, the states in the region. As many are aware, however, the origins of some of the major obstacles are to be found in the geopolitics—and the attitudes of those who shaped them—of the pre-1945 period. The unfriendly, if not openly confrontational, attitudes on both sides that bedevil the present Sino-Japanese relations are arguably less shaped by the residual influence of the ideological conflict of the Cold War period than in their history of fighting bitterly as enemies in the long 15-years war before that. And, even though Japanese revisionists might argue that Japan was not the only guilty party to causing that war and that the war was just because Japan was fighting to liberate Asians from Western domination and exploitation, there is no denying that Japan was uniquely positioned as the only Asian actor *with strength* to shape the regional order and, thus, the fate of many Asians.

One is, thus, tempted to ponder the "what ifs?" for the series decisions and actions that Japan took at the time. If Japan did not annex Korea, if Japan did not prop up a puppet state in Manchuria, if Japan did not mount a surprise attack on Pearl Harbor, and if the U.S. did not occupy Japan after 1945, East Asian regionalism might have evolved very differently. In hindsight, the point from which Japan began to make bold, but misdirected steps was after it scored a victory in a modern warfare against Russia in 1905. Drunk in the triumphalism of having defeated a major "Western power," the Japanese appetite for more wars, conquests and expansion, fuelled by variations of anti-West ideology, became insatiable. The result eventually led to Japan make the final and fatal mistake of waging a war against the United States, a war it could not possibly hope to win but instead brought misery and suffering in its course to millions across Asia.

Could any of those decisions and actions have been averted? Bearing this question in mind matters, not just as a study in decision-making in diplomacy, war studies, or international relations in general, for in the end Japan is still haunted by the legacies of its own past doings to the detriment of East Asian regionalism. While pre-war Japan might claim to be the first modern state to emerge from Asia in the age of empires and colonies, and the first "non-Western" state to try to insert a "non-Western" perspective to the way great powers organized the world according to the balance of power between them, post-war Japan has turned away from being at the forefront of the West versus the non-Western, anti-Westernism battle of "overcoming the modern."<sup>176</sup> Japan's hitherto dominant conservative political establishment has given little thought to clear the minefield of regional suspicion in its singular pursuit of economic success within a narrow understanding of international politics behind the shield of U.S. protection. Moreover, aware of (and yet unwilling to confront) the negative legacy of the Greater East Asia Co-prosperity Sphere concept that pre-war Japan pursued, and aware that other Asian states might suspect Japan's motives if Japan were to actively seek a commanding role in pursuit of a similar idea again, Japan has chosen instead to sit at the backseat. And, finding a better seat that suits both Japan's potential and the region's expectations for Japan has not figured largely in Japanese foreign policy thinking.

3.11 was a wake-up call for Japan that was resigned into thinking that its heydays were over and that if it could not be Number One (or Two), the country had failed somehow. One of the biggest surprises for post-3.11 Japan was that it had so many friends around the world that cared about Japan's recovery. Another surprise was just how interdependent the regional economy had become with Japan, and that its inability to recover industrial production capacities quickly to the pre-3.11 level actually hurts the regional economy. Moreover, Chinese and South Korean leaders were willing to be co-operative in facing the impact of the nuclear disaster in Fukushima Dai-ichi that led to drop in tourists to Japan, imports from Japan, and workers willing to work in Japan. Talks of increasing cheap flights between the three countries have proceeded unabated, bans on food import from Japan slowly lifted, and co-operative ties to address nuclear disaster issues established between the three states.

Increasing co-operative ties between the three Northeast Asian

states, however disrupted occasionally by domestic political concerns of the day, is a positive development for the regional institutions; being integrated into the institutional mesh suits Japan's pacifist state orientation and acquired habits as a multilateral player. Yet, such a simple fact seems to be lost on so many Japanese at the moment.

## NOTES

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- 124 *This statement is bound to raise objections in Japanese policy circles, because Japan has pushed for the creation of an Asian Monetary Fund in the wake of the Asian currency crisis in 1997. However, both Washington and Beijing torpedoed the 1997 initiative, suspecting (and fearing) Tokyo's regional ambition vis-à-vis Association of South East Asian Nations (ASEAN) in particular. The durability of the idea as essentially good and necessary for the stability of the region's economy was demonstrated by the Chiang Mai Initiative two years later. Nonetheless, Tokyo's inadequate diplomatic preparation to gain the support of Washington and Beijing reflected also the absence of a 'grand strategy' toward East Asian regionalism at the time.*
- 125 Aurelia George Mulgan, "Is There a 'Japanese' Concept of an East Asian Community?," *East Asia Forum*, November 6, 2009, <http://www.eastasiaforum.org/2009/11/06/blurred-vision-is-there-a-japanese-concept-of-an-east-asian-community/> (accessed June 2, 2010).
- 126 *This choice, of course, is another version of the dilemma in which Japan has been caught historically of belonging neither to the West nor to Asia.*
- 127 *The one exception in recent years might be Terashima Jitsuro, former Mitsui Bussan analyst who now heads the Japan Research Institute. He is widely known in Japan as an outspoken and unconventional thinker about Japan's international strategy, and was said to be Hatoyama Yukio's foreign policy advisor. He has been consistently arguing for Japanese policymakers to leave the "Cold War strategy" mindset behind, reduce U.S. bases in Japan and promote East Asian regionalism. See, for example, Terashima Jitsuro, "The U.S.-Japan Alliance Must Evolve: The Futenma Flip-Flop, the Hatoyama Failure, and the Future," *The Asia-Pacific Journal*, August 20, 2010.*
- 128 *There is, of course, the option proposed by Tang Shiping to have South Korea and ASEAN to play the leading role in view of the dismal prospect for China and Japan to be joint leaders in the case of ASEAN Plus Three. See Shiping Tang, "Leadership in Institution Building: The Case of ASEAN+3," in *Regional Integration in East Asia and Europe: Convergence or Divergence?*, eds. Bertrand Fort & Douglas Webber. (London: Routledge, 2006), 69-84.*
- 129 *Perhaps Japan should pursue harder to be a 'smart power', as U.S. Secretary of State Hillary Clinton described as a way for the U.S.: "We must use what has been called smart power—the full range of tools at our disposal—diplomatic, economic, military, legal, and cultural—picking the right tool, or combination of tools, for each situation. With smart power, diplomacy will be the vanguard of foreign policy."<sup>29</sup> Being resourceful is the art of diplomacy, and this is something that every country aspires to do because relying on one tool, such as military power or economic power, can have its limitations in achieving the desired outcome. 'Smart power', therefore, is not really a new theoretical concept but a useful policy jargon in political rhetoric. See Hillary Clinton's speech for the Nomination Hearing to be Secretary of State, January 13, 2009, U.S. Department of State (<http://www.state.gov/secretary/rm/2009a/01/115196.htm>.)*
- 130 *The Fukuda Doctrine emerged as a product of Japanese re-thinking of*

- their economic-interest driven, 'trader's diplomacy' (a "diplomacy of the economy, by the economy for the economy" according to Nagai Yonosuke) in Southeast Asia after the anti-Japan demonstrations that Prime Minister Tanaka Kakuei encountered in Indonesia and Thailand during his tour of the region in 1974. The tenets of what would become the Fukuda Doctrine were made clear in Prime Minister Fukuda Takeo's speech delivered in Manila on 18 August 1977. They are: Japan rejects the role of a military power; Japan will build a 'heart-to-heart' relationship with Southeast Asian nations; and, Japan will treat ASEAN and its member states as equals. See Surin Pitsuwan, "Fukuda Doctrine: Impact and Implications on Japan-ASEAN Relations," *Kokusai Mondai, Special Edition, "30<sup>th</sup> Anniversary of the Fukuda Doctrine, 40<sup>th</sup> Anniversary of ASEAN,* (Japan Institute of International Affairs, January 2008): 51-8 and the speech by Prime Minister Fukuda Takeo in Manila reprinted in *Kokusai Mondai, Special Edition, "30<sup>th</sup> Anniversary of the Fukuda Doctrine, 40<sup>th</sup> Anniversary of ASEAN,* (Japan Institute of International Affairs, January 2008): 64-8.
- 131 Surin Pitsuwan, "Fukuda Doctrine: Impact and Implications on Japan-ASEAN Relations," *Kokusai Mondai, Special Edition, "30<sup>th</sup> Anniversary of the Fukuda Doctrine, 40<sup>th</sup> Anniversary of ASEAN,"* (Japan Institute of International Affairs, January 2008): 51-8.
- 132 Peng Er Lam, "The Fukuda Doctrine and the Future of Japan-Southeast Asian Relations," *Kokusai Mondai, Special Edition, "30<sup>th</sup> Anniversary of the Fukuda Doctrine, 40<sup>th</sup> Anniversary of ASEAN,"* (Japan Institute of International Affairs, January 2008): 33-42.
- 133 Akihiko Tanaka, *Ajia no naka no nihon [Japan in Asia]* (Tokyo: NTT Shuppan, 2007).
- 134 Koji Murata, "Domestic Sources of Japanese Policy Toward China," in *Japan's Relations with China: Facing a Rising Power*, ed. Peng Er Lam. (London & New York: Routledge, 2006), 37-49.
- 135 Robert Cooper, *The Breaking of Nations: Order and Chaos in the Twenty-first Century* (London: Atlantic Book, 2003)
- 136 Robert Cooper, 'Breaking of Nations,' 6.
- 137 *Ibid.*, 3-4.
- 138 The application of a particular school of thought or model of analysis may not adequately capture what is happening or is likely, as one study proposed to apply 'analytical eclecticism' in recognition of the fact that, "different parts of Asia-Pacific... [embrace] different definition of security" and, therefore, sticking to one perspective can be misleading. See Suh, Katzenstein and Allen, eds., *Rethinking Security in East Asia: Identity, Power and Efficiency* (Stanford, CA: Stanford University Press, 2004), 5. The Honolulu-based thinktank, Pacific Forum/CSIS recognizes the difficulty in capturing the security situation in the Asia-Pacific, and publishes the quarterly electronic newsletter "Comparative Connections," which analyses all the bilateral security relations in the region.
- 139 As an American friend once opined, East Asia needs to get out of the Westphalian system and create an "Eastphalian" system.
- 140 Samuel Huntington, *Clash of Civilizations*; David Shambaugh, "China Engages Asia: Reshaping the Regional Order," *International Security*, vol. 29, no. 3 (Winter 2004/05); Alastair Iain Johnston and Robert S. Ross, eds., *Engaging China: The Management of an Emerging Power* (London: Routledge, 1999); and David Shambaugh, ed., *Power Shift: China and Asia's New Dynamics* (Berkeley: University of California Press, 2005).
- 141 *Ibid.*, pp. 26-7, Map 1.3.
- 142 Regional frameworks in East Asia that evolved in the 1990s were either economically driven, such as the second-track level Pacific Economic Cooperation Council (PECC) and the official level Asia-Pacific Economic Cooperation (APEC), or offshoots of Association of Southeast Asian Nations (ASEAN), such as the ASEAN Regional Forum (ARF).
- 143 Green and Twining argue that America's greatest source of "soft power" in Asia is democracy. "Democracy and American Grand Strategy in Asia," *Contemporary Southeast Asia*, vol. 30, no. 1 (April 2008): 1-28.
- 144 Robert Cooper, 'Breaking of Nations,' 45.
- 145 One example is the East Asian Economic Caucus (EAEC) proposed by Malaysia's Dr. Mahathir Mohamad at the height of Asian values hype in the mid-1990s and the emergence of regional trading blocs. The proposal did not include the United States, and the Japanese government hesitated to support the idea but many in policy circles sympathized with it.
- 146 Okamoto Yukio, "Prime Minister Abe's Visit to the United States," *AJISS-Commentary*, No. 3 (May 11, 2007).
- 147 Michael Green and Daniel Twining, "Democracy and American Grand Strategy in Asia," *Contemporary Southeast Asia*, vol. 30, no. 1 (April 2008): 1-28. "In Europe after World War II, the United States constructed a multilateral security regime based on a foundation of shared democratic values—a foundation that did not exist at the regional level in Asia."
- 148 Michael Green, *Japan's Reluctant Realism: Foreign Policy Challenges in an Era of Uncertain Power*, (New York: Palgrave, 2003); Reinhard Drifte, *Japan's Foreign Policy in the 1990s: From Economic Superpower to What Power?* (Houndmills, Basingstoke: Macmillan Press, 1996). Also see Kenneth Pyle's *The Japanese Question: Power and Purpose in a New Era*, Second Edition (Washington, D.C.: The AEI Press, 1996).
- 149 APEC was established in 1992, and member states are: Australia, Brunei Darussalam, Canada, Chile, People's Republic of China, Hong Kong, China, Indonesia, Japan, Republic of Korea, Malaysia, Mexico, New Zealand, Papua New Guinea, Peru, The Philippines, Russia, Singapore, Chinese Taipei, Thailand, The United States, Viet Nam
- 150 Katzenstein, Paul & Rudra Sil, "Rethinking Asian Security: A Case for Analytical Eclecticism" in Suh, Katzenstein and Allen, eds., *Rethinking Security in East Asia*, 23.
- 151 Christoph Bertram, *Europe in Balance: Securing the Peace Won in the Cold War* (New York: Carnegie Endowment for Peace, 1995); Robert Cooper, 'Breaking of Nations.'
- 152 Japan was arguably the first Asian state to define security in broader terms in the concept of comprehensive security, announced by Prime Minister Ohira Masayoshi in 1980.<sup>152</sup> Sogo anzen hosho kenkyu gurupu hokokusho [comprehensive security study group report] (July 2, 1980; <http://www.ioc.u-tokyo.ac.jp/~worldjpn/documents/texts/JPSC/19800702.011.html>).

- 153 Tamamoto Masaru, "After the Tsunami: How Japan Can Lead," *Far Eastern Economic Review* 168, no. 2 (January 2005): 108.
- 154 Gerald Curtis, "A Bargain that Could End Japan-China Bickering," *Financial Times*, February 20, 2006.
- 155 Shiping Tang, 'Leadership in Institution Building.'
- 156 Tamamoto Masaru, "After the Tsunami: How Japan Can Lead," *Far Eastern Economic Review* 168, no. 2 (January 2005): 10-8.
- 157 Tony Judt, *A Grand Illusion?: An Essay on Europe* (London: Penguin Books, 1996), 5.
- 158 *Ibid.*, 3.
- 159 According to Ian Buruma and Avishai Margalit, co-authors of *Occidentalism*, *Occidentalism is*, "[the] dehumanizing picture of the West painted by its enemies," a prototype expression that can be found in anti-Western modernity thought in 1930s Japan but, "like capitalism, Marxism, and many other modern isms, was born in Europe, before it was transferred to other parts of the world. The West was the source of Enlightenment and its secular, liberal offshoots, but also of its frequently poisonous antidotes". See *Occidentalism: A Short History of Anti-Westernism* (London: Atlantic Books, 2004), 5-6.
- 160 The idea of Greater East Asian Co-Prosperity Sphere was informed by pan-Asianism in the age of revolution and romantic nationalism in the nineteenth century, and it echoed the pan-Slavic movement in Europe since the mid-nineteenth century.
- 161 TPP is based on the free trade agreement between Brunei, Chile, New Zealand and Singapore, and the negotiations now include five other countries, including Australia and the United States.
- 162 The new ASEAN Charter that was adopted in 20 November 2007 reads: "Respecting the fundamental importance of amity and cooperation, and the principles of sovereignty, equality, territorial integrity, non-interference, consensus and unity in diversity; adhering to the principles of democracy, the rule of law and good governance, respect for and protection of human rights and fundamental freedoms."
- 163 Richard Pipes, *Property and Freedom* (New York: Vintage Books, 1999).
- 164 John Kane, Hui-chieh Loy, and Haig Patapan, "Introduction to the Special Issue: The Search for Legitimacy in Asia," *Politics & Policy*, vol. 38, no. 3 (June 2010): 381-79. They further point out: "In fact, the astonishingly rapid rise of China as an industrial power since the early 1980s, the steadier ascent of India, the natural resource-based revival of the post-Soviet Russia and the eagerness of many Latin American and African countries to join the great game confirmed the continuing vitality and potential of capitalistic development under globalizing conditions."
- 165 *Ibid.*, 383.
- 166 Richard Samuels has argued that Japan has not arrived at a position of balanced, civil-military relationship vis-à-vis the efficacy of use of force: "Japanese leaders have alternately have closed and opened the nation to the rest of the world four times since 1600. Each time they did so, they overcompensated for the excessively concentrated prerogative—and pathologies—of the previous regime. As a result for nearly half a millennium,

- the balance between civilian and military power in Japan has swung widely... In 1945 Japan was reopened by a foreign occupying army... The failed imperial military gave way to a highly circumscribed one that has had to struggle for legitimacy." R.J. Samuels, "Politics, Security Policy, and Japan's Cabinet Legislation Bureau: Who Elected These Guys, Anyway," *JPRI Working Paper No. 99* (Japan Policy Research Institute, March 2004); see also Richard J. Samuels, 'Securing Japan.'
- 167 Article 9 is not just a clause condemning war but a declaration of a pacifist state orientation that theoretically made the post-war Japanese state distinct for not only renouncing the use of force to settle international disputes but also declaring that "land, sea, and air forces as well as other war potential will never be maintained."
- 168 For example, its nuclear power stations and related facilities have been receiving regular verification by the International Atomic Energy Agency (IAEA), although the fact is rarely publicized.
- 169 Robert Cooper, 'Breaking of Nations,' 41.
- 170 *Ibid.*, 41.
- 171 *Ibid.*, 41.
- 172 Bill Emmott, *20:21 Vision: Twentieth Century Lessons for the Twenty-first Century*, (New York: Farrar, Strauss and Giroux, 2003), s121.
- 173 Michael Green, *Japan's Reluctant Realism: Foreign Policy Challenges in an Era of Uncertain Power*, (New York: Palgrave, 2003), 34.
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# Korean Perspective on East Asian Regionalism in the Era of Globalization: Obstacles and Opportunities

Hyug Baeg Im

In the aftermath of the East Asian financial crisis, regional economic, financial and even security cooperation and collective action were discussed among East Asian countries such as the Chiang Mai Initiative, Bond Initiative, East Asian Summit, Shanghai Cooperation Organization, and Six Party Talks. Regionalism in East Asia was resuscitated in response to external shocks such as global financial volatility, endogenous opportunities such as East Asian market compatibility,<sup>177</sup> endogenous security threats such as North Korean nuclear development, and exogenous opportunities such as "bringing in the U.S."<sup>178</sup> Nonetheless, East Asian regionalism has been still remained at a low level of institutionalization compared to regionalism in Europe. East Asian regionalism is still basically "bottom-up, corporate (market)-driven regionalism."<sup>179</sup>

In this chapter I will discuss, first, the evolution of regionalism in East Asia and Northeast Asia in particular. Second, I will look at the obstacles and the opportunities for regionalism that East Asian countries have been facing since the end of Cold War. While the soil for regionalism had been barren during the Cold War years, East Asian regional integration made progress speedily especially in economic areas since the end of Cold War and the advent of globalization. Intra-regional trade, investment, and outsourcing have grown spectacularly and regional production networks have been constructed, prospered and have made Northeast Asia, China in particular, the "factory of the world." Nonetheless, the level of regional integration remained still too low for ongoing efforts to be called a regional community. Obstacles to Northeast Asian regionalism are as follows: the revival of nationalism; the North Korean nuclear question; cultural and social heterogeneity in the areas of language, religion, level of economic development, political regime, and social structure; lack of vision and leadership. Despite these obstacles, we can find some

opportunities for Northeast Asian regionalism: functionalist trickling-down effects of economic integration into the political, cultural and societal area; promotion and acceleration of intra-regional communications using neo-nomadic devices (IT devices); the rising need for collective action to coordinate regional responses after the East Asian financial crisis in 1997 and global financial crisis in 2008. Third and lastly, I will explore the position and role of Korea in promoting regionalism in East Asia and Northeast Asia in particular.

## **Aborted Regionalism in the Cold War Era: "A Region without Regionalism"**<sup>180</sup>

During the Cold War, the U.S. built up a regional order in Northeast Asia that was very different from that in Western Europe where the U.S. pursued multilateral and cooperative policies. There was no Northeast Asian equivalent to NATO, CSCE, and OECD. In Northeast Asia, very few multilateral institutions and mechanisms of cooperation were attempted by the United States.<sup>181</sup> Unilateralism was the U.S. answer to contain Communist Soviet Union and China and to protect capitalist countries in Northeast Asia.<sup>182</sup> The U.S., in order to maximize its influence in Northeast Asia, avoided building up networks that linked whole countries in the region. Links were made between the U.S. and respective member countries. The U.S. links were almost exclusively bilateral and country-specific rather than region-wide.<sup>183</sup>

The U.S. constructed a hub and spokes system<sup>184</sup> in East Asia with the U.S. as the single hub and Northeast Asian countries as spokes.<sup>185</sup> The regional order in East Asia consisted of one single dominant hub state, the United States, a regional core country, Japan, and many peripheral spoke countries. The vertical security regime was solidified by bilateral defence treaties between the U.S. and capitalist Northeast Asian spoke countries such as Japan, Korea, Taiwan, and the Philippines.<sup>186</sup> Northeast Asian spoke countries were radiated out from the single hub state (the U.S.) by means of vertical, hierarchical and asymmetrical ties.<sup>187</sup>

In the East Asian hub and spoke system, no dialogue and cooperation can be made between and among spoke countries without the mediation of the U.S. The East Asian hub and spoke system was based on a uni-bilateralism in which American unilateralism was reinforced by bilateral security and economic relationships between the U.S. and spoke

countries. This kind of vertical, "single hub and multiple spokes" system in the Cold War era obstructed the exchanges and communications among Northeast Asian countries, and deepened regional divisions and schisms. Northeast Asian countries could communicate with each other only through the United States. Capitalist countries in the region could communicate with Communist countries primarily through the American military. When military crises took place in the Taiwan Straits, China and Taiwan indirectly talked with each other through the mediation of the U.S. When a dispute with North Korea occurred, South Korea made dialogues with North Koreans through the mediation of U.S. forces in Korea.<sup>188</sup> North Korea, too, consistently demanded direct bilateral talks with the U.S. to solve disputes with South Korea. This means that North Korea understood quite well the characteristics of the hub and spoke system of the Cold War era in which the communication among spoke countries could be made only through the mediation and transmission from the U.S.

#### **The Evolution of East Asian Regionalism in the Post-Cold War Era**

Until the early 1960, this kind of rigid and vertical hub and spoke system persisted and suffocated Northeast Asian regionalism. Yet since the mid-1960s détente between the U.S. and communist China and Soviet Union relaxed the rigid unilateralism of East Asian hub and spokes and slowly led to the emergence of embryonic forms of regional dialogue, cooperation, and exchange. The main driving force to reconnect ties among Northeast Asian countries has been the remarkable growth of economic exchange. Economic force swept over the security wall. After Nixon's visit to China in 1971, Northeast Asian countries started to begin contact and communicate with each other without the mediation of the U.S. Yet the level of institutionalization of regional exchange, cooperation and communication had remained low and an East Asian web of interdependence was very weak.

While the soil for regionalism had been barren during the Cold War years, Northeast Asian regionalism had 'breathing space' since the disintegration of the Cold War system in 1989. First, the dissipation of the Cold War loosened up the U.S.-led security "hub and spokes system" in Northeast Asia. The U.S., even before the end of the Cold War, started to walk away from East Asia after the defeat in the Vietnam War as reflected in the Nixon Doctrine. Receding American security interests

in the region made room for democratic transition in South Korea, the Philippines, and Taiwan. However, as the focus of U.S. foreign policy towards Northeast Asian countries in the post-Cold War period shifted from geopolitics to geo-economics or "from power to plenty," East Asian countries lost the premiums that they benefited from their strategic values in the U.S. security nexus in containing Communist Soviet Union and China during the Cold War era. In the post-Cold War period, the U.S. put pressure on Northeast Asian countries to give up the 'developmental state model' and instead to adopt a 'neoliberal economic model,' and to open protected domestic markets to the U.S. Then U.S. foreign policy toward East Asia saw a distinct shift away from security matters toward opening up the world economy and making it safe for U.S. business and its global system of capital accumulation. The U.S. has downplayed the importance of bilateral alliances if economics was to have primacy. Consequently "Washington's major East Asian allies would go from being linchpins of U.S. security in the region to being mere levers to open markets in the region."<sup>189</sup> The loosening up of the rigid hub and spokes system and the shift of U.S. policy toward East Asia from geo-strategic or geopolitics to geo-economics motivated East Asian countries to promote multilateral cooperation and exchanges among countries in the East Asian region across ideological lines.

In the East Asian region, Southeast Asian countries started first to institutionalize regional governance as early as 1967 by forming ASEAN while Northeast Asian countries were still "neither invited to join nor predisposed to forge any comparable body of their own" regional governance.<sup>190</sup> As ASEAN countries settled security problems such as internal security problems, the Vietnam War, and involvement in the Cold War, they turned attention to economic issues such as trade liberalization, market opening and inducing foreign direct investment. ASEAN countries found it very useful to form a regional body for enabling collective action and enhancing collective bargaining power *vis-à-vis* great powers like Japan, U.S., and China.<sup>191</sup> In this way ASEAN countries became more closely linked with each other.

Second, the great transformation of communist China opened the possibility of East Asian regionalism. On the ashes of the Cultural Revolution, Chinese leaders decided to launch the great transition to pro-Western, capitalist-friendly "socialist market economy." They normalized their relationship with the U.S. and Japan and improved the overall



security climate across the region and strengthened cross-regional economic ties.<sup>192</sup> Chinese economic reform and opening reduced friction with American capitalism and thus provided breathing space for East Asian regional trade, exchange and cooperation.

In addition to the opening of China, Japan played an important role for the emergence of embryonic regionalism in East Asia. In the empty place that Americans left out, Japan tried to fill the vacuum. Japan, armed with its "flying geese model," strengthened its influence on ASEAN countries. The model placed Japan as the lead goose in a flying formation of neighbouring geese. The model presumed the flying geese formation as a well-connected regional network of interdependence. The model was hard to imagine during the heydays of the Cold War era.<sup>193</sup> With the flying geese model, Japanese multinational corporations built up cross-border networks that included ASEAN countries, China, Taiwan, and Korea. And this kind of production networks penetrated into previously tight national economic boundaries and promoted regional economic integration.<sup>194</sup> Since the opening, China emerged as "the factory of the world" and became the center of global production networks. In the triangular area that includes Canton, Shanghai and Hangzhou & Suzhou, and Hong Kong a huge production complex that transcended political boundaries were interlaced.<sup>195</sup>

Since the end of the Cold War era, regional integration proceeded speedily in East Asia especially in economic areas. Between 1985 and 1994 Asia's share of foreign direct investment to developing countries rose from 39 percent to 57 percent and Japanese investment in Asia increased from 12 percent in 1985 to 24 percent of Japan's total foreign investment in 1994. Nonetheless in the mid-1990s Japan's share of total investment capital constituted only 14 percent while that of other Asian countries had risen to over 58 percent. This shows the strong tendency of multilateralism in the area of foreign direct investment. The growth of intra-Asian trade was more spectacular. Between 1986 and 2006, the intra-regional share of exports from Asian countries had risen from 34 percent to 56 percent and that is a higher share than that of the EU. While the dependence on the U.S. market fell from 34 percent to 24 percent between 1986 and 1992,<sup>196</sup> the importance of China increased sharply as Chinese exports have grown rapidly from \$150 billion in 1996 to \$1 trillion in 2006. In 2004 China replaced the U.S. as South Korea's no. 1 trading partner and in 2007 it replaced U.S as Japan's no. 1 trading

partner.

### **The Characteristics of East Asian Regionalism**

Until 1997 when the East Asian financial crisis occurred, the rapid regional economic integration did not move up to the establishment of a regional community. But as the gale of financial globalization blew to East Asia, very few countries were immune to the contagious effects of financial crisis that burst out in neighbouring countries. The East Asian financial crisis provided a good motivation to form regional organizations, institutions, fora and dialogues in East Asia to respond collectively to global financial shocks and to promote and accelerate intra-regional economic cooperation, exchange and dialogue. Since then, starting with the Chiang Mai Initiative (CMI), a plethora of regional institutions and organizations were formed, some blossomed and some became moribund such as the Asian Bond Market Initiative (ABMI), Asian Bond Fund (ABF), East Asian Summit (APT + 3, India, Australia, New Zealand), Shanghai Cooperation Organization (SCO: China, Kazakhstan, Kyrgyzstan, Russia, Tajikistan, Uzbekistan), and Six Party Talks.

Yet despite the emergence of a plethora of regional organizations and fora, the level of institutionalization of East Asian regional governance has remained low, and the regionalism in security and political arena have remained moribund or at a very low and minimal level. East Asian regionalism has been driven primarily by private corporations with economic motivation. The East Asian regionalism can be characterized as under-institutionalized, market (or corporate)-driven, bottom-up, informal, non-governmental and non-official regionalism.

### **Under-Institutionalization**

In response to the gale of globalization, East Asian countries gradually learned the merit of institutionalized cooperation, and have experienced and become accustomed to a more institutionalized form of economic cooperation through small scale Free Trade Areas (FTAs)<sup>197</sup> Southeast Asian countries started first. They organized ASEAN and then expanded ASEAN to APT (ASEAN Plus Three) by including the Northeast Asian countries of China, Japan and South Korea and tried to move ahead for region-wide economic integration by forming APEC, ARF, ASM (Asian

Summit Meeting).

Nonetheless, the web of interdependence is weak in East Asia and East Asian regionalism appears strikingly under-institutionalized compared to that in Europe. Top-down, government-sponsored regional institutionalization has been very weak in East Asia.<sup>198</sup> Compared to Europe, East Asia still lacks intense horizontal contacts and continues to contact without the mediation of multilateral institutions. In contrast to EU where states moved toward deeper institutionalization and legalization, East Asian countries relied on informal networks and structured government-sponsored regional organizations such as APEC, ARF, and APT with minimalist frameworks and secretariats, thin institutions, and few requirements.<sup>199</sup> Because nationalism is still rampant in East Asian countries, no country was willing to voluntarily surrender or transfer its sovereignty to a supranational regional organization. As a consequence, East Asian countries structured regional organization with few formal rules and requirements, but they tried to run regional organizations as the place for ongoing dialogues and searching for consensual solutions. As Solingen noted, "three core characteristics-informality, consensus, and 'open' regionalism-capture the emphasis of East Asian institutions on process rather than outcome."<sup>200</sup>

APEC remains still an annual talking shop or at best a mere consultative grouping of leaders of 18 East Asian countries that do not interact with each other well or often.<sup>201</sup> APEC has been minimally legalized, thinly staffed, and consequently constrained from exerting binding control to resolve disputes among member states.<sup>202</sup> The ARF which was designed to deal with intra-regional security matters focuses on confidence building among members, emphasizes more open regionalism by including North Korea, U.S. and Canada, and remains a 'forum', but does not try to move upward to a more institutionalized 'organization' or 'institution.' APT is also a regional 'forum' within which various combinations of member countries work out bilateral problems or cooperative arrangements between and among member countries.

### **Market-driven Regionalism**

The motive force of Northeast Asian regionalism has been intraregional economic exchanges (trade, investment, and production) and thus Northeast Asian regionalism can be called "market-driven regionalism."<sup>203</sup>

In East Asian regionalism, economics prevailed over politics. The APEC (Asia Pacific Economic Cooperation) forum is primarily a regional forum to promote economic cooperation among Asian and Pacific economies, not national governments, and therefore allowed Taiwan and Hong Kong to join as member 'economies.' The three goals of APEC are all economic and they are 1) trade and investment liberalization, 2) economic development, and 3) economic assistance.

Japanese multinational corporations took the lead. It was Japanese multinational corporations that built up cross-border regional production networks, mainly in Southeast Asia. In 1989, Japanese corporations invested four times more money in Taiwan than in 1985, five times more in Malaysia, five times more in South Korea, six times more in Singapore, fifteen times more in Hong Kong and twenty five times more in Thailand.<sup>204</sup> Japanese investment played a key role in creating the "East Asian miracle." Then since its opening, China followed the lead. China's rise has expanded economic opportunities rather than economic competition for Japan, South Korea, Hong Kong and Taiwan.<sup>205</sup>

The big increase in cross-border investment and production increased intra-East Asian trade and thus deepened East Asian regionalism. In 2006, intra-East Asian exports of all commodities reached 56% that is at a higher level than that of the EU. Therefore East Asian regionalism came primarily from market and corporate driven ties with minimal formal government-created institutions. Regionalization in East Asia has been bottom-up, market or corporate driven regionalization.<sup>206</sup>

But the East Asian financial crisis in 1997-1998 changed the market-driven, bottom-up characteristics of East Asian regionalism. After experiencing phenomenal exogenous shocks, East Asian countries felt the need to collectively respond to the forces outside of the region with deeper and more top-down, formalized institutional arrangements and overt governmental actions and initiatives. New government initiated regional organizations focused less on a creating single regional trading bloc and more on generating new mechanisms for financial cooperation. The Chiang Mai Initiative founded on May 6, 2000 was one of the first governmental responses to financial vulnerability led by ASEAN Plus Three (APT) that expanded existing ASEAN currency swap arrangements (ASA) and added a network of bilateral swap arrangements (BSA) to provide emergency liquidity in times of future crisis.<sup>207</sup> Besides CMI, Asian Bond Fund (ABF) and Asian Bond Market Initiative (ABMI) were

founded to provide regional financial collaboration. In addition, most East Asian governments try to promote bilateral and multilateral Free Trade Agreements. FTAs by Asian countries increased from 43 in 2000 to 183 in 2006. Proliferation has been most significant in East Asia in which the number of FTAs increased from 1 to 23, but also between South Asia and East Asia in which the number increased from 0 to 13.

However, even though global financial vulnerability invited East Asian governments to initiate regional collective arrangements to respond effectively to exogenous shocks, most East Asian governments have actively promoted FTAs to enhance national trade and have been slow to create regional institutions. For example, FTAs that East Asian countries made were more frequently between Asian and non-Asian countries (Japan-Mexico EPA, Korea-Chile FTA, Korea-U.S. FTA) rather than among intra-Asian countries. And to make things worse for national governments, as globalization made corporations contact and cooperate more often and closely, the central role played by individual national governments have shrunk and the states could not expand their role in enhancing government-sponsored regionalism.

To conclude, even though East Asian regionalism has become more institutionalized and more top-down government sponsored, it has remained predominantly bottom-up, market-driven regionalism. East Asian regionalism has not grown up to replace the bilateral security and economic arrangements that the U.S. has constructed since the Cold War years.

### **Opportunities and Obstacles in East Asian Regionalism**

I am cautiously optimistic about the future prospects of Northeast Asian regionalism. I am optimistic, first, because increasing intra-regional economic exchanges will facilitate market-driven regionalism and the economic regionalism, especially on the area of common energy market, will dissipate into political, social and cultural areas with neo-functional logic.

Second, East Asian regionalism will be prospered as a defensive response to and a 'hedge' strategy of development of regionalism in North America (NAFTA, FTAA: Free Trade Areas of Americas) and Europe (expansion of EU). East Asian regional organizations such as APT are a kind of 'counter-regionalism' which has been driven by resentment

about Washington's slow response to East Asian financial crisis.<sup>208</sup> In this sense, current global financial crisis will spur common response among East Asian countries, especially China, Japan and South Korea, as we are witnessing in the discussion of making of 80 billion East Asian regional fund (AMF: Asian Monetary Fund).

Nevertheless I have to be "cautiously optimistic" about the prospects for East Asian regionalism because there have remained many unresolved obstacles. First, "key political questions" that have impeded East Asian regionalism will not be expected to be resolved in the near future. The list of those unresolved questions includes tense U.S.-China relations, the North Korean nuclear issues, rising nationalism in Northeast Asian countries, and lingering suspicions, out of different attitude about past wrongdoings to neighbouring countries compared to those of Germany, of Japan's goodwill about promoting East Asian cooperation.

### ***Opportunities for East Asian Regionalism***

#### *Six Party Talks as an Incubator for Multilateral Security Dialogues*

Despite these obstacles, we can find some opportunities for East Asian regionalism. First, the North Korean questions are agreed to be solved by dialogues (Six Party Talks, and U.S.-North Korea bilateral talks) and by engagements rather than pressures and regime change. After making breakthrough in the process of Six Party Talks by means of six points Joint Statement at September 19, 2005, Six Party Talks soon stalled with U.S freezing of North Korean funds at Banca Delta Asia (BDA) and North Korea reacted with launching missiles at July 4 and 5 and testing nuclear bombs at October 9, 2006. In order to resolve the impasse, U.S. and North Korea sought bilateral talks within Six Party Talks. A breakthrough for that format was made when the U.S. agreed to meet with North Korean negotiators outside Six Party Talks frameworks. Finally U.S. and North Korea agreed on February 13, 2007 that the U.S. return to North Korea the money that was frozen at Banca Delta Asia and North Korea return to bilateral talks. Through bilateral talks, North Korea agreed to shut down Yongbyon nuclear facilities, to dismantle nuclear program, and to refrain from transferring nuclear technologies to third parties. In return U.S. will remove North Korea from the list of state sponsors of terrorism, move forward to normalization of diplomatic relations with North Korea. Now nine of eleven steps in the dismantling and disablement of Yongbyun

facilities had been completed, but the process has been slowed down as North Korea claimed that U.S.-promised fuel deliveries have been delayed.

Even though North Korean Question has been the most serious stumbling block to East Asian security community, it gave major actors in East Asia a precious opportunity to find a mixture of multilateral and bilateral formula to resolve North Korean nuclear issues. February 13, 2007 agreement created five working groups several of which deal with bilateral issues, and one of which try to search for the establishment of a Northeast Asia peace and security community to replace Six Party Talks. Therefore Six Party Talks has been the first attempt and incubator for multilateralism in East Asian security arena. And we have a wishful hope that the success of Six Party Talks will eventually develop and be upgraded into a regional peace and security community.

#### *Trickling Down of Economic Integration to Political and Security Arena*

Second, sharp increase in intra-regional trade and investment increases spill-over effects of economic integration to political, cultural and societal area. Liberals argue that increasing economic interdependence will accelerate discussions over regional political, cultural, and security integration. For example, Lee Su Hoon, suggests that cooperation in the field of energy supply, similar to the European Coal and Steel Community (ECSC), may exert a spill-over effect.<sup>209</sup> Others have proposed Korea, China, Japan free trade agreement, the creation of the Asian Monetary Fund (AMF), and regional commodity and communication networks.<sup>210</sup>

The feasibility and effectiveness of spilling-over economic integration to other areas is supported by Philippe C. Schmitter who invented the neo-functional theory of regional integration with Ernst B. Haas.<sup>211</sup> Schmitter suggests a formula for making East Asian community through the window of institutionalization of EU governance. Schmitter argues that the process of institutionalization in EU has been made by neo-functional way because EU is basically an outcome of gradual and incremental process. At the first stage, actors did not trust each other to respect mutual agreements faithfully and therefore they set up supranational secretariat and judiciary. And actors to form EU did not have common identity, and therefore they do not impose a single modus-operandi of common institutions and instead disperse them to multiple sites with multilevel accountability. As a result functions of common EU

institutions are sufficiently interdependent to generate a tendency to spill-over. As member states of EU were uneven in size, varying capability, and different socio-economic compositions, initial EU governance reflects this kind of diversity and the enlargement of EU increased the diversity. The initial integration strategy had been based on "segmented interaction" between privileged set of actors such as upper-level national bureaucrats, Commission officials, and business interest representatives. This segmented interaction of privileged actors prevented the break-up of multilevel and polycentric governance by nationalist ideologies and parties.

In making EU, Europeans found common functions in coal and steel which was the core industries after World War II. Schmitter finds regional energy community (or common East Asian energy market) as the most feasible and effective common function that can generate spill-over from economic integration to political integration and can create "peace interests" especially in Russia, South Korea, North Korea, China, Japan, and U.S. East Asian countries' dependence on energy resources in Middle East is very high and have paid East Asian premium to Middle East oil because they do not have alternative resources. Recently they found new energy sources in Russian Far East which has retained enormous amount of oil and natural gas. Therefore privileged actors of upper bureaucrats, government officials, and big businessmen share common interests in developing, and supplying energy resources in Far East Russia, and former CIS country like Kazakhstan and interact with each other to form "East Asian Common Energy Market," or "East Asian Energy Community," in which Russia and Kazakhstan will benefit as the supplier of oil and gas; Korea, Japan, and China benefit as the consumer; the big U.S. oil companies will be beneficiaries as the developers of oil and gas; North Korea will benefit also as consumer and tribute- collector if oil and gas pipe line run through Korean peninsula and will be provided to South Korean and Japanese consumers through those pipelines. East Asian common energy market or energy community spill over to East Asian security community if successful common market create "peace interests" to key stake holders in the energy community (Russia, U.S., China, Japan, South Korea, North Korea). Peace interests will be generated by the logic that, in order to run common energy market safely, peace in the region must be maintained and thus regional institution for peace and security must be organized.

### *IT Revolution as Catalyst and Promoter of Communication among East Asian Countries*

Third, IT revolution gives Northeast Asians feasible solutions to their problems of intraregional communications. Through digital communications and internet, Northeast Asia now has effective means of regional communications. Internet and digital communication networks connected non-contiguous Northeast Asian countries and facilitated the formation of common regional culture and identity in Northeast Asia.

Global hegemonic power has been shifting from Atlantic civilization to Pacific civilization. With the end of Cold War, digital revolution, and globalization, heterogeneous civilizations within broader Pacific have met together and have been making the age of the Pacific. Nonetheless, In order to open the age of the Pacific, some conditionalities need to be met. First, the age of the Pacific can be opened with cultural tolerance, not clash of civilization. Religious tolerance, republican mixture of democracy, aristocracy, and kingship, universal citizenship regardless of ethnicity and birth place made Roman Empire that last more than thousand years, Stretching from Pacific to Atlantic and becoming the "melting pot" that melted racial, ethnic, and religious differences, the U.S. became the global Empire of 20<sup>th</sup> century. And very few doubt that the U.S. hegemony will continue in the 21<sup>st</sup> century. Therefore in order to open Pacific age, we must prevent some great powers from building exclusionary regional civilization bloc such as Great Co-Prosperty and Great East Asian Civilization, but develop an inclusive, polycentric, and pluralistic, multi-ethnic civilization through intra-regional and inter-regional communication mechanism provided by digital revolution. IT revolution in East Asia has shortened and overcome geographical distance between Asia and America. East Asians, whether they are maritime Asians or continental Asians, can meet freely on cyber space, communicate, exchange, cooperate, and barter each other. Neo-nomadic devices like internet, mobile phone, MP-3, laptop, PDA have enabled East Asians to solve the problem of regional heterogeneity.

### ***Obstacles to Regionalism in East Asia***

In the era of globalization, Northeast Asian regional integration made progress speedily especially in economic areas. Nonetheless, the level of regional integration remained still too low to be called a regional

community. East Asian regionalism has many obstacles to overcome such as the rise of nationalism in the era of globalization, unresolved security problem of "North Korean Nuclear Question," low degree of regional homogeneity, and the lack of leadership, identity and vision for East Asian regionalism.

### *The Rise of Nationalism in the Era of Globalization*

One of the major obstacles to Northeast Asian regionalism is the revival of nationalism. Whereas nationalism, because of globalization, has receded in other regions, especially in EU, movements to revive nationalism erupted in East Asia and these nationalist movements have obstructed the development of regionalism in this region.

In Northeast Asia, the movement to revise high school history textbooks was purported to justify Japan's past aggression to East Asia. In addition former Prime Minister Koizumi's worship at Yasukuni Sinto shrine, territorial dispute over Dokdo-island between Japan and Korea and disputes over Senkaku islands between Japan and China, China's attempt to absorb the history of Goguryu (one of Three Kingdoms of ancient Korea) into the history of Chinese peripheries pour cold water on the regional cooperation and exchanges.

In Southeast Asia, nationalism is not as rampant as that in Northeast Asia. But global agencies, especially IMF and foreign powers, notably the U.S. are blamed for East Asia's economic and social troubles and this led to the resurgence of nationalist sentiment. And the democratization in the region arouse popular nationalism and politicians rely more on nationalist rhetoric and protectionist policies to divert people's attention away from their mismanagement of domestic economic and security issues.<sup>212</sup>

Nationalism obstructs the development of regionalism in East Asia in several ways. First, nationalism promotes national competition rather than multilateral cooperation. Japan and China compete rather than cooperate with regard to issues of cooperation with ASEAN countries. National competitions among East Asian countries led the proliferation of many bilateral FTAs between East Asian countries and non-East Asian countries rather than regional multilateral trade organizations.

And national competition among three largest economies, Japan, China, South Korea induces to build their own 'hub and spokes' trading and investment system rather than to cooperate each other for multilateral liberalization. Hub and spoke agreements do not provide

equal market access to all participants. Even though tariffs were removed along each spoke, the spoke countries would still not have free access to each other's market but only to that of the hub.<sup>213</sup> Hub and spoke system resists to multilateral liberalization. Each spoke country has paid price for its preferential access to the hub and it will resist further reductions of tariffs on an MFN (Most Favoured Nation) basis. In East Asia, all three hub countries (China, Japan, South Korea) care more about extra-regional markets such as U.S. and EU, and regional economic integration has been hurt as a result. In a hub and spoke system, trade is made bilaterally between a hub country and each spoke country and a spoke economy does not gain from free trade with other spokes.<sup>214</sup> National competition among three great and middle powers (China, Japan, and South Korea) has led the proliferation of bilateral FTAs and obstructed the emergence of multilateral FTAs and the eventual pan-Asian regional integration.

#### *North Korean Question*

Compared to economic regionalism in East Asia where economic ties and linkages become stronger, more institutionalized and deepening ties in security area are far less advanced. East Asian security condition made the region "ripe for rivalry," while growing and intensifying economic linkages made the region "ripe for cooperation."<sup>215</sup>

One of major obstacle to Northeast Asian regionalism in security area is so called 'North Korean Question' that remains unresolved. Since 1876, peace in the Korean Peninsula has been a prerequisite for Northeast Asian peace. In the 20th century Korean Peninsula had been the epicenter of East Asian animosity and dissension, and thus had fettered East Asian peace and regional integration. East Asia and the U.S. had a chance to resolve "Korean Question" in the beginning year of new millennium after South-North Korea summit meeting on June 15, 2000. After the summit meeting Korea's Kim Dae Jung government and Clinton government agreed on friendly engagement with North Korea.

But the Bush government returned to hard line policy toward North Korea. The ensuing 9.11 and North Korean nuclear development dissipated the prospect for Northeast Asian regional security governance. After reviewing Agreed Framework, Bush administration dumped Clinton's engagement policy toward North Korea (called ABC policy: 'Anything But Clinton') and publicly derided North Korea as one of three "axes of evil",

"rogue state," or "outpost of tyranny" and made clear the policy of "regime change" to remove North Korean leader Kim Jong Il from power. In contrast, South Korean authorities kept the position viewing North Korea as a potential partner in peacemaking in the peninsula. While Washington spotted North Korea as the most dangerous nuclear proliferators and set the arrest of North Korean nuclear proliferation as the top priority of policies toward North Korea, Roh Moo Hyun government worried more about the U.S. reactions to North Korea's nuclear aspirations than about nuclear development of North Korea.<sup>216</sup> President Roh reiterated its position that any repeat of horrible fratricidal war like Korean War in which millions had died must be avoided at all costs and thus would not acquiesce the preemptive use of the force by the U.S. against North Korea.<sup>217</sup>

In autumn 2005, Bush administration changed its posture from North Korea's surrender of all nuclear weapons as a precondition to negotiation to engaging North Korea in a substantive give and take. With the change of posture of the U.S., the fourth round of Six Party Talks resumed and created a six-point Joint Statement that made a breakthrough in long-stalled process that includes 1) a verifiable and peaceful denuclearization of the Korean Peninsula; 2) a return of North Korea to the NPT and IAEA inspection regime; 3) guarantees by the U.S. not to attack North Korea, a respect for sovereignty, and the commitment to negotiate a permanent peace regime on the peninsula; 4) promotion of economic cooperation by six parties on bilateral and multilateral basis, etc.

But many problems remain unresolved. North Korean nuclear issue has acted upon as a stumbling block to the advancement of Northeast Asian regionalism. It has intensified competition, animosity, distrust among Northeast Asian countries, especially China, Japan, South Korea and North Korea. Therefore, it is an 'endogenous threat' to Northeast Asian regionalism

#### *Regional Heterogeneity*

One of the most important "bottom-up" obstacles is cultural heterogeneity. Compared to EU, Northeast Asia lagged far behind in terms of regional homogeneity, particularly in the areas of language, religion, culture, level of economic development, political regime, social structure (coexistence of pre-modern, modern, and post-modern social structure and culture).

In East Asia, in terms of economic development, poorest countries in the world like Laos and Cambodia coexist with wealthiest country like Japan. Political regimes in East Asia are different. Political systems range the entire spectrum from oppressive military regimes to robust liberal democracies, with the majority of states maintaining some kind of illiberal government, the remaining socialist countries persisting authoritarian regimes, and North Korea keeping a unique totalitarian regime. Wide range of economic models coexists in East Asia from centrally planned economies to free market city states. Social structures are also heterogeneous. Many people in underdeveloped countries still live in pre-modern times, while peoples in many late-developing countries try to modernize their country and people in advanced capitalist country like South Korea and Japan have entered into post-modern world.

However, the most serious area of cultural heterogeneity is culture and language. Many said three Northeast Asian countries are linked by common Confucian cultural legacy and a common written language, Chinese ideograph. But Confucian heritage does not create ties between Japan and Korea, or Japan and China because of the lingering animosities of colonialism and war.<sup>218</sup> And the common language in East Asia is actually English, and Chinese ideographs are no longer uniform: China uses simplified characters; Taiwanese uses original Chinese character; South Korea seeks to eliminate Chinese characters from its written languages and North Korea already did so in 1948; Vietnamese is written in Roman Alphabet; Japanese remains a Sino-Japanese script. Therefore, unlike Europe in which languages are like dialect of neighbouring people and thus people of different countries do not have serious problem of communicating each other, East Asian people do not have a common language with which they can communicate each other. This kind of heterogeneity in languages, both written and spoken, impeded communication among East Asian people and the formation of East Asian identity.

#### *Lack of Vision and Leadership*

Leadership is central to overcoming structural impediments to regional cooperation. The successful story of supranational regional confederation, EU cannot be made without the vision and leadership of Jean Monet whose idea for functionalist regional integration made possible the European Steel and Coal Community which became the cornerstone

for the development of European integration from regional community to common market, and finally to supranational confederation, EU. Collectively France and Germany took the leadership in the making of EU to put regional interests over national interests. Germany, in particular, contributed to successful EU by returning to a member of Europe and by giving up its longstanding German nationalism.

East Asia, however, does not have such leadership like Jean Monet who can provide vision, strategy, and action plan for pan-Asian regionalism. Malaysia's Mahathir along with Singapore's Lee Kwan Yew played key roles for the formation of ASEAN and many ASEAN-initiated regional organizations. But Mahathir has had short and narrow focus for East Asian regionalism. He has kept the minimalist, exclusionary, geographical view of East Asian regionalism in which East Asia is defined geographically, the U.S., the hegemon state in East Asia be excluded, and East Asian regionalism be run by "ASEAN Way" and "Asian Way."

South Korea's president Kim Dae Jung proposed for the establishment of East Asia Vision Group (EAVG) at the APT meeting in Vietnam, November 1998 and EAVG was launched in October 1999, Seoul, South Korea and has sought East Asian Community. President Kim Dae Jung proposed at the fourth APT Summit in Singapore in November 2000 to establish EASG (East Asian Study Group) "to explore practical ways and means to deepen and expand the existing cooperation among ASEAN, the People's Republic of China, Japan and the Republic of Korea, and to prepare concrete measures and, as necessary, action plans for closer cooperation in various areas." EASG prepared for an embryonic East Asian Community, the East Asian Summit. The East Asian Summit consists of ASEAN plus 6 (Japan, South Korea, China, Australia, New Zealand, and India) countries and has wide agenda of economics, finance, politics, security, environment and energy, society, culture, education, and institutions. The vision of EAS is too broad (maximalist), too overlapping with APT, weak focus because the vision potentially fused economics with security.

In contrast to middle powers such as South Korea, Australia and ASEAN, Japanese leadership has been very passive and has not provided vision and leadership. Even though great powers such as Japan and China, and the U.S. have potential to be economic (Japan), political cum economic (China), security (the U.S.) hub country, three great powers do not share a common vision and agenda for regional community.

### ***Korean Position and Strategy on East Asian Regionalism***

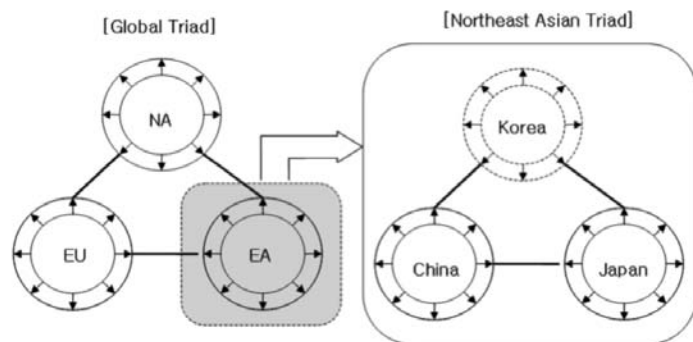
Then what has been South Korean position on East Asian regionalism and what are (or should be) the strategies to maintain proper positioning toward East Asian regionalism? To explore South Korean position on East Asian regionalism we have to, first, look at grand national strategy of South Korea.

#### ***Grand National Strategy of South Korea in the Era of Globalization***

South Korea has the geopolitical or geo-economic fortune to belong to one of three regions that are forming global triad, i.e., Northeast Asia, EU and North America. Northeast Asia produces 1/5 of global production, the global center of manufacturing goods (China is the world factory), and the leader in IT revolution (South Korea). In addition, more than 1.6 billion people live in Northeast Asian triad (China, Japan, and South Korea) that is equivalent to 4 times of the population who lives in EU.

Among three countries of Northeast Asian Triad (hereafter NEAT), South Korea is the smallest and the weakest compared to giant countries China and Japan. While NEAT can be maintained by intraregional balance of power, South Korea does not have sufficient economic and military power to counterbalance China and Japan.

Many Koreans share a sense of crisis for South Korea to be a buffer state between China which has the fastest growing economy and Japan which has the high technology, highly skilled labor force and competitive manufacturing industries. As Fazal tested in "State Death in the International System," buffer states are more vulnerable in terms of



security than non-buffer states.<sup>220</sup> South Korea is a typical buffer state between two rival giants, China and Japan. South Korea has security dilemma between the two rivals. In addition, "North Korean Question" has given Korea another security problem. Therefore, in order to survive as a buffer state between two giant rival states, China and Japan, and maintain peace and prosperity, South Korea has to develop effective strategies of survival by means of both internal and external "soft" balancing.<sup>221</sup>

#### **Soft Balancing**

In order to make a trilateral balance of power in NEAT, South Korea has to accumulate power internally and externally to be an equal partner to China and Japan. To build up Northeast Asian Triad, South Korea has to rely less on 'hard balancing' (making balance with "military build up, war-fighting alliance, or transfer of technology to an ally") but more on 'soft balancing.'<sup>222</sup>

Why should South Korea adopt the strategy of soft balancing to make trilateral balance of power? First, the strategy of soft balancing would less likely provoke China and Japan, and could persuade Mongolia, Uzbekistan, Kazakhstan, and Cambodia to join a loose non-military coalition with South Korea.

Second, South Korea does not have the power to make hard balancing against regional giants, China and Japan. China has the second largest and strongest military behind U.S. and Japan has spent the defence expenses second only to U.S. South Korea does not have arms, technology, and military personnel that can compete or match China and Japan. Therefore, South Korea has to rely more on non-military, soft power such as strengthening economic cooperation with Central and Southeastern Asian countries to counterbalance China and Japan.

#### **External Balancing**

South Korea could not counterbalance China and Japan by means of exclusively internal balancing which relies on domestic power resources. Economically and militarily South Korea has power that falls far short of the power of China and Japan. Therefore, South Korea has to look at outside of domestic power resources and make external balancing through military alliances, strategic cooperation, joint ventures with other countries.<sup>223</sup> Three strategies for external balancing are as follows.



### *1. Continental Asian Soft Alliance System: "Asian Crescent of Peace and Prosperity"*

South Korea needs to get diplomatic support from continental Asian countries surrounding China, such as Vietnam, Cambodia, Myanmar, Uzbekistan, Kazakhstan, and Mongol. These countries are strategic posts to surround China. By making soft alliance with these countries and forming "Asian Crescent of Peace and Prosperity," South Korea can have a great leverage to China in expanding economic, cultural and political exchanges and cooperation with China.

In addition, these countries have rich energy and mineral resources and thus could give Korea to diversify import sources of energy and raw materials. And expanding economic exchanges with these former socialist countries could work positively on North Korea. To make "Asian Crescent of Peace and Prosperity," South Korea needs, first, to expand the existing program of ODA (Overseas Development Aid) and EDCF (Economic Development Cooperation Fund) and with these funds South Korea could support the education of expertise on development, the building of infrastructure, the development of software, and system building in those countries. South Korea also needs to participate in the development of energy and mineral resources and in building social infrastructures of high way, port, railroad, and air port.

Second, South Korea has to build "smart power" in these countries that mostly are not friendly to the U.S. by increasing cultural exchanges and economic aids to these countries and thus make Korea a very attractive and sticky state to these countries.<sup>224</sup> Lastly, based on the exchange and cooperation with these countries, Korea has to play a leading role in establishing a regional intergovernmental cooperative organization, called "Seoul Consensus" (SC) that governs and manages cooperation on security, economic development, and cultural exchanges. SC would likely counterbalance and compete with Shanghai Cooperation Organization (SCO). Many prospective members of SC such as Kazakhstan, Uzbekistan, Russia, and Mongolia are also members and observers of SCO. South Korea could be a leader, but not be the dominant hegemon in SC because South Korea has economic power, technologies and cultural resources to assist these countries that are still in the process of economic modernization and political democratization, but South Korea has not power and intention to threaten these countries.

### *2. Building an Economic Community of 70 Million Koreans*

The second strategy of external balancing is upgrading South Korea as an economic power house that can compete with China and Japan by making Korean Peninsula an integrated economic community.

By making the agreement of "3 Tongss" (free passage of persons, free passages of goods and services, and allowing telecommunication between North and South Korea including internet and mobile phones) with North Korea, South Korea could expand the existing Gaesung Industrial Complex, and add the construction of more industrial complexes in Sinuijoo, Nampo, Haeju and Najin. Building an economic community of 70 million Koreans in Korean Peninsula is the key to prevent North Korea from being assimilated into Chinese economic sphere.

### *3. Strengthening Korea-U.S. Alliance*

Last but the most important strategy of external balancing is strengthening Korea-U.S. alliance. In the era that American uni-polar hegemony would last for certain period of time, a recommendable foreign policy strategy for South Korea is a strategy of "neorealism" to strengthen alliance with the U.S.<sup>225</sup>

First of all, Korea-U.S. alliance has been the most important source of external balancing to counterbalance China and Japan. Basically the U.S. tries to maintain hub and spokes system in East Asia that has survived since the end of World War II but has been mending it towards a bilateral hub and spokes with more flexibility and agility. The U.S. has been transforming relationship among bilateral alliances between the U.S. and East Asian countries into a multiple bilateral alliance system that has higher mobility and networking among allies. Perceiving growing Chinese military power, the U.S. may strengthen the alliances with Japan, Philippine, Australia and South Korea.<sup>226</sup>

Under the structure that China is besieged by recharged bilateral alliances between the U.S. and East Asian littoral states, multilateral cooperation in security affairs among Northeast Asian countries including China is very hard to emerge. In a geopolitical structure that national interests of the U.S. and China collide with each other, South Korea is recommended to adopt a strategy that contains the expansion of China's influence in Korean peninsula by strengthening alliance with the U.S.

Another geopolitical reason why strong Korea-U.S. alliance is critical for national interests of South Korea is that Korea-U.S. alliance plays a

key role to block new Northeast Asian order from being realigned toward a structure of U.S.-Japan alliance vs. China in which South Korea does not have a place to stand. Under this circumstance, only strengthened ROK-U.S. alliance could play a pivotal role to deter the threats from regional hegemony of China and at the same time from the rearmed Japan. Strong self-defence capability of South Korea cannot be attained by becoming independent from American influence but paradoxically by jumping to the bandwagon of American security umbrella. Self-defence by means of strengthening the Korea-US alliance is the best choice for South Korea. Weakening Korea-U.S. alliance and the withdrawal of American troops may embolden both China and Japan to reveal their territorial ambitions as were evidenced by recent Chinese efforts of "Sinifying the History of Goguryu Kingdom," one of ancient Three Kingdoms in Korean peninsula and Japanese assertion of the sovereign right to Dokdo Island. In contrast, the U.S. is a unique empire that does not have territorial aspirations and can be a benevolent ally to be a stalwart bulwark against neighbouring countries with territorial ambitions.<sup>227</sup> The strengthened Korea-U.S. alliance also is the key to make Korea bridging and intermediating peace between China and Japan. In order to become a trustworthy mediator between China and Japan, Korea need outside help from the U.S.

Third, strong ROK-U.S. alliance would lift South Korea to the hub state of peace and prosperity in Northeast Asia that mediates peace between China and Japan. Without the backing of U.S. forces, South Korea could not be accepted as the mediator by both Japan and China when disputes take place in between two countries. The USFK (US Forces in Korea) has been playing a role of stabilizing balance of power in Northeast Asia and finds a new role in peacekeeping of Northeast Asia after the unification of two Koreas. Regional stability is the major future mission of Korea-U.S. alliance beyond the deterrence against North Korean threats. Only with the help from the U.S., Korea could be the mediator of Northeast Asian peace and stability.

Many said that the existing bilateral alliances might act upon as barriers to multilateral dialogues in Northeast Asia. But I believe, to the contrary, that the existing bilateral alliances could be complementary to multilateral security cooperation, and vice versa. A strong bilateral alliance makes alliance partners easy to act together for multilateral dialogues. And Northeast Asian countries that have pressing needs

for multilateral security cooperation may try to find ways to create a multilateral security dialogue in order to complement the existing bilateral security alliances.<sup>228</sup>

### *Korean Position on East Asian Regionalism*

#### *1. Methodological Eclecticism*

South Korea, with regard to East Asian regionalism, has adopted a strategy of eclecticism.<sup>229</sup> South Korea has made a complex relationship with different countries in East Asian. Korea-U.S. relationship and to a lesser degree Korea-China relationship have been a comprehensive one including security, political, economic and culture, while relationship with Japan has been since the signing of Normalization of Diplomatic Relations lopsidedly economic and so have been the relationship with ASEAN countries and Taiwan (and Hong Kong as an independent "economy" from China). Therefore, to make optimal strategies toward heterogeneous countries in East Asia, Korea has to adopt different mixed strategies to different countries.

First of all South Korea has been employing realism to become a new hub state in East Asian by means of strengthening alliances, Korea-U.S. alliance in particular. At the same time it has relied itself deeply on liberalism to become a trading power house and to promote exchanges and cooperation with its neighbors as well as former enemies of communist countries, like Viet Nam, Cambodia and Laos.

To United States, the long patron state, South Korea has adopted a mixed strategy of realism and liberalism. Korea has to strengthen Korea-U.S. alliance not to be "abandoned" by the U.S. from U.S. security umbrella in East Asia defence perimeter because South Korea still need military protection from nuclear North Korea. On the other hand, Korea should also adopt liberalism because it needs to strengthen economic and financial ties to U.S. and also it needs support from U.S. in joining U.S.-led free trade regime that emerged in multilateral free trade institutions such as WTO and Doha Round, and in making bilateral Korea-U.S. FTA. After Cold War, the dominant pattern of the Korea-U.S. relations has changed from "power (security) over plenty (economic interests)" to "plenty (economic interests) over power (security)." Since then Korea paid more efforts to promote bilateral trade, investment and technology transfers than it did during Cold War era. Logic of liberalism (i.e., the increasing economic exchanges for coprosperity of Korea and U.S.) works in parallel

with the logic of realism (i.e., the logic of strengthening alliance).

South Korean approach toward China is also a mixed one. With regard to economic issues South Korea has employed liberalism to promote trade, investment, and tourism. However, when security issues come to the fore, South Korea turned immediately to realism to side with U.S. in containing China and strengthen Korea-U.S. military alliance.

With regard to relationship toward North Korea (and China), Korea had employed functionalism and neo-functionalism in most days of post-democratization of 1987. After June 15 Summit Meeting between two inter-Korean leaders functionalism upgraded to neo-functionalism by institutionalizing economic and social exchanges and cooperation through political package deal and building organizations for dealing functionalist exchanges. Basic Agreement in 1991 and two Summit Meetings in 2000 and 2007 respectively were critical moments to leap forward from functionalism to neo-functionalism.

However, 9/11 and Bush's hard line policy toward North Korea made friendly engagement policy which blossomed in Kim Dae Jung's Sunshine Policy fail dismally. The failure of Sunshine policy was regarded as the failure of functionalism.<sup>230</sup> The current Lee Myung Bak administration turned the clock of reunification back to the realism of the Cold War era. Spill-back, disengagement, and conditional engagement have appeared as the key elements of Lee Myung Bak's unification policy and those negative elements caused regression from functionalism and neo-functionalism to realism of Cold War days and recent military clashes between North and South Korea have been turning inter-Korean relations to the worst situation. South Korea approach to inter-Korean relations has been a cyclical eclecticism of realism during Cold War period, functionalism and neo-functionalism (Roh Tae Woo's Nordpolitik and Kim Dae Jung's Sunshine policy) in post-Cold War period, return to realism of Lee Myung Bak government. Lee Myung Bak's inter-Korean policy has focused on avoiding abandonment by the U.S. by means of strengthening Korea-U.S. alliance to solve "security dilemma" based on neo-realist assumptions.

Methodological eclecticism has been also applied to Japan, China, Taiwan, Mongolia, Kazakhstan, Uzbekistan and ASEAN countries. With regard to economic matters, South Korea has pursued policy of liberalism by means of promoting and accelerating interregional and intraregional "trade, exchanges and barter" with East Asian countries. South Korea

made strenuous efforts to negotiate and compromise with Japan and China on Korea-Japan FTA, Korea-China FTA, and Korea-Japan-China FTA. Nonetheless, when South Korea tackled political and cultural issues related to national sentiment such as territorial dispute on Dokkdo Island, history textbook issue, rectifying history distorted by Japan and China (distorting history of Goguryu Kingdom), it employed a negative constructivism emphasizing Korean national identity. South Korea also rely on positive constructivism by stressing East Asian regional identity and epistemic community when it tried to increase cultural and economic exchanges and cooperation with Vietnam, Cambodia, Kazakhstan, Uzbekistan, Mongolia and Taiwan. And while South Korea talks about liberalism when it tries to promote trade and investment in China, it immediately returned to realism when security issues were at stake with China and North Korea.

Therefore, it can be pointed out that methodological position of South Korea strategy toward East Asian countries is not a dogmatic strategy based on ultra-nationalistic ideology but a pragmatic, flexible eclecticism. South Korean eclecticism is basically based on "interests" among Albert O. Hirschman's two strategies: "Passions and Interests." South Korean strategy toward East Asian regionalism is basically interest-based functionalism and realism but, nonetheless, it does also pursue constructivist visions and epistemic community for peace in East Asian region as well as that in Korean Peninsula.

## *2. Supporting "Greater East Asia" in the Debate on the Identity of East Asia*

South Korean concept of East Asia had been formed in the Cold War era. In the hub-and-spoke system the U.S. played the role of guardian of South Korean democracy, the market for South Korean exports, and propagator of culture of American capitalism. Thus, Koreans could not think of the concept of East Asian region without the U.S. For both Koreans and Japanese, the U.S. is the architect of East Asian security system (a hub-and spoke system), liberal market economy, and liberal democracy and the propagator of Christianity and American popular culture. The leaders and people in both countries have included the U.S. in the boundary of East Asia. For them, the concept of East Asia is not confined to geographical East Asia but a broadened political, economic and cultural concept of East Asia.

The U.S. cannot be included in East Asia geographically, but in reality, geo-politically, geo-strategically and geo-economically, the U.S. has maintained the single most important country in East Asia, Northeast Asia in particular, since 1945. The U.S. is still linked with bilateral alliances in some countries in Asia-Pacific. In Southeast Asia, too, the U.S. "war on terrorism" has prompted closer diplomatic and military relations between the U.S. and some countries like Singapore. However, still leaders like Mahathir has persisted "East Asian's East Asia," in which only countries within geographical boundary of East Asia can deserve to be member of East Asian regional organizations, institutions and dialogues, and thus the U.S., Canada, and Russia must be excluded from East Asian regionalism. While the U.S. insisted, particularly Clinton administration, "greater East Asia" that identified East Asia not exclusively in geographical terms, but a more comprehensive way, that is, in political, economic and cultural terms and thus included Australia, New Zealand, the U.S., Canada, Mexico, Chile, Peru, and Russian Far East in the boundary of East Asia.

The two contrasting discourses on East Asia clashed in the making of APEC but finally 'greater East Asia' won the battle with the support and pressure of the U.S. But "the struggle about the concept of East Asia" (Who Is East Asia?), the boundary and identity of East Asia have remained key impediments to the development of East Asian regionalism. The different attitudes, positions, and strategies toward the United States have been impeding the emergence of East Asian collective identity and a singular unified regionalism in East Asia.

In the war of concepts about East Asian collective identity, Japan, Australia and New Zealand have been ardent supports for "Greater East Asia" of the U.S. while Malaysia (the leader was Mahathir) and many ASEAN countries have persisted "geographical East Asia," "East Asians' East Asia," and "Asian Way."

South Korea has kept a position to basically support "Greater East Asia" that includes the U.S. in the concept of East Asia, and played the role of "bridge state" in coordinating, dialoguing, and making compromise on who is East Asia, what is the boundary of East Asia, and what is the East Asian collective identity. The South Korean role of bridge state shined in the making APEC. With the concept of "Asia Pacific" South Korea provided Malaysia and ASEAN countries a formula for East Asian identity without harming their "geographical East Asia" but including the

U.S. in East Asian regional community.

### *3. Exporting Religious Pluralism and Soft Culture*

South Korea could export East Asian countries religious pluralism and peace as an answer to religious orthodoxy and conflict in the region. Korea is the country where Protestants, Catholics, Buddhists, and Confucians coexist peacefully and provide the role model for religious pluralism, peace and coexistence to Northeast Asian countries. Former president Kim Dae Jung pointed out that "in the light of clash of civilizations happening in other parts of the world, this (coexistence and cooperation of diverse religions) remains a source of great hope for Asian integration."<sup>233</sup>

South Korea is one of the most religiously vibrant, dynamic, and pluralistic societies in the world. Most of the world' largest churches in terms of number of followers are located in South Korea, but no single religion dominates, Buddhism, Protestantism, Catholicism, and Confucianism coexist peacefully in South Korea.<sup>234</sup> Given that many new democracies in Asia have been suffering from religious conflicts and intolerance, South Korean interreligious harmony can be a role model for interreligious peace in East Asia.

In addition, South Koreans have pride to provide soft culture like "Korean Wave" (韓流) for promoting intra-regional and inter-regional cultural exchanges. South Korea is the country where the most vibrant IT revolution has taken place in East Asia. IT revolution in Korea has been promoting communications among Korean people as well as peoples in East Asian countries and facilitating supra-national and intra-regional cultural exchanges as were shown in the phenomena of Hallyu (Korean Wave, 韓流). The increase in cultural exchanges, communications, and co-operations will reduce regional heterogeneity, remove some barriers to regionalism, and facilitate the formation of shared identity and regional community in East Asia.

## NOTES

- 177 See T. J. Pempel, *Exogenous Shocks and Endogenous Opportunities* (Seoul: East Asia Institute, 2008).
- 178 *Ibid.*
- 179 *Ibid.*, and T. J. Pempel, *Remapping East Asia* (Ithaca, NY: Cornell University Press, 2005).
- 180 See Hyug Baeg Im, "The US Role in Korean Democracy and Security Since Cold War Era." *International Relations of the Asia-Pacific* 6, no. 2 (2006): 158-60.
- 181 Yet Calder argued that John Foster Dulles, in the early 1950s, was enthusiastic about a Northeast Asian regional security body, but the idea was not realized because it was opposed by Japan's Yoshida Shigeru and Korea's Rhee Syng Man. (Calder, 2004: 227)
- 182 See Bruce Cumings, "Historical, Economic and Security." Presentation at International Conference on "Building an East Asian Community," (Asiatic Research Center, Seoul, December 11, 2002): 162-63
- 183 See T. J. Pempel, "The Soft Ties of Asian Regionalism." Presentation at International Conference on "Building an East Asian Community," (Asiatic Research Center, Seoul, December 11, 2002): 108-109
- 184 A hub and spokes system can be explained as following: There are three countries, A, B, and C. Country A concludes separate agreements with B and C, but B and C do not have an agreement with each other. In this case country A is the hub and B and C are spokes. See Mari Pangestu and Sudarshan Gooptu, "New Regionalism: Options for China and East Asia," in *East Asia Integrates* (Washington, DC: The World Bank, 2003), 79-98.
- 185 See Cumings, 'Historical,' 167; Kent Calder and Min Ye, "Rationalism and Critical Junctures." *Journal of East Asian Studies* 4, no. 4 (2004): 226-7.
- 186 See Cumings, 'Historical,' 167.
- 187 See Calder, 'Rationalism,' 227.
- 188 See Cumings, 'Historical,' 167.
- 189 See Renato Cruz de Castro, "Whither Geo-economics? Bureaucratic Inertia in the US Post Cold War Foreign Policy Towards East Asia." *Asian Affairs* 26, no. 4 (2000).
- 190 See Pempel, 'Exogenous Shocks.'
- 191 See Pempel, 'Soft Ties,' 111.
- 192 See Pempel, 'Soft Ties,' 110.
- 193 However, Flying Geese fled away instantaneously as Japanese economic bubble burst in mid 1990s.
- 194 See Peter J. Katzenstein and Takashi Shiraiishi, *Network Power: Japan and Asia* (Ithaca and London: Cornell University Press, 1997).
- 195 See Pempel, 'Soft Ties,' 117
- 196 See Pempel, 'Soft Ties,' 116-20
- 197 See Jin Woo Choi, "Benchmarking Europe?: Conditions of Regional Integration and Prospects for East Asia." Presentation at IPSA RC-3 (Beijing, May 5-6, 2005)
- 198 See Pempel, 'Remapping East Asia.'
- 199 See T. J. Pempel, "The Race to Connect East Asia: An Unending Steeplechase." *Economic Policy Review* 1, issue 2 (2006): 245.
- 200 See Solingen, 'Remapping East Asia,' 32.
- 201 See Cumings, 'Historical,' 169.
- 202 See Pempel, 'Exogenous Shocks.:'; Miles Kahler, "Conclusion: The Cause and Consequences of Legalization." *International Organization* 54, no. 3 (2000).
- 203 See Katzenstein and Shirashi, 'Network Power.'
- 204 See James Fallows, *Looking at the Sun; The Rise of the New East Asian Economic and Political System* ( New York: Pantheon Books, 1994), 264.
- 205 See Dwight H. Perkins, "East Asian Economic Growth and Its Implication for Regional Security." *Asia-Pacific Review* 14, no. 1 (2007): 47.
- 206 See Pempel, 'Exogenous Shocks.'
- 207 *Ibid.*
- 208 See Capie, "Rival Regions? East Asian Regionalism and Its Challenges to the Asia-Pacific," in *The Asia Pacific: A Region in Transition* (Honolulu, HI: Asia-Pacific Center for Security Studies, 2004), 155.
- 209 See Lee, "Korea's Initiative for the Peace and Prosperity of Northeast Asia," in *Northeast Asia Community: Discourse of Peace and Prosperity* (Seoul: Yonsei University Press, 2006).
- 210 See Hyeok Yong Kwon, "The Economy, Culture, and Public Preferences for Regional Economic Integration in East Asia." Presentation at International Conference on "Northeast Asian Regionalism: Korean and Japanese Perspectives," (Keio University, Tokyo, Japan, June 6, 2008): 19.
- 211 See Philippe C. Schmitter, "Virtues and Vices of Alternative Strategies for Regional Integration: Lessons from the European Union." Presentation at International Conference on "Building an East Asian Community," (Asiatic Research Center, Seoul, December 11, 2002).
- 212 See Richard Stubbs, "ASEAN Plus Three: Emerging East Asian Regionalism?" *Asian Survey* 42, no. 3 (2002), 451.
- 213 See Pangestu and Gooptu, 'New Regionalism.'
- 214 See Pangestu and Gooptu, 'New Regionalism.'
- 215 See Pempel, 'Exogenous Shocks.:'; and Aaron Freiberg, "Ripe for Rivalry: Prospects for Peace in Multipolar Asia." *International Security* 18, no. 3 (1993).
- 216 See Micheal Armacost and Daniel Okimoto, *The Future of America's Alliances in Northeast Asia*, (Stanford, CA: Asia Pacific Research Center, 2004), 16-17.
- 217 See Donald P. Gregg, "The United States and South Korea: An Alliance Adrift," in *The Future of America's Alliances in Northeast Asia* (Stanford, CA: Asia-Pacific Research Center, 2004), 154.
- 218 See Cumings, 'Historical,' 170-71.
- 219 See Cumings, 'Historical,' 170.
- 220 See Tanisha M. Fazal, "State Death in the International System." *International Organization* 58, no. 2 (2004).
- 221 Internal balancing relies on state's relative power. In internal balancing, territorial state tries to make balance with rival states by means of its own internal power resources. On the other hand, buffer states can counter threats from rival states by means of external balancing in which buffer states mobilized external power resources by forming alliances with other countries. See Fazal, 'State Death,' 315-16.

- 222 Soft balancing means making balance with non-military, soft power such as "territorial denial, entangling diplomacy, economic strengthening, and signaling of resolve to participate in a balancing coalition." See Robert A. Pape, "Soft Balancing Against the United States." *International Security* 30, no. 1 (2005), 36.
- 223 Internal balancing can be made through "rearmament or accelerated economic growth to support eventual rearmament," while external balancing can be made through "organization of counterbalancing alliances." See Pape, 'Soft Balancing,' 15.
- 224 According to Joseph Nye, hard power means military power and economic strength, and soft power means the power to persuade with diplomacy, cultural influence and moral suasion, while smart power is a synthesis of hard power and soft power by combining military and economic strength and its cultural and ideological appeal. See Joseph Nye, "The Decline of America's Soft Power." *Foreign Affairs*, vol. 83, no. 3 (2004). Walter Russell Mead further divides hard power between "sharp" (military) and "sticky" (economic) power, while soft power comprises "sweet" (cultural) and "hegemonic" (the totality of American agenda setting power). See Walter Russell Mead, *Power, Terror, Peace and War: America's Grand Strategy in a World at Risk* (New York: Council of Foreign Relations, 2004).
- 225 Conventional realism stresses internal balancing, while neorealism predicts a central role for external balancing. See Fazal, 2004: 'State Death,' 315.
- 226 See David M. Lampton, "China's Growing Power and Influence in Asia: Implications for U.S. Policy" Center for the National Interest, February 13, 2004, <http://www.cftni.org/Program%20Briefs/PB%202004/LamptonUSCCTestimony2-13-04.pdf>
- 227 American empire is a unique non-territorial empire compared to European empires in 19<sup>th</sup> century. American empire is "the empire of bases" which stations 700-1000 military bases all over the world but the bases are not constructed to be used for managing overseas territories. Military bases are part of military networks for protecting and securing security interests of the U.S., military cooperation and security of American allies. Therefore American empire is also called "network empire." See Hyug Baeg Im, "How Could Korea Be a Regional Power in East Asia?: Building Northeast Asian Traid." Presentation at Sentosa Round Table for Asian Security, (Sentosa Resort, Singapore, January 17-18, 2008).
- 228 See Han Yong Sup, *Peace and Arms Control on the Korean Peninsula*, (Seoul, Korea: Kyungnam University Press, 2005).
- 229 See Peter J. Katzenstein and Nobuo Okawara, "Japan, Asian-Pacific Security, and the Case for Analytical Eclecticism." *International Security* 26, no. 3 (2001/02).
- 230 Kahmer and Kastner argued that the functionalist Sun Shine policy proposed and implemented by Kim Dae Jung failed because, first, "the North Korean government was not a passive target of South Korean strategies,... but did its best to extract the maximum economic benefit from economic exchange with the least amount of political change," and second, "coordination with allies and other potential economic partners of the North was difficult to achieve." See Miles Kahler and Scott L. Kastner, "Strategic Uses of Economic

- Interdependence: Engagement Policies on the Korean Peninsula and Across the Taiwan Strait.* *Journal of Peace Research* 43, no. 5 (2006), 532-3.
- 231 See Albert Hirschman, *The Passions and the Interests: Political Arguments For Capitalism Before Its Triumph*, (Princeton, NJ: Princeton University Press, 1977).
- 232 Australian Parliament Research Brief, 2006.
- 233 See *Global Asia*, Vol. 1, No. 1, 2006
- 234 See Hyug Baeg Im, "South Korean Democratic Consolidation in Comparative Perspective," in *Consolidating Democracy in South Korea* (Boulder, CA: Lynne Rienner, 2000), 28.

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## The United States and Regionalism in the Asia-Pacific

John D. Ciorciari

U.S. policy toward regionalism in the Asia-Pacific has historically borne a number of key hallmarks. First, the United States has consistently viewed its forward defence posture and network of bilateral alliances as the beams that undergird the post-1945 regional order in Asia. U.S. officials have sought regional arrangements that build on the foundation of U.S. alliances while disfavoured initiatives that could drive wedges between bilateral partners. Partly for this reason, U.S. policy toward multilateralism in Asia has been relatively risk-averse and reactive. From a theoretical perspective, one might describe the American approach to Asia-Pacific regionalism as a cautious form of liberal institutionalism sprouting from decidedly realist roots.

Another core feature of the U.S. approach has been an unsurprising preference for arrangements that include America on the invitee list—namely pan-Pacific entities such as the Asian Development Bank (ADB), Asia-Pacific Economic Cooperation (APEC) forum, and the ASEAN Regional Forum (ARF). It has correspondingly tended to frown on Asian-only initiatives that threaten to erect walls to U.S. economic and political engagement, such as past proposals for an East Asian Economic Grouping (EAEG) or Asian Monetary Fund (AMF). U.S. officials have also looked at ASEAN+3 with furrowed brows and decided to join the East Asia Summit (EAS) partly for fear that it would otherwise turn Asian regionalism inward.

In Asia and elsewhere, the United States has consistently sought to embed regional initiatives in broader global ones, particularly in the economic arena. As the leader of the post-war international economic system, the United States has sought to underline the influence of bodies such as the World Bank and International Monetary Fund (IMF). As a country with global economic interests, the United States has long feared the emergence of insular trading blocs that would put America at a competitive disadvantage. Thus, to the extent that U.S. officials have pushed for economic liberalism in Asia, they have strongly favoured the



concept of “open regionalism.” To the extent they have supported—or acquiesced in—regional financial arrangements, they have insisted on a strong nexus to global institutions. In both the economic and security arenas, U.S. policy has been an effort to steer long-term Asian ambitions for a stronger regional identity toward modes of cooperation that are most consistent with the prevailing U.S.-led order.

A further distinguishing characteristic of the U.S. approach has been to emphasize function over form. U.S. officials have long argued that Asian regionalism needs to become more action-oriented, rule-based, and decisive. If regional forums can be harnessed to advance U.S. policy aims—the most common of which have included expanding free trade and promoting democracy—U.S. officials will eagerly engage. If they become idle “talk-shops” mired in process, the United States has consistently signalled that it will pursue informal ad hoc arrangements to press forward. That hedging mechanism reflects America’s enduring ambivalence about regionalism in Asia, as well as its belief that smaller, like-minded groups can often tackle pressing issues more effectively.

Despite these broad continuities, U.S. policy has evolved considerably over time, both due to the differing predilections of particular U.S. administrations and to the region’s changing strategic and ideational landscape. This chapter traces the evolution of U.S. policy to elucidate the conceptual structure and trajectory of U.S. engagement with regionalism in the Asia-Pacific. It begins in Section I with a brief review of the Cold War period, when America placed heavy emphasis on developing its bilateral alliance network but occasionally worked with or through regional institutions to buttress to its hub-and-spokes model. Section II examines changes in U.S. policy toward regional institutions and initiatives during the George H.W. Bush, Clinton, and George W. Bush administrations. During that period, a forum-founding frenzy took place in Asia, and the United States sought with varying success to lead a liberal, pan-Pacific agenda amid rising calls for pan-Asian alternatives. Section III analyses the policies of the Obama administration, which has sought to boost U.S. engagement in multilateral fora at a time when Asian regional norms and institutions have become more deeply entrenched and shifting power relations challenge America’s continuing capacity to lead. Finally, the chapter concludes by discussing trends looking forward.

## **Cautious Openings to Regionalism during the Cold War**

The U.S. approach to Asian regionalism was generally guarded and reactive during the Cold War. U.S. officials invested heavily in bilateral relationships and feared that the construction of Asian regional institutions and identities could easily be used to harness anti-imperial forces and work to America’s disadvantage. The U.S. government did embrace or work with selected regional institutions, but it perceived them largely as devices to supplement global institutions and bilateral alliances, especially during periods of relative strategic vulnerability.

### **Building Bilateral Foundations**

In the years following the Second World War, the United States built a regional security order in Asia largely by forging bilateral defence pacts with Japan, South Korea, Australia, New Zealand, Thailand, and the Philippines. The Eisenhower administration did attempt to construct a multilateral security arrangement via the 1954 Manila Pact and establishing the Southeast Asian Treaty Organization (SEATO) in 1955.<sup>235</sup> However, SEATO was a thin institutional veil for an essentially hub-and-spokes security arrangement.<sup>236</sup> When it crumbled in 1977 following the American withdrawal from Vietnam, its bilateral pillars remained intact. The same was true of the trilateral alliance between Australia, New Zealand, and the United States before nuclear concerns in New Zealand effectively turned the “ANZUS” treaty into a bilateral Australia-U.S. affair.

### **Early Encounters with Regional Institutions**

U.S. officials were generally wary of Asian regionalism during the early Cold War era. They feared that Asian institutions or movement to construct a pan-Asian identity would undermine global institutions and give neutralist or left-leaning Asian states added leverage to seek economic and political concessions and pursue developmental models at odds with U.S. interests. Thus, the United States initially resisted Japanese proposals to create an Asian Development Bank (ADB) and invested little energy in supporting indigenous regional groupings—even broadly pro-Western arrangements such as the Association of Southeast Asia (ASA) between Thailand, Malaya, and the Philippines. A

turning point came in 1965 with the onset of the Vietnam War, when the Johnson administration came to see regionalism in non-communist Asia as potential buttresses to bilateral structures that could help block the expansion of Chinese and Soviet influence.<sup>237</sup>

The United States saw regional groups—including the Association of Southeast Asian Nations (ASEAN) that was born in 1967—more through broad strategic lenses than narrow regional ones. Indeed, regional bodies helped hold the line against communism and facilitated the pullback of U.S. and British forces. Britain established the multilateral Five-Power Defence Arrangements (FPDA) with Singapore, Malaysia, Australia and New Zealand to soften the blow of its retreat East of Suez in 1971. In 1976, after the U.S. withdrawal from Indochina, ASEAN came of age by holding its first summit and concluding the Treaty of Amity and Cooperation (TAC), which was designed to foster intramural peace and strengthen members' capacity to ward off communist advances and great-power predation. ASEAN was again a useful U.S. partner after the 1979 Vietnamese invasion of Cambodia, supporting sanctions against Hanoi and helping deny Cambodia's seat in the United Nations to the Vietnam-backed regime in Phnom Penh.

During the same period, booming trade with the Pacific Rim encouraged U.S. policymakers to engage more seriously in multilateral economic dialogue. U.S. officials joined informal talks through the Pacific Economic Cooperation Council (PECC) after its founding in 1980. By 1988, Secretary of State George Shultz, Senator Bill Bradley, and other U.S. officials joined Japanese and Australian colleagues in advocating for an expanded dialogue, with Shultz recommending "some kind of Pacific Basin Forum" involving like-minded economies.<sup>238</sup> In January 1989, Australian Prime Minister Bob Hawke proposed just such a forum—APEC. The U.S. government first reacted coolly, because Hawke did not consult Washington and left America off the invited participant list, but soon engineered an invitation.<sup>239</sup> In July, Secretary of State James Baker announced that America would support the initiative if it won ASEAN backing—a way to reduce perceptions that APEC was an Anglo-Saxon imposition.<sup>240</sup>

When ASEAN leaders somewhat reluctantly signed onto the idea, the United States joined and became one of APEC's most active participants. America's undisguised priorities were to seek market opening in the burgeoning economies of the Pacific Rim and link that progress with

global trade talks. The U.S. government thus embraced APEC's mantra of "open regionalism," which implied at a minimum that any regional trade preferences would not be exclusionary. The United States wanted to ensure that any regional progress would not jeopardize global talk through institutions like GATT, the IMF, and the World Bank. In Asia and elsewhere, U.S. policy sought to head off the emergence of regional blocs that could wall off important markets.

### **The "Exclusivist" Challenge**

The U.S. vision for APEC quickly came under challenge by Malaysian Prime Minister Mahathir Mohamad and others who perceived the forum as a Western device for prying apart protected Asian industries and dismantling the Asian developmental model. In 1990, Mahathir proposed an East Asian Economic Group (EAEG) that would include only APEC's eleven Asian members. U.S. Secretary of State James Baker warned against "lines being drawn down the Pacific," mobilized opposition to the EAEG idea, and "did [his] best to kill it."<sup>241</sup> The United States pressured Japan, South Korea, and others to reject the EAEG proposal, which threatened to stunt APEC's development and impede U.S. efforts at "open" trans-Pacific liberalization.<sup>242</sup> That effort was successful, and Mahathir was forced to shelve the plan temporarily.

While the Soviet Union remained a threat, the George H.W. Bush administration was also wary of proposals to establish multilateral security dialogue in Asia, such as a proposal by Japanese Foreign Minister Taro Nakayama to set up confidence-building talks along the lines of the Conference for Security and Cooperation in Europe. Baker and others withheld support, fearing that such a scheme would provide an opening to the Soviet Union and undermine key bilateral ties, and the idea was put on hold.<sup>243</sup> Thus, as the Cold War drew to a close, the United States had begun to embrace an open conception of economic regionalism but remained cautious and loath to extend the regional project into the security sphere.

### **America's Post-Cold War Approach**

The end of the Cold War had major implications for U.S. global strategy but had a less pronounced effect in Asia. The Soviet Union had never

been a major economic player in the Pacific, and its demise had little effect on the booming trade and investment that inspired the project of regional economic integration. It also had only modest relevance to the emerging debate between American and East Asian visions of a desirable international economic order. Changes in U.S. policy were also incremental in the security sphere. Despite the 1992 closure of large U.S. bases in the Philippines, the hub-and-spokes system remained largely intact, as did two of the regimes it was designed to contain—China and North Korea. Some Asian governments looked to multilateral options to manage fears of a rising China, resurgent Japan, or disengaged America, but U.S. policy remained rooted quite firmly in established partnerships.

### ***Vision for an Asia-Pacific Architecture***

In a Foreign Affairs article written as the Soviet Union crumbled, James Baker set forth the George H.W. Bush administration's view of a post-Cold War "Pacific community." Baker analogized U.S. engagement in the region to "a fan spread wide, with its base in North America radiating west across the Pacific." Connecting the bilateral spokes was "the fabric of shared economic interests" given form by the APEC process.<sup>244</sup> First, America's forward military presence and bilateral alliances were "the foundation of Asia's security structure" with the U.S.-Japan Security Treaty as "the central support."<sup>245</sup> Second, multilateral fora and institutions should be supportive of a strong alliance structure. Thus, he emphasized two themes consistently held by both Democrats and Republicans across U.S. administrations.<sup>246</sup>

Baker stressed the interlocking nature of global and regional processes and argued that a Pacific community should be founded on "common values" of economic and political liberalism, which he described as "natural partner[s]."<sup>247</sup> He expressed the limits of America's commitment to formal organizations, arguing that states should consider ad hoc, flexible multilateral action "without locking ourselves into an overly structured approach. In the Asia-Pacific community, form should follow function."<sup>248</sup> This, too, represented a hallmark of U.S. engagement—working through regional venues when possible, but keeping bilateral options open as insurance against multilateral gridlock and as leverage to encourage action.

### ***A Shift toward Multilateralism***

The Clinton administration did not overhaul U.S. policy toward Asian regionalism but committed to increased participation in multilateral fora.<sup>249</sup> Clinton proposed elevating APEC to the leaders' level and hosted the inaugural leaders' meeting in Seattle in 1993, which significantly boosted APEC's profile and political momentum.<sup>250</sup> U.S. leadership was instrumental in bringing about the 1994 Bogor Declaration, in which APEC leaders adopted the goal of building a free and open trade and investment regime in the Asia-Pacific region by 2010 for industrialized countries and 2020 for developing states. The Bogor Declaration was very much in line with the U.S. free trade agenda and adhered to the "open regionalism" concept, as leaders emphasized their "strong opposition to the creation of an inward-looking trading bloc that would divert from the pursuit of global free trade."<sup>251</sup>

U.S. officials also supported a Singapore-led initiative to broaden a nascent security dialogue that was taking place through the ASEAN Post-Ministerial Conference (PMC) and to include other partners, including China, Japan, the United States, Russia, and others.<sup>252</sup> In July 1993, Secretary of State Warren Christopher endorsed the concept and said that: "while alliances and bilateral defence relationships will remain the cornerstone of American strategy in Southeast Asia, the Clinton Administration welcomes multilateral security consultations—especially within the framework of the PMC."<sup>253</sup> That overture paved the way to U.S. participation in the ASEAN Regional Forum (ARF), which held its first meeting in Bangkok in 1994.

### ***Stalled Progress and Relative Disengagement***

The signing of the Bogor Declaration and inaugural meeting of the ARF were the high-water marks for the Clinton administration's engagement with regional institutions in Asia. In 1994, before the ink could dry on the Bogor Declaration, the U.S. Congress gave voice to rising protectionist sentiment by refusing to extend Clinton's "fast-track" authority to conclude free trade deals.<sup>254</sup> This drained the Clinton administration of its credibility as a free-trade promoter and ushered in a period of benign neglect of APEC by the United States.

Slackening U.S. activity also reflected external considerations. The

ambitious trade liberalization adopted in Bogor in 1994 yielded few concrete observable results, and a high-profile dispute ensued about the merits of the U.S.-led liberalization agenda. Japan and the U.S. were often out of step, as Japan preferred to focus on promoting economic and technical cooperation. Frustration with lack of progress and the end of the Uruguay Round of trade talks—which APEC’s momentum in 1993-94 had helped push to conclusion—also sapped U.S. enthusiasm for APEC.<sup>255</sup>

While APEC stumbled, the ARF process also ran aground in its infancy. It proved unable to play a major constructive role in some of the most salient security issues in the region, including the Indonesian haze crisis of 1997, riots and regime change in Jakarta in 1998, and the East Timor debacle of 1999. U.S. officials also found it difficult to generate meaningful dialogue about sensitive topics such as the Taiwan issue and North Korean nuclear program on the agenda. Unlike in the economic arena, however, no exclusively regional rival emerged to the ARF. Instead, the effect of insecurity and the ARF’s ailing reputation was to push some of America’s key partners back toward close bilateral cooperation with Washington. U.S. policy remained clear; the Clinton administration would support multilateral solutions, but only insofar as they did not challenge the primacy of U.S. bilateral arrangements.<sup>256</sup> In its 1996 National Security Strategy, the Clinton administration highlighted the importance of APEC and the ARF but carefully reinforced that alliances were “the foundation for America’s security role in the region.”<sup>257</sup>

### ***Responding to Demands for an Asian Economic Forum***

Throughout the 1990s, Mahathir and other Asian officials opposed to U.S.-led liberalization continued to press for an exclusively Asian economic forum modelled on the EAEG (which had been renamed the East Asian Economic Caucus or “EAEC”).<sup>258</sup> The Clinton administration pushed back, promoting APEC and pan-Pacific regionalism. At the 1994 ASEAN-PMC, Under Secretary of State for Economic and Agricultural Affairs Joan Spero said: “Any new organization should be oriented towards open trade and not block trade. The main focus is APEC. We believe in it. We want to deepen and strengthen it. We don’t want to have a divide down the Pacific.”<sup>259</sup> That position softened slightly by 1996, when Spero said: “We are supportive of an organization like APEC that is

open for all its members, that there will not be any kind of divisiveness... If EAEC is supportive of trade liberalization, if it is supportive of open regionalism, we have no opposition.”<sup>260</sup>

The limits to U.S. interest in an Asian-only institution again became clear, however, when Japan proposed an Asian Monetary Fund (AMF) during the early stages of the financial crisis in summer 1997. U.S. Treasury Secretary Lawrence Summers and Under Secretary for International Affairs Timothy Geithner saw the plan as a direct challenge to the IMF and U.S. economic interests in Asia. Japan backed off, largely due to U.S. disapproval.<sup>261</sup> The IMF led the bailout program for several afflicted Asian states, but the austerity measures it demanded left sour tastes in the mouths of many regional officials. The 1997-98 crisis dealt a severe blow to APEC’s credibility, as the forum played little role in resolving the turmoil. The appeal of APEC’s “Early Voluntary Sectoral Liberalization” scheme also plummeted.<sup>262</sup> Many officials believed that the United States had used the crisis to force open their markets, and some even accused America of orchestrating the crisis.

Resentment of the U.S.-led response to the crisis gave new momentum to the idea of an Asian-only economic group. The idea for ASEAN Plus Three was hatched at an ASEAN leaders’ meeting in Kuala Lumpur in late 1997 and led to the first finance ministers’ meeting in 1999. ASEAN+3’s first activity was to roll out the Chiang Mai Initiative (CMI), a scheme involving enhanced financial market cooperation and a network of voluntary bilateral currency swaps to provide a regional safety net and reduce dependence on Western-led bailouts. APT finance ministers carefully emphasized that the scheme would supplement the IMF’s work and limited borrowers to 10% of the available funds if they lacked an IMF program. This—and the fact that currency swaps were already widely used by the Federal Reserve and other central banks—made the CMI less offensive to Washington. U.S. officials privately expressed concern but gave it their lukewarm public blessing.

### ***Hedged Multilateralism***

The George W. Bush administration echoed the established U.S. policy line on Asian regionalism, asserting that institutions like APEC and the ARF could “play a vital role” alongside ad hoc groupings and initiatives but that an “institutional framework... must be built upon a foundation

of sound bilateral relations with key states in the region.<sup>263</sup> Despite frequent tiffs over Myanmar, the United States did deepen ties with ASEAN, establishing an ASEAN-U.S. Cooperation Plan in 2002; an ASEAN-U.S. Technical Assistance and Training Facility in Jakarta in 2004; the ASEAN-U.S. Enhanced Partnership, follow-on Plan of Action, and ASEAN-U.S. Trade and Investment Framework Agreement in 2005-06; and the appointment of America's first ambassador to ASEAN.<sup>264</sup> U.S. officials continued to participate actively in "track two" dialogues such as the Shangri-La Dialogue, Northeast Asia Cooperation Dialogue, and Council for Security Cooperation in the Asia-Pacific (CSCAP), and America remained a leading voice in APEC and the ARF—notwithstanding critiques mentioned below.

Nevertheless, the policy content of U.S. engagement in APEC and the ARF perceptibly changed. Free trade remained an important part of the agenda, but after September 2011, counter-terrorism and non-proliferation became overriding concerns in U.S. foreign policy, and the U.S. government pushed doggedly for APEC and the ARF to take on those issues.<sup>265</sup> Many Asian officials resented U.S. efforts to secure their allegiance to a "war on terror" that they regarded as illegitimate or peripheral to their own national interests. Many regarded counter-terrorism and non-proliferation initiatives as deviations from APEC's core mission, and even in the security-centred ARF, many Asian participants resisted American efforts to tackle sensitive issues like regional Al Qaeda affiliates and the North Korean nuclear program.<sup>266</sup> When Secretary of State Condoleezza Rice missed the 2005 and 2007 ARF ministerial meetings, some Asians grumbled that the United States was disengaged from a process it sought to dominate.

Both in the economic and security spheres, frustration with perceived foot-dragging in multilateral fora led the Bush administration to place greater emphasis on ad hoc cooperation and bilateral initiatives. On the economic side, the Bush administration pursued free trade with renewed vigour—especially after the 2002 reinstatement of fast-track authority—but focused primarily on high-quality bilateral deals. While China signed a multilateral FTA with ASEAN in 2002 and Japan and Korea pursued similar deals, the U.S. government did not oppose those deals. Instead, it sought to ensure access by focusing on high-quality bilateral deals and consultation agreements with key partners.<sup>267</sup>

The U.S. government participated in a subcabinet-level economic

dialogue with Japan and a major new cabinet-level Strategic Economic Dialogue with China. U.S. and Southeast Asian officials also established the U.S.-ASEAN Enterprise Initiative, a scheme based on FTAs with individual Southeast Asian countries.<sup>268</sup> The United States picked the most appealing bilateral partners in sequence, concluding the Singapore-U.S. FTA in 2002, signing a deal with South Korea that has yet to be ratified, and starting talks with Thailand and Malaysia (neither of which has come to fruition.) In 2008, the Bush administration also announced its plan to negotiate an entry into the Trans-Pacific Partnership (TPP), a multilateral FTA currently involving Brunei, Chile, New Zealand, and Singapore that aims to eliminate tariffs by 2015. The TPP was viewed as a realistic step toward the long-term goal that the United States has advanced in APEC for a broadly multilateral Free Trade Agreement of the Asia-Pacific (FTAAP).

In security affairs, the Bush administration also prioritized the use of ad hoc groupings to meet specific goals. It invested heavily in the Six-Party Talks on Korea—somewhat to the chagrin of Southeast Asians who felt neglected by Assistant Secretary of State for East Asia Christopher Hill, the lead U.S. negotiator. The Asia-Pacific Energy Partnership is another example, including Australia, China, India, Japan, South Korea, and the United States in an effort to promote environmentally friendly energy.<sup>269</sup> A further case was the Tsunami Core Group of the United States, Japan, Australia, and India that provided emergency relief around the Indian Ocean for a brief period in late 2004 and early 2005.<sup>270</sup>

The United States also enhanced mini-lateral defence cooperation among like-minded states. It established a Trilateral Strategic Dialogue with Australia and Japan in 2002 and a "track 1.5" dialogue with Japan and South Korea in 2008. It expanded the originally bilateral U.S.-Thai *Cobra Gold* exercises to include Singapore, Japan, and Indonesia and the Indo-U.S. Malabar exercises to include Singapore, Australia, and Japan. Despite welcoming ARF progress on certain non-traditional security issues, U.S. officials continued to hold little faith in pan-regional organizations to deal with key near-term threats of a primarily military nature.

### ***The Growth of Indigenous Institutions***

During the Bush era, the forum that accumulated the most political

momentum was ASEAN+3, the group that excluded U.S. participation. The CMI system of bilateral swaps grew in size and number, and in 2005 the volume of funds available without an IMF program inched up from 10% to 20%. ASEAN+3 finance ministers also set about the task of “multilateralizing” the initiative, which revived discussion of an Asian Monetary Fund. The CMI’s multilateralization and drift away from IMF anchorage raised eyebrows in the U.S. Treasury Department. Unlike in 1997, however, U.S. officials did not try to block the plan—an effort that would likely have been unsuccessful given Asia’s vast reserves and rising clout vis-à-vis Washington. Instead, the United States supported Asian demands to rebalance the IMF and other key forums to give East Asia greater voting shares and representation. The U.S. Federal Reserve also set up a number of large bilateral currency swaps of its own during the 2007-09 financial crisis, matching in size the \$120 billion multilateralized CMI that took effect in 2010.<sup>271</sup>

The concept for an East Asia Summit grew out of discussions within the ASEAN+3. It reflected both a Chinese effort to exercise leadership and collective Asian weariness of APEC and the ARF. U.S. officials were suspicious of the Asian-only summit when the Malaysian government first announced its establishment in 2004. Singaporean Foreign Minister George Yeo revealed after a meeting with then Secretary of State Condoleezza Rice that the United States had “some concerns that the East Asia Summit will be inward looking and exclusive.”<sup>272</sup> America was ineligible to join the EAS, because a condition for participation was accession to the Treaty of Amity and Cooperation. By 2005, China, India, Russia, and Japan had signed the treaty, but the U.S. government declined, citing its opposition to the forced disclosure of nuclear weapons on its warships. Relatively anodyne EAS agendas and meagre tangible outputs eased U.S. concerns somewhat, as did the inclusion of Australia, New Zealand, and India had a similar effect, reflecting efforts by Japan and others to prevent Chinese dominance. Nevertheless, the EAS suggested a trend whereby pan-Asian groups were gaining momentum at the expense of their pan-Pacific counterparts.

### **The Obama Administration’s Strategy**

Barack Obama took office at a time when China’s dramatic rise had changed the landscape of Asia and when financial turmoil, vast debt, and

grinding conflicts in Iraq and Afghanistan severely strained American power. In a shift reminiscent of the 1993 transfer from Bush’s father to Clinton, the Obama administration has kept most of his predecessor’s policy intact—including a deep commitment to bilateral relationships—but has put more rhetorical and substantive focus on multilateral diplomacy.<sup>273</sup>

In November 2009, Obama declared that “the United States has been disengaged from [Asia-Pacific multilateral] organizations in recent years,” but “those days have passed.”<sup>274</sup> Two months later, Hillary Clinton updated the U.S. vision toward Asia’s regional architecture in a speech in Honolulu.<sup>275</sup> She held onto the traditional moorings of U.S. policy in Asia. She stressed that “the United States’ alliance relationships are the cornerstone of our regional involvement,” and “our commitment to our bilateral relationships is entirely consistent with—and will enhance—Asia’s multilateral groupings.”<sup>276</sup> She also sounded familiar notes by focusing on the merits of a “rule-based” approach and asserting that regional institutions must be “focused on delivering results.”<sup>277</sup>

She made it clear that where large multilateral institutions lack the will or capacity to solve problems, the U.S. would be willing to move ahead without all countries on board by joining “sub-regional institutions” and “informal arrangements targeted to specific challenges.”<sup>278</sup> Indeed, while vocalizing support for multilateral institutions, the Obama administration has kept other options open. It remains invested in trilateral dialogues, mini-lateral joint defence exercises, the TPP negotiations, and other processes.

Clinton’s vision nevertheless communicated a clear surge in America’s interest in multilateral engagement. She declared that “the United States is back in Asia” and that “half of diplomacy is showing up”—a pledge that U.S. officials would devote more diplomatic time to regional fora. This shift partly reflected the different diplomatic styles and emphases of the Bush and Obama administrations, but it was also a product of changed circumstances. Although U.S. influence remains formidable in Asia, Washington is not as well-positioned as it was during the 1990s to steer the regionalist project or act as an institutional gatekeeper. Asian-led multilateralism has long since left the station and now carries strong momentum, fuelled by broad normative buy-in and the locomotive of rising Asian power. The Obama administration has taken the view that America needs to compete more vigorously within that space.

The overriding (though often unspoken) goals of that engagement have been to protect U.S. interests against rising Chinese influence and prevent the emergence of fora that marginalize America diplomatically. Traditional realist theory focuses largely on self-help remedies and alliance politics as “balancing” devices. The United States has certainly not given up on such structures, but it did not go so far as to endorse the proposal by former Australian Prime Minister Kevin Rudd to create an “Asia-Pacific Community” to focus on key security issues, which looked to U.S. officials like a transparent and unduly provocative anti-PRC containment scheme.<sup>279</sup> Building a neo-containment regime around China entails serious risks of unwanted escalation and has little appeal to the PRC’s neighbours. Given the prominence of multilateral fora and initiatives in Asia today, U.S. policy has increasingly embraced regional engagement as a “softer” complement to hard-balancing strategies.

#### ***Added Support for ASEAN Centrality***

One of the most salient features of the Obama administration’s approach has been to promote ASEAN centrality more prominently than before. Clinton’s first trip abroad as Secretary of State was to Asia and included a stop at the ASEAN Secretariat.<sup>280</sup> In July 2009, the United States signed the Treaty of Amity and Cooperation—both a practical necessity to join the EAS and a symbolic step conveying that America was willing to play by some of ASEAN’s key regional rules. Several months later, Obama held the first-ever U.S. presidential meeting with ASEAN leaders in Singapore. The State Department opened a Mission to the ASEAN Secretariat in Jakarta in 2010.<sup>281</sup> In October 2010, Clinton, said that “ASEAN’s centrality” was a core U.S. principle for engagement in the East Asia Summit.<sup>282</sup> That month, U.S. Defense Secretary Robert Gates attended the inaugural meeting of “ADMM+8”—a forum of ASEAN defence ministers and their counterparts from eight other regional states, including China and the United States.

U.S. officials have traditionally been ambivalent about ASEAN centrality in regional fora. The United States has often seen the “ASEAN Way” of consensus-seeking diplomacy as a recipe for inaction. U.S. officials have also viewed ASEAN (correctly) as a device partly aimed at constraining great-power prerogative, including America’s. Some of the regional proposals of greatest concern to Washington, such as the EAEG

and AMF, have had strong ASEAN sponsorship or backing. However, the rise of China has altered the U.S. perspective. The United States welcomes ASEAN’s strategy of “counter-dominance” insofar as it prevents the PRC from dominating regional fora such as the EAS.<sup>283</sup> If the United States is not well positioned to drive Asia-Pacific regionalism, its fall-back strategy has been to ensure that a rival does not dominate the process.

#### ***Accession to the EAS***

Another key aspect of the U.S. approach has been its 2010 decision to join the EAS. U.S. officials were conflicted and worried that doing so would further sap APEC’s strength and that the summit would consume time on a crowded presidential calendar without necessarily delivering results.<sup>284</sup> Nevertheless, the United States harboured nagging fears that important issues would be discussed with China playing quarterback and America on the sidelines.<sup>285</sup>

Joining the EAS is to some degree a humble (if not humbling) move for the U.S. government. It entails recognition of changed power realities and inevitably signals a modest rebalancing away from APEC and the ARF— fora created when the United States had greater leverage to determine membership and set agendas. Nevertheless, the United States has not made a bashful entrance to the EAS. At the 2010 summit in Hanoi, Clinton delivered an opening salvo on the need to tackle touchy issues. She called on the EAS to address a range of “the most consequential issues of our time,” including nuclear proliferation (read: North Korea), the conventional arms build-up and maritime disputes in Asia (read: China’s growing military might and assertiveness), human rights, and climate change.<sup>286</sup>

This echoed her July 2010 comments at the ARF’s annual ministerial meeting, when she advocated using a “diplomatic collaborative process” to settle regional territorial disputes. China protested loudly, perceiving this as an effort by Washington to intervene in the South China Sea disputes, which it has tried to handle bilaterally.<sup>287</sup> That exchange showed that U.S. policymakers see regional norms and institutions as useful constraining devices on others, even if America resents being similarly constrained itself.

U.S. officials certainly recognize that their reputation for browbeating Asian peers on politically sensitive issues has contributed to the transfer

of political energy toward Asian-only arrangements. In addition, moving the EAS toward a more proactive agenda will not be easy; playing defence is much easier than playing offense in a consensus-based diplomatic forum. Still, the push for progress on sensitive issues is likely to remain a staple of the U.S. approach. It resonates well with U.S. domestic audiences even if it frequently grates on the nerves of Asian colleagues. Setting an ambitious agenda also has tactical advantages, helping to justify U.S. recourse to mini-lateral or bilateral remedies when institutions fail to deliver. U.S. participation arguably makes the EAS even less likely to reach substantive agreements, but from the U.S. policy standpoint, an unwieldy regional security forum is certainly preferable to a functional forum working decisively against American interests.

### ***Propping up APEC***

The Obama administration has tried to soften the impact of EAS accession on APEC and the ARF by emphasizing their continuing relevance and promoting functional differentiation.<sup>288</sup> On economic matters, APEC remains America's clear venue of choice. The State Department refers to it as "the premier forum for strengthening regional economic integration in the Asia-Pacific,"<sup>289</sup> and U.S. Senior Official to APEC Kurt Tong has called it "best and most established regional mechanism for practical cooperation and action" on the economic front.<sup>290</sup> When discussing the possibility of U.S. participation in the EAS, Hillary Clinton said that with respect to economic integration, "I think APEC is the organization that we and our partners must engage in."<sup>291</sup> The main reason is clear—APEC includes America, while ASEAN+3 does not.<sup>292</sup>

The United States is hosting APEC in 2011—the first time the U.S. has hosted that forum since the Seattle summit in 1993. In March 2011, Clinton reiterated many themes from her January 2010 address and laid out its more specific policy priorities for APEC, including the importance of open regionalism, free trade and investment, and transparency.<sup>293</sup> U.S. officials are nevertheless struggling against widespread perceptions that APEC has lost its lustre. As one close observer of the process argues, APEC has struggled largely because "it widened before it deepened," inviting new members (such as Russia, Peru, Mexico, and Chile during the 1990s) and taking on new issues before it could make real progress on its core missions.<sup>294</sup> Domestic furore over perceived Asian mercantilism,

mediated by the U.S. Congress, has also cramped America's credibility as a champion of free trade and investment, as even bilateral FTAs with key U.S. partners like South Korea remain stuck on Capitol Hill. It is also not encouraging that APEC's momentum is low at the end of what U.S. officials hoped would be a period of renewed energy—with Singapore, Japan, and the United States as successive hosts—and before Russia and Indonesia take the helm in 2012-13.

### ***The Challenge of Sustained Engagement***

The Obama administration's approach thus far has been to try to cover all bases by managing bilateral and small-group relationships while engaging in ever-more multilateral fora. Despite its setbacks, U.S. policy appears committed to sticking with APEC. Walking away from APEC would be a significant setback for the United States. It would have implications for the open regionalism model and free trade agenda and likely rebound to the benefit of ASEAN+3. It would also have the political price of cutting Taiwan out of the regional loop. The United States was able to draw Taiwan into APEC in 1991, but China would certainly not agree to independent Taiwanese participation in a regional forum today.<sup>295</sup> It is inconceivable that China would agree to a similar arrangement in the EAS today. The United States also has an established domestic constituency invested in APEC, most notably in the form of the APEC Business Advisory Council.

Policymakers in Washington will face inevitable choices, however. Sheer distance and America's global interests and obligations make it hard for senior U.S. officials to participate fully on the dauntingly crowded calendar of Asian multilateral events. Delivering a president to the EAS and to APEC each year will not be easy,<sup>296</sup> and attendance will be scrutinized and used as a measure of how America is casting its lot.<sup>297</sup> Thus, Clinton has acknowledged that "we need to decide, as Asia-Pacific nations, which will be the defining regional institutions."<sup>298</sup> ASEAN+3 remains off-limits to America. U.S. policymakers have not yet determined how to allocate their political capital—and senior officials' scarce time—across the EAS, APEC, and the ARF.<sup>299</sup>



## Conclusion

The U.S. attitude toward Asian regionalism remains deeply ambivalent. To the United States, Asian regionalism has sometimes served to advance U.S. values and interests and sometimes directly challenged them. It is an ideational force more difficult to manage than a series of asymmetrical bilateral relationships or the balance-of-power framework into which they feed. To U.S. policymakers, strong bilateral bonds remain the trusted scaffolding on which multilateral institutions should be built. That architectural model reflects enduring wariness in Washington about the trajectory of regional norms and institutions, which offer uncertain safeguards against unwanted shifts in a status quo order that has served U.S. interests reasonably well. America will continue to avoid putting too many eggs in the basket of structured regional fora.

The United States is also cautious about setting the bar too high in terms of normative aspirations. Successive U.S. administrations have espoused visions for a "Pacific community," and U.S. officials have occasionally endorsed the objective of a robust "security community" advanced by scholars like Karl Deutsch and Amitav Acharya<sup>300</sup> For example, in 2000 Admiral Dennis Blair, Commander-in-Chief of the U.S. Pacific Command, recommended working against the "realpolitik balance-of-power thinking" and toward security communities in Northeast and Southeast Asia that would involve "more multilateral security arrangement[s]" in which countries "genuinely do not want or intend to fight each other, and are willing to contribute armed forces and other aid to UN-mandated and humanitarian operations."<sup>301</sup>

However, U.S. policy has tended to promote more modest concepts of "community" focused on subsets of states or issues. Given the economic and political diversity of Asia's constituent states, America's near-term expectations from the Asian regional project are modest. There is little confidence in Washington that the region will soon achieve an outcome like that of Western and Central Europe. The U.S. government has been explicit about the fact that it perceives the need to "hedge" against the possibility of adverse developments in Asia, particularly relating to the rise of China.<sup>302</sup>

The U.S. government's position on Asian regionalism is often characterized as ranging from opposition to neglect.<sup>303</sup> That has not always been true—at times the U.S. government has sought to generate

enthusiasm for a pan-Pacific variant of regionalism, particularly through APEC. The style and policy substance of U.S. engagement has often been unwelcome, though, and the U.S. government has tended to switch quickly to bilateral channels when it has faced impediments. This is hardly surprising. Whereas small states find their influence augmented in pooled arrangements, America has usually found its interests easier to pursue in smaller-group settings.

American officials often jibe that regional fora amount to little more than "talk-shops," consuming calendar time and conference rooms with fewer results than head-on bilateral discussions or ad hoc coalitions would achieve. Still, U.S. officials deem regionalism to be a powerful normative and political force that cannot and should not be neglected. The United States continues to push a pan-Pacific agenda and regards Asian-only schemes like ASEAN+3 with considerable concern, but it is no longer as inclined (or able) to block such regional initiatives. Instead, the U.S. government has taken the view that if it cannot beat the proponents of a more Asia-centric brand of regionalism, it will sometimes seek to join them.

## NOTES

- 235 *The Manila Pact (formally the "Collective Defence Treaty for South-East Asia) and SEATO included "in-area" members (Australia, New Zealand, Pakistan, the Philippines, Thailand, and observers from South Vietnam and South Korea) and "out-of-area" members (France, the United Kingdom, and the United States).*
- 236 *This fact was made clear by the 1962 Rusk-Thanas agreement between Thailand and the United States, which asserted that the Manila Pact obligations were individual as well as collective, and by the fact that the United States did not rely on the Manila Pact to support its operations in Vietnam. Michael Leifer, "The ASEAN Regional Forum," Adelphi Paper 302 (London: International Institute for Strategic Studies, 1996): 9.*
- 237 *John Ravenhill, APEC and the Construction of Pacific Rim Regionalism (Cambridge: Cambridge University Press, 2001), 49-50; Bruce M. Russett, "The Asia Rimland as a 'Region' for Containing China," in Public Policy 16, eds., John D. Montgomery and Albert O. Hirschmann (1967), 226-49.*
- 238 *Takashi Terada, "The Genesis of APEC—Australian-Japan Political Initiatives," Pacific Economic Paper no. 298 (Canberra: Australian National University, 1999), 13; Andrew Elek, The Evolution of PECC: The First 25 Years (Pacific Economic Cooperation Council, 2005), 68.*
- 239 *Richard W. Baker, "The United States and APEC Regime Building," in Asia-Pacific Crossroads: Regime Creation and the Future of APEC, ed., Vinod K. Aggarwal and Charles E. Morrison (New York: St. Martin's Press, 1998), 168.*
- 240 *James A. Baker III, Speech to the Asia Society, New York, NY, June 26, 1989.*
- 241 *See "U.S. All Out to 'Kill' the EAEC," Business Times (Malaysia), Oct. 6, 1995 (quoting Baker).*
- 242 *Alice D. Ba, (Re)negotiating East and Southeast Asia: Region, Regionalism, and the Association of Southeast Asian Nations (Stanford, CA: Stanford University Press, 2009), 147-8; and Richard Stubbs, "ASEAN Plus Three: Emerging East Asian Regionalism?" Asian Survey 42, no. 3 (2002): 441.*
- 243 *Ba, '(Re) negotiating East and Southeast Asia,' 180.*
- 244 *James A. Baker III, "America in Asia: Emerging Architecture for a Pacific Community," Foreign Affairs 7, no. 5 (1991/92).*
- 245 *Ibid.*
- 246 *Ralph A. Cossa, "Evolving U.S. Views on Asia's Future Institutional Architecture," in Asia's New Multilateralism: Cooperation, Competition, and the Search for Community, eds., Michael J. Green and Bates Gill (New York: Columbia University Press, 2009), 34.*
- 247 *Baker, "America in Asia" (stressing that APEC was "not a regional trading bloc" but a complement to global processes.)*
- 248 *Ibid.*
- 249 *An early indication came during the 1993 confirmation hearing of Clinton's nominee for Assistant Secretary of State for East Asian and Pacific Affairs Winston Lord. Rosemary Foot, "Pacific Asia: The Development of Regional Dialogue," in Regionalism in World Politics: Regional Organization and International Order, eds., Louise Fawcett and Andrew Hurrell (Oxford: Oxford University Press, 1995), 242.*
- 250 *Douglas Webber, "Two Funerals and a Wedding? The Ups and Downs of Regionalism in East Asia and Asia-Pacific after the Asian Crisis," Pacific Review 14, no. 3 (2001): 354.*
- 251 *APEC Economic Leaders' Declaration of Common Resolve, Bogor, Indonesia, November 1994*
- 252 *Leifer, 'The ASEAN Regional Forum,' 21-2.*
- 253 *Warren Christopher, U.S. Secretary of State, Statement to the ASEAN Post-Ministerial Conference, Singapore, July 26-28, 1993.*
- 254 *"Fast-track" authority allows Congress to approve or disapprove trade deals but not to rewrite or filibuster them. See U.S. Trade Act of 1974, enacted January 3, 1975, 19 U.S. C. chapter 12.*
- 255 *Webber, 'Two Funerals and a Wedding,' 355-6.*
- 256 *Ba, '(Re)negotiating East and Southeast Asia,' 237.*
- 257 *A National Security Strategy of Engagement and Enlargement (Washington, DC: The White House, 1996), III.*
- 258 *Mahathir originally called for an "East Asian Economic Group" but changed to refer to a "caucus" to deflect concerns that it implied a trade bloc. Richard Stubbs, 'ASEAN Plus Three' 441.*
- 259 *Lee Siew Hua and Sinfah Tunsarawuth, "U.S. Sees Forum as Major Pillar in Foreign Policy," Straits Times (Singapore), July 26, 1994.*
- 260 *"3 Asian Giants Won't Be Invited to Informal Summit 27," Straits Times (Singapore), July 26, 1996. The U.S. also did not object to the establishment of the Asia Europe Meetings (ASEM) in 1995, which did not include America but seemed consistent with the U.S. economic and security agenda and with America's aim to promote civil society and liberal norms in the region. Davis B. Bobrow, "The U.S. and ASEM: Why the Hegemon Didn't Bark," Pacific Review 12, no. 1 (1999): 103-28.*
- 261 *China also opposed the plan, which was wary of Japanese intentions and eager to avoid antagonizing the U.S. government as it sought membership in the World Trade Organization (WTO). See Jennifer Amyx, "Moving Beyond Bilateralism? Japan and the Asian Monetary Fund," Pacific Economic Paper No. 331 (Canberra: Australia-Japan Research Centre, 2000), 4-8.*
- 262 *Michael Wesley, "APEC's Mid-Life Crisis? The Rise and Fall of Early Voluntary Sectoral Liberalization," Pacific Affairs 74, no. 2 (2001): 201-4.*
- 263 *The National Security Strategy of the United States (Washington, DC: The White House, March 2006), 40. The 2002 National Security Strategy also emphasized that alliances "underpin peace and stability in Asia" while mentioning ASEAN and APEC as institutional venues that can be part of a "mix of regional and bilateral strategies for managing change in this dynamic region." The National Security Strategy of the United States of America (Washington, DC: The White House, September 2002), 26.*
- 264 *Senator Richard Lugar sponsored a bill to establish an ambassador to ASEAN in 2006. John Kerry, Barack Obama, and Joe Biden were co-sponsors. "U.S. Ambassador to ASEAN Proposed in Senate," Agence France Presse, May 3, 2006. Scot Marciel took up the post in 2008.*
- 265 *Jusuf Wanandi, "The Bush Administration and East Asia: Under the Shadow of the Security Cloud," in George W. Bush and East Asia: A First Term*

- Assessment, eds., Robert M. Hathaway and Wilson Lee (Washington, DC: Woodrow Wilson International Center for Scholars, 2005), 50; and Catharin E. Dalpino, "Bush in Southeast Asia: Widening Gyres," *ibid.*, 176.
- 266 Evelyn Goh, "The Bush Administration and Southeast Asian Regional Security Strategies," in George W. Bush and East Asia: A First Term Assessment, eds., Robert M. Hathaway and Wilson Lee (Washington, DC: Woodrow Wilson International Center for Scholars, 2005), 193.
- 267 Dick K. Nanto, "East Asian Regional Architecture: New Economic and Security Arrangements and U.S. Policy," CRS Report for Congress (Washington, DC: Congressional Research Service, 2008), 24.
- 268 Dalpino, 'Bush in Southeast Asia,' 178-9 (citing perceptions that the U.S.-ASEAN Enterprise Initiative is "a bilateral program in mufti.")
- 269 Cossa, 'Evolving U.S. Views,' 45.
- 270 Evan A. Feigenbaum and Robert A. Manning, *The United States in the New Asia* (New York: Council on Foreign Relations, 2009), 14-5.
- 271 See John D. Ciorciari, "An Asian Monetary Fund in the making?" SCID Working Paper No. 378 (Stanford Center for International Development, January 2009).
- 272 "U.S. Concerned Over Exclusive Nature of EAS," *Agence France Presse*, February 25, 2005.
- 273 The administration demonstrated some added commitment to regionalism by setting up a dedicated office within the State Department to cover regional institutions. Esther Brimmer, Assistant Secretary of State for International Organization Affairs, Remarks at the East-West Center, Honolulu, HI, December 3, 2010.
- 274 U.S. President Barack Obama, Remarks at Suntory Hall, Tokyo, Japan, November 14, 2009.
- 275 Hillary Clinton, U.S. Secretary of State, "Remarks on Regional Architecture in Asia: Principles and Priorities," Address at the East-West Center, Honolulu, HI, January 10, 2010, available at <http://www.state.gov/secretary/rm/2010/01/135090.htm>.
- 276 Clinton, Jan. 2010 Remarks on Regional Architecture. The Obama administration's 2010 NSS conveys a similar sense of priority, emphasizing that: "Our alliances with Japan, South Korea, Australia, the Philippines, and Thailand are the bedrock of security in Asia and a foundation of prosperity in the Asia-Pacific region." The language and organization of the text suggest that other key relationships, global institutions, and flexible coalitions still come before regional institutions in the pecking-order of policy priorities. See National Security Strategy (Washington, DC: President of the United States, May 2010), 41-7.
- 277 "Dialogue is critical in any multilateral institution, she said, but "we must focus increasingly on action." Clinton, January 2010 Remarks on Regional Architecture.
- 278 Clinton, January 2010 Remarks on Regional Architecture.
- 279 According to a 2009 document released by WikiLeaks, Rudd told Hillary Clinton that his Asia-Pacific Community idea was designed to prevent Chinese dominance at the EAS from leading to a "Chinese Monroe Doctrine" and that China could only succeed if the United States "ceded the field." Choong, "U.S. Will Play Role of China Watcher." Cables indicate that U.S. officials regarded the plan as a hastily contrived plan and did not take it very seriously. "U.S. Wary of Rudd's Rush to an Asia-Pacific Regional 'Vision,'" *The Canberra Times* (Australia), December 24, 2010.
- 280 Tommy Koh, "Asia-U.S. Bond Remains Strong," *Straits Times* (Singapore), July 14, 2010.
- 281 "U.S. to Open Mission to ASEAN in Jakarta," Press release from the ASEAN Secretariat, Phuket, Thailand, July 22, 2009, available at <http://www.aseansec.org/PR-42AMM-US-Open-ASEAN-Mission.pdf>.
- 282 Hillary Clinton, U.S. Secretary of State, Remarks at the Kahala Hotel, Honolulu, Hawaii, Oct. 28, 2010. She again stressed the importance of ASEAN centrality when addressing EAS leaders in Hanoi. Hillary Clinton, U.S. Secretary of State, Remarks on Engagement at the East Asia Summit, Hanoi, Vietnam, October 30, 2010.
- 283 In a clear reference to China, Clinton said that U.S. leadership was crucial to Asia-Pacific institution but that "no country, however—including our own—should seek to dominate these institutions." Clinton, January 2010 Remarks on Regional Architecture.
- 284 Simon Tay, "Firming Up Asia-U.S. Ties," *Straits Times* (Singapore), June 17, 2009.
- 285 Hillary Clinton said of the U.S. interest in the EAS: "Where issues of a political, economic, and security consequence are being discussed in the region, the U.S. wants to be there." Rodolfo C. Severino, "ASEAN's Forum for Maintaining Peace," *Straits Times* (Singapore), November 2, 2010.
- 286 Nicole Gaouette, "Clinton Tells East Asia Summit to Take on Maritime Disputes," *Bloomberg*, October 30, 2010.
- 287 William Choong, "U.S. Will Play Role of China Watcher in EAS," *Straits Times* (Singapore), Mar. 4, 2011.
- 288 Clinton, Jan. 2010 Remarks on Regional Architecture (advocating "differentiated roles and responsibilities" for various institutions in the Asia-Pacific.)
- 289 See, e.g., "Secretary Clinton to Deliver Remarks at the APEC Forum's First Senior Officials Meeting on March 9," U.S. State Department Press Release, March 4, 2011.
- 290 Kurt Tong, Acting Senior Official for APEC, Bureau of East Asian and Pacific Affairs, Testimony before the House Foreign Affairs Subcommittee on Asia, the Pacific and the Global Environment, Washington, DC, October 14, 2009.
- 291 Clinton, January 2010 Remarks on Regional Architecture.
- 292 Kurt Tong said to Congress in 2009: "there has been a proliferation of pan-Asian institutions such as the ASEAN+3 process and the East Asia Summit. The United States does not want or need to be a member of every organization...but believe[s] that effective regional economic institutions must include members from both sides of the Pacific." Tong, Testimony before the House Subcommittee, October 2009.
- 293 Hillary Clinton, U.S. Secretary of State, Remarks to the First APEC Senior Officials' Meeting, Washington, DC, March 9, 2011, available at <http://www.state.gov/secretary/rm/2011/03/157940.htm>.
- 294 Rowan Callick, "U.S. Seeks Bigger Role as Power Shifts to Asia," *The*

- Australian, February 3, 2011 (quoting Charles Morrison, president of the East-West Center).
- 295 The presence of Taiwan particularly appeals to many in the U.S. Congress. Tong, Testimony before the House Subcommittee, October 2009.
- 296 See Donald K. Emmerson, "Asian Regionalism and U.S. Policy: The Case for Creative Adaptation," *RSIS Working Paper No. 193* (Singapore: Rajaratnam School of International Studies, 2010), 7-9. Charles Morrison has expressed doubt about the ability of the U.S. government to deliver on its pledge of annual presidential attendance. "Next time, in Jakarta, yes, but in 2012 when there's an election? Then if he doesn't go, everyone will say he is forgetting Asia all over again." Callick, "U.S. Seeks Bigger Role."
- 297 For example, Hillary Clinton skipped the November 2010 APEC Summit in Yokohama. Although President Obama did attend, Clinton's absence prompted some questions about U.S. commitment to APEC. See, e.g., Ernie Bower, "Should We Read Anything into Your Missing APEC, Secretary Clinton?" *Cogitasia*, November 12, 2010.
- 298 Clinton, January 2010 Remarks on Regional Architecture.
- 299 The ARF is easiest to accommodate, because it culminates in a ministerial meeting and avoids demands on leaders' time. APEC and the EAS could be juxtaposed to facilitate leaders' attendance to both fora, but revolving national chairmanship in each forum complicates that possibility, and time sent in multilateral meetings eats away at the prized hours and days that State Department bureaucrats seek to use for ancillary bilateral visits while their president is in Asia.
- 300 See, e.g., Amitav Acharya, *Constructing a Security Community in Southeast Asia* (London: Routledge, 2<sup>nd</sup> ed. 2009), introduction.
- 301 Asad Latif, "Security Communities for a Secure Asia," *Straits Times* (Singapore), April 1, 2000.
- 302 2006 National Security Strategy, 42.
- 303 See, e.g., Amitav Acharya and See Seng Tan, "Betwixt Balance and Community: America, ASEAN, and the Security of Southeast Asia," *International Relations of the Asia-Pacific* 6, no. 1 (2005), 52.

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## East Asian Regionalism: Policies and Priorities

Narayanan Ganesan

There has clearly been remarkable momentum in efforts towards the creation of an East Asian community in the aftermath of the Asian financial crisis of 1997. The regionalist enterprise itself is however significantly older and ideas and initiatives in achieving it have borne some successes and some failures. Among the chief reasons for why some schemes have succeeded and others failed are the multiple drivers involved in the process and their preferred directions. Gathering sufficient consensus among the major players has not always been an easy task and some preferences are less readily visible than others. Consequently, the regionalist enterprise has been subjected to some strains and occasionally exhibits lethargy. And since governments have important domestic constituencies and agendas to attend to, there is also the occasional introversion to attend to domestic imperatives or restraint to satisfy domestic constituencies. Developments associated with the Asian financial crisis of 1997 are examples of the former while the agricultural lobbies in Japan and South Korea are an example of the latter. Then there are differences in the agenda items themselves and how and when they should be introduced if at all. So for example, Japan, South Korea and the United States are interested in rational legal and enforceable principles that may require rewards and punishments to ensure compliance. They are also keen on furthering ideational norms like democratic governance and transparency while some member countries in the Association of Southeast Asian Nations (ASEAN) and China are disinterested in the evolution of such norms since these would in turn threaten the very regimes in power.

This chapter identifies the major drivers of recent attempts at East Asian regionalism deriving from ASEAN-led initiatives and their preferences. It deals with five major actors and they are ASEAN, China, Japan, South Korea and the United States. The chapter is divided into three major sections and the first details the positions and preferences of the five major actors that are addressed in this book. The second section then draws on the areas of convergence and divergence between these actors and the third section suggests the likely trajectory of East Asian

regionalism in light of the findings.

### **Major drivers and their positions – ASEAN**

There is a very real sense in which ASEAN has been at the forefront of the regionalist enterprise in Southeast Asia. The post-Cold War context provided an excellent opportunity for the organization to expand outwards after its focused attention on regional developments in the aftermath of the communist victory in the Second Indochina War and the unification of Vietnam in 1975. The dissipation of Cold War structures and in particular the cessation of the Sino-Soviet rivalry that involved Vietnam by 1989 allowed ASEAN to shed its anti-communist hue and adopt one that was more accommodating of countries with different ideological dispositions in the 1990s. Consequently, ASEAN, despite its early birth in 1967 as a regional organization that derived from the sub-systemic characteristics of the Cold War, moved towards achieving its early goal of involving all regional countries in the Association. Within this context, ASEAN consolidated its position as the preeminent regional organization in Southeast Asia after Cambodian membership in 1999.

ASEAN's outward expansion to embrace the three countries of Northeast Asia – China, Japan and South Korea – was in the first instance inspired by the outbreak of the Asian financial crisis in 1997. The economic degradation of the region and the need to seek economic and financial assistance was what propelled ASEAN in the first instance to seek closer cooperation with Northeast Asia. Out of this collaboration was born the ASEAN Plus Three (APT) concept that then provided the impetus for greater collaboration and coordination between ASEAN and Northeast Asia. The clearest structural arrangement that came out of this embryonic regionalism radiating outwards from ASEAN was the Chiangmai Currency Swap Agreement of 2000 that has since been significantly strengthened. Over time this organization has metamorphosed into something larger – ASEAN Plus Six that includes Australia, New Zealand and India. This second outward concentric circle is normally referred to as the East Asian Summit (EAS) and held its inaugural meeting in Kuala Lumpur in 2005. The third and largest outward expression of the regionalism emanating outwards from ASEAN is the ASEAN Plus Eight group that is sometimes referred to as the East Asian Community (EAC or APE).

There have been different pulls and pushes that have led to this

plethora of regional organizations with ASEAN at the core. The Asian financial crisis was the strongest push factor for the ASEAN Plus Three forum and drew inspiration from Malaysian Prime Minister Mahathir Mohamed's idea of an East Asian Economic Grouping (EAEG) that was subsequently downgraded to an East Asian Economic Caucus (EAEC) in ASEAN deliberations. The idea was to have a regional grouping that had both productive and consumptive capacity as well as capital and technology at a time when the rest of the world appeared to be breaking out into trade blocs. Expansions from this first concentric circle have been motivated by both push and pull factors. Push factors included larger markets and greater mass and pull factors included external pressures from countries like the United States and Japan and also the need to include countries with certain normative constructs like democratic governance and the rule of law. The largest expression of this regionalist enterprise – ASEAN Plus Eight – quite simply included the United States and Russia, the two powers that in the past have exerted considerable influence in the region and wanted to be counted into larger developments in the Asia Pacific region.

All of the aforesaid regional organizations have ASEAN at the core and are indeed to some extent driven by ASEAN and its preferences as suggested by Pavin. Such preferences include the most important structural reality of the organizations – ASEAN centrality. And within this centrality, it is common wisdom that Indonesia has traditionally provided strategic centrality in turn to ASEAN.<sup>304</sup> There are other norms that ASEAN would like the members to be socialized into and these include the non-interference rule or abstinence from involvement in the affairs of another sovereign member state. Decision-making is generally consensual which means that the organizations may well have to operate with the lowest common denominator rules, in other words, arriving at decisions that are generally agreeable to all. There are no provisions for sanctions and compliance with norms and it is hoped that these would evolve over time with sufficient accommodation and familiarity. There is also a general tendency to emphasize the process of consultations rather than structures that determine norms and conduct and these meetings have snowballed to 700 per year. The exception to this rule is the requirement that members of these organizations have all been signatories to the Treaty of Amity and Cooperation (TAC) that seeks the peaceful resolution of differences between states and disavows the use of

aggression to resolve conflicts.

Among the weaknesses of ASEAN's preferred type of regionalism is the emphasis on process rather than outcomes. Consequently, most developments and obligations have a little beyond declaratory intent since no compliance mechanisms obtain. It is for this reason that there has been military conflict between Cambodia and Thailand recently over the Preah Vihear Temple complex although both countries are signatories to the TAC. And Thailand and Myanmar have had a long history of conflict along their borders and they are members of ASEAN as well.<sup>305</sup> The non-interference rule also makes a mockery of ASEAN when there is a breakdown of law and order in a member country and widespread violence is involved. Being unable to bring goodwill or pressure to bear makes the organization appear weak in international fora. The non-interference rule is partly responsible for this outcome and the reason for it is that most countries in ASEAN are young states that jealously guard their sovereignty. Additionally, there is often a greater interest in regime rather than human security and ASEAN itself has been often criticized as an elite club rather than one representative of its citizens. And finally, it may well be argued that ASEAN is hardly in a position to play a central role in organizations that involve major powers with significantly more resources than it. And attempting such a task without sufficient consolidation within ASEAN to better entrench norms and compliance mechanisms appears to merely dissipate energies from being channelled in the right direction.

## **China**

China's involvement in multilateralism and regionalism is really an effort of the last two decades and even now, for politico-security and territorial matters China sometimes exhibits a preference for bilateral mechanisms. Li Minjiang argues that China's involvement in multilateralism is characterized by "pragmatism in pursuit of short term national interests" while taking into account structural changes in the broader Asia Pacific region. China reaffirmed its commitment to multilateralism at the 17<sup>th</sup> Communist Party Congress in 2007. From its very inception, China has supported the ASEAN Plus Three framework and its summit meetings. In fact, China is keen to utilize this forum as the basis for East Asian regionalism. Although China has not indicated its opposition to other

countries joining the regionalist process and even being involved in other similar fora, its preference for the APT is unequivocal and clear. According to Li Minjiang, this policy position was made clear in by Premier Wen Jiabao during the 13<sup>th</sup> APT leaders' meeting in Hanoi in October 2010.

China also appears to have a number of express preferences about how regionalism should evolve in East Asia. Chief among such preferences is a desire to enhance economic relations and within this broad category the preference is for trade, investments, finance and infrastructure. As for matters relating to security issues it regards consultations and exchanges as useful but is not particularly enthused by extensive structural arrangements to achieve such cooperation. There is a prevalent perception that quite a number of structures already perform overlapping functions and few significant achievements derive from them. Additionally, it is not necessarily in China's interest to engage with other countries in substantive security matters. The current status quo is in China's interest and in the future that advantage is likely to accrue even more. It should also be noted that despite China's involvement and seeming enthusiasm in creating a regional community, it is interested in slow paced incremental developments in the establishment of such a community. The reason for this preference is the realization that the region contains tremendous cultural diversity and norms. Consequently, to arrive at something palatable to most countries is likely to take time to evolve. Therefore, there is no sense in making haste and it is for this reason that China has not clearly articulated its vision of an East Asian community.

The Chinese preference for a focus on economic activities is well justified and is pragmatic in meeting the country's developmental needs. After all, the country has benefitted enormously from investments from neighbouring Northeast Asian countries, particularly Japan and South Korea. Similarly, it has also benefitted from investments from countries like Singapore, Malaysia, Indonesia and Thailand where there are large ethnic Chinese communities. The network of Chinese entrepreneurs in the region has also invested heavily in China. Additionally, Chinese products are also widely and readily available in the East Asian region at very competitive prices. Consequently it can be argued that the multilateral pursuit of enhanced economic cooperation and trade liberalization is very much in China's interest. In this regard, China hopes to link the three

free trade areas that it has concluded agreements with – ASEAN, South Korea and Japan in the future. This development would allow for trade and investments to be conducted with some uniformity and parsimony.

ASEAN's leadership in promoting the East Asian community and its early engagement of Northeast Asia is a welcome development for China. Such an initiative pre-empts attempts by the United States to exert a hegemonic influence on East Asian regionalism – something that China is anxious about and certainly keen to avoid. This anxiety stems from the fear that American strengthening of its Cold War hubs and spokes alliances with its allies has the potential to dominate or disrupt the evolution of cooperative security arrangements in East Asia. Similarly, China retains a measure of anxiety about Japan and India with regard to their regional strategic ambitions as well as their policy and norm preferences. Japanese insistence in including Australia, New Zealand and India in the 2005 East Asian Summit meeting in Kuala Lumpur is viewed by Chinese officials as an attempt by Japan to weaken Chinese influence from early on in the regionalist process. It is also viewed as an attempt to include and perhaps privilege democracy as an ideal regime type for the region – something that China naturally finds abhorrent. This negative perception of a seemingly assertive Japan and its attempts to thwart Chinese leadership in East Asia is deeply etched in the minds of Chinese elite and policy makers.

The seemingly elastic boundary for regionalism is not well regarded and in China's view only seeks to compound and complicate the already existing multicultural environment in geographic East Asia. This identity dilution may therefore lead to a weakening rather than strengthening of the regional identity. Consequently, substantive cooperation is best viewed as achieved within the framework of the APT and the China-ASEAN forum. China's ongoing territorial disputes with many ASEAN countries and Japan and South Korea also make cooperative security arrangements difficult for China. China has traditionally asserted indisputable sovereignty over overlapping territorial claims and these disputes are not likely to be resolved any time soon. Nonetheless and despite its negative assessment of ongoing developments and their potential to yield substantive progress in community building efforts, China participates in all multilateral ventures associated with East Asian regionalism thus far. As its economic and political clout and power grows so too will grow China's ability to have greater input into



East Asian regionalism – an outcome that has clearly attracted U.S. interest. President Obama’s announcement at the end of 2011 that the U.S. would station 2,500 marines in Australia during a visit there has already attracted China’s ire and the inevitable conclusion that the U.S. is attempting to encircle China and prevent its rise. After all, the U.S. already has allies and existing military arrangements with Japan, South Korea, the Philippines, Singapore and Thailand in East Asia. Consequently, this new U.S. arrangement will be viewed as part of a larger strategic thrust by China.

## **Japan**

Haruko Satoh argues that Japan has a rather ambivalent attitude towards East Asian regionalism and there are a number of reasons for this behaviour. The first of these is the promotion of a Greater East Asian Co-Prospersity Sphere that was mooted alongside with Japanese aggression during World War II. This previous precedent and the manner in which the war eventually unfolded with Japan’s defeat and occupation sets a bad historical precedent. Its previous colonization and subjugation of the Korean peninsula and parts of China is also still remembered and continues to be a major issue in the country’s bilateral relations with China and South Korea. Especially problematic is official attempts to either selectively ignore certain developments that reflect poorly on Japan or rewrite history to the country’s advantage.

Secondly, following the conclusion of the War, Japan has been restrained in international relations. There was a conscious effort to downplay politics and push instead for economic development and cooperation. In international affairs it has traditionally allowed the United States and Western Europe to lead in the creation of international structures and norms and robustly supported them in the creation of a peaceful and stable international order. The American preference for treating its bilateral alliance relationship with Japan as the anchor relationship of its hub and spokes strategy during the Cold War also suited Japan well. This relationship and the provisions for the country’s defence contained within it allowed for Japan to peacefully prosper and not eke out a military and strategic role that came with great power status. The country’s foreign policy remains anchored in the pragmatic decisions of its leaders more than half a century ago. There had in the

past been some reservations within the LDP government about toeing the U.S. line too closely and more recently, the Democratic Party of Japan (DPJ) had expressed the desire to acquire greater latitude in the country’s foreign policy away from the U.S. Hence, although Japan has sufficient goodwill and soft power drawn from its economic strength, cultural attributes, international generosity and peaceful norms, it has not exercised the leadership that obtains with such soft power. Rather, it appears resigned towards leadership from the United States and like-minded countries. And the direction in which regionalism evolves may well involve a settling of differences between the U.S. and China.

The best indigenous doctrine from Japan that is suited to East Asian regionalism remains the Fukuda Doctrine that was declared in 1977 in Manila. The doctrine called for the renunciation of military power, the building of “heart-to-heart” relations with Southeast Asian countries and Japanese treatment of ASEAN and its member states as equals. The emphasis was decidedly on economic and technical cooperation and advancement. This doctrine that subsequently drove Japanese foreign policy in the region earned the country much soft power and in a sense continues to have an influence in policy output. Accordingly, the Japanese preference in regionalism is not unlike the Fukuda doctrine that emphasizes economic and technical cooperation. There are no political and strategic visions per se although for a brief while in 2009 when the DPJ was elected into power its leaders promised greater efforts at nourishing regional bilateral ties with China and South Korea. Leadership tussles within the DPJ, significant electoral gains by the Liberal Democratic Party (LDP) and most importantly, the March 2011 earthquake and tsunami that devastated parts of northwestern Japan have weakened Japanese will to be more outward looking. Rather, there is great concern now over the pace and cost of the reconstruction process and how these demands will be met by the local population. In any event, the current Prime Minister, Yoshihiko Noda, recently indicated that an East Asian community was not high on his priority list.<sup>306</sup> Yet shortly afterwards at the APEC Summit meeting in Honolulu he publicly declared Japan’s intention to join the U.S.-inspired Trans Pacific Partnership (TPP) scheme. Complicating the situation is the fact that it was the U.S., Japan’s traditional Cold War ally that rushed to the country’s aid in its greatest time of need, re-establishing itself as the country’s premier ally. Consequently, if there is any form of regionalism to be had in East

Asia, Japan is likely to tow the U.S. line. There is a similar back and forth movement regarding the U.S. inspired Trans Pacific Partnership (TPP) scheme. Whereas major exporters are in favour of this arrangement that will open up export markets, the political establishment has been subjected to very vocal opposition from the agricultural sector that fears a swift flow of imports at cheaper prices and dislodges the attractive schemes that previous governments have doled out to appease the lobby. The sector has a powerful lobby with deep and established ties with the LDP making the latter warn Noda that accession to the TPP may well lead to the collapse of his coalition government.

And the ideational norms that Japan has come to recognize as necessary for the peaceful coexistence of states like democracy and related freedoms are championed by the U.S. and like-minded states (read Australia, New Zealand and India) that are actively involved in the regionalist process. Consequently, Japan's best contribution to East Asian regionalism may well be to simply stand alongside these countries as the situation unfolds. Such a strategy will also make it difficult for traditional regional rival China to dominate the process. Such a supporting role will be well within the current trajectory of foreign policy and fulfilment of the Fukuda Doctrine that greatly contributed to the peaceful development of Southeast Asia. And finally, such a strategy can leverage on the extensive peace building and post conflict and post disaster reconstruction initiatives that Japan has undertaken in Asia, including but not limited to those in Aceh, Cambodia, Timor and Mindanao in the Philippines.<sup>307</sup>

### **South Korea**

Hyug-baeg Im has argued that South Korean foreign policy has generally been characterized by a buffer state mentality in Northeast Asia. The country is regarded as a buffer between its two significantly larger neighbours – China and Japan. The problem is compounded by the fact that the Korean peninsula is not united and there are significant dangers deriving from North Korea that is an organic part of the peninsula geographically. Both of these realities create a sense of crisis for the country and policy formulators are generally keen on soft balancing the situation through economic agreements and trade and the use of cultural instruments like food, music and movies. Consequently, apart

from maintaining good relations with its immediate neighbours to deflect potential threats, South Korea has also extensively engaged countries in Southeast and Central Asia. A second source of external buffer is the country's bilateral alliance with the U.S., not unlike Japan. Yet, South Korea's experimentation with a sunshine policy towards the North and the political culture of the younger generation that informs policy positions these days has been much more cautious in emphasizing the country's reliance on the U.S. In fact, despite broad common strategic goals, the alliance is sometimes viewed as a hindrance to political normalization in the Korean peninsula. In any event, policy output is often subjected to idiosyncratic political considerations.

The country's involvement in the process of East Asian regionalism has been rather slow compared to China and Japan although the country is conscious of this shortcoming and investing heavily in catching up with its peers. It has also utilized an eclectic strategy to achieve maximum gains in the process. The strategy includes full and normal diplomatic relations with China and the U.S. including in political and security matters. On the other hand it has a primarily economic and trade driven relationship with Japan. Both countries do have a number of unresolved issues including overlapping territorial claims and interpretations of historical events. Liberal trading and mutual gain strategies drive South Korea's relationship with the communist countries of Southeast Asia like Vietnam, Laos and Cambodia while it has maintained a longstanding pragmatic and dialogue partnership with ASEAN. South Korea is clearly aware that it will be unable to dominate any discourse on East Asian regionalism and has therefore sought to skilfully position itself to reap the most benefits. There are some who think that the country can leverage on its soft power and play a brokerage role between China and Japan although it is not clear if the country has the political will or capacity to play such a role and whether the other two major players will acquiesce to such a role performance.<sup>308</sup> And South Korea generally has better relations with China than Japan, in security matters it tends to favour falling on the side of the U.S.

Unlike China and like Japan, South Korea does not subscribe to an occidental view of East Asian regionalism. In other words, the country is well prepared to accept the participation of countries like the U.S., Australia and New Zealand. In this regard South Korea has strongly supported the concept of an Asia Pacific wide regionalism notwithstanding

the traditional nomenclature. The recent popularity of the country's soft culture allows it to perform a bridging role among the major players that is non-threatening.

### **United States**

The U.S. strategy towards East Asian regionalism essentially seeks to leverage on its bilateral relationships from the Cold War era while attempting to engage newer countries in the relationship within a liberal multilateral trading framework. Consequently, as John Ciorciari informs us, the country's approach is decidedly realist in terms of the core relationships with Japan and South Korea and is reactively liberal as the East Asian community begins fleshing itself out. It has also expressed a strong preference for arrangements that include it in the invitee list like the Asian Development Bank (ADB), Asia Pacific Economic Cooperation (APEC) forum and the ASEAN Regional Forum (ARF) and has decidedly frowned upon and withdrawn its blessings for more exclusivist arrangements that exclude it like the EAEG and the Asian Monetary Fund (AMF) that was proposed by Japan in 1997. In fact it has generally sought to ensure that arrangements excluding the U.S. are left stillborn. It is able to bring great pressure to bear on regional organizations through its network of allies like Australia, Japan, South Korea and even Singapore.

American policy towards East Asian regionalism seeks the creation of organizations that do not challenge the U.S.-crafted post-War liberal trading and security arrangements. In other words, it is anxious not to be left out of the competitive international trading regime that it has sought to institutionalize. There is also a general preference for function over form and fairly low tolerance for process-oriented arrangements that do not further desired agendas. Such agendas are not limited to preservation of the existing order and the promotion of free trade. Rather it also includes decidedly liberal international political norms like democracy, press freedom and respect for human rights.

The U.S. has generally supported ASEAN-inspired and led initiatives. Within the broader strategic environment of the Cold War ASEAN was pro-West and anti-communist. And following the reunification of Vietnam in 1975 ASEAN played an important role in bringing sanctions to bear on Vietnam until the end of the 1990s. The U.S. has remained an early and

important dialogue partner of ASEAN and was invited to join the ARF in 1994. And in trade matters the U.S. joined Pacific Rim countries early on from 1980 with the Pacific Economic Cooperation Council (PECC) and later on hosted the inaugural summit meeting of APEC in Seattle in 1993. It may be remembered that it was Malaysian Prime Minister Mahathir's absence at that meeting and preference for the EAEG that drew a sharp rebuke from Australian Prime Minister Paul Keating that in turn led to a downward spiral in the two countries' bilateral relationship.

U.S. policy has consistently supported liberal economic and political regimes in so far as they are not exclusivist and are open. In fact, as far as the U.S. is concerned, liberal arrangements by their very tone and temper cannot be exclusivist in nature. Importantly however, such arrangements should also not threaten the country's existing bilateral alliance relationships that undergird its conception of international security for the Asia Pacific region. In fact it is for this reason that the U.S. tends to operate or utilize different fora if it thinks that its agenda and interests are not being fulfilled by multilateral initiatives. Such latitude allows the country to chart a different course to achieve its objectives if it thinks that its interests are subjected to the vagaries of form over function. It has repeatedly criticized such meetings and often withholds attendance of its senior officials should it think the effort unproductive. In fact, such criticisms have in the past been levelled against the ARF. In this regard, the U.S. retains a strong conception of what its agenda is and how it should be achieved. And should outcomes of multilateralism slow or threaten its interests, pressure can be brought to bear through its traditional bilateral channels like Australia, Japan and South Korea. Such pressures were important in scuttling the EAEG and the AMF. This approach is well in line with the country's policy of engaging pivotal states in order to maintain its global security and economic interests.

In line with its strategies of economic liberalization and the encouragement of free trade the U.S. announced its accession to the Trans Pacific Partnership (TPP) that includes Brunei, Chile, New Zealand, South Korea and Singapore in 2008. The TPP aims to reduce all tariffs by 2015 – a goal that the U.S. had previously sought but was unable to achieve through APEC. Importantly, it has also pressured Japan to accede to the arrangement although the current Japanese leadership is more focused on the reconstruction efforts at home after the 2011 tsunami and nuclear fallout. The TPP is still in its early stages and it is hard to tell how

it will proceed and whether the other strong allies of the U.S. will join it. For countries like China, Japan and South Korea, the fallout can be much more significant since it will be viewed as undercutting ASEAN-sponsored attempts at East Asian regionalism. China will certainly not accede to an arrangement where the U.S. is likely to obtain predominant influence. It will also be disingenuous for other ASEAN countries to accede to this treaty since their commitment to the ongoing EAS and EAC may be questioned. Consequently, the TPP's progress from here on is very much in doubt although it may well turn out to be another ad hoc arrangement that the U.S. supports to buy insurance. It has previously done this by joining ad hoc multilateral initiatives like the Asia Pacific Energy Partnership that includes Australia, China, India, Japan and South Korea or the Tsunami Core Group that comprised the U.S., Japan Australia and India that provided disaster relief around the Indian Ocean in late 2004 and early 2005. The most recent of such arrangements in 2010 are the large number of bilateral currency swaps that were set up after the recent financial crisis that matched the multilateral swap value of the CMI to the tune of \$120 billion.

To conclude this section on the positions and priorities of individual countries involved in East Asian regionalism, it is important to note that the U.S. intends to remain a key player in the manner in which East Asian regionalism unfolds. The U.S. strategy is to utilize its existing web of bilateral relationships that fan outwards in the Pacific to achieve its core aims – the maintenance of the existing security order and the liberal enhancement of the regional economy and trade.

### **Discerning policies and priorities**

An examination of the preferences of the major actors in the ongoing process of constructing East Asian regionalism reveals that there are significant differences in expectations and agendas. Whereas it is clear that ASEAN-inspired attempts at regionalism appear to be the most successful so far, it is not entirely clear that the current trajectory will continue to obtain in the future. The current configuration is most acceptable to ASEAN and a lesser extent China. Both Japan and South Korea regard it a sufficiently inclusive process that is well within their natural regional interests. And since the U.S. is an invitee to the larger fora, it sees no necessity not to remain engaged in a dynamic region.

This is the lowest common denominator at which point the agreement stops. ASEAN's explicit preference is that it plays the central and strategic role in the process of East Asian regionalism. ASEAN centrality is also a core thrust of U.S. policy on regionalism. China, while recognizing ASEAN's centrality and initiatives has made it very clear that its preferred forum for the community building process is the smaller APT. Whereas this arrangement should be favourable for Japan and South Korea as well they are a little reluctant to endorse it wholeheartedly and the reason for the coyness is that this conception of regionalism excludes the U.S. – their single most important external security ally. Nor would the U.S. remain idly by while a forum that excludes it is prospering. Rather, it is likely to exert pressure through those very allies to stymie the progress of the forum.

The APT is comfortable to China and probably some ASEAN countries since it conforms to their geographical and cultural understanding of East Asia. China has already indicated the difficulties of making progress with an extremely variegated membership within the region, leave alone those outside it. Japan and Korea, on the other hand, despite their location in East Asia feel compelled to etch a liberal conception of East Asian regionalism that includes countries within the Asia Pacific. This conception would fulfil the demands of its anchor ally. Importantly, it would also include a number of other countries that they share similar dispositions and norms with. Such countries like Australia, India and New Zealand are not only committed to liberal trading arrangements but also similar political structures that include democratic governance. China will clearly tolerate no such agenda item on the project.

Another important issue of divergence is the issues that East Asian regionalism should address. China is firmly committed to it addressing economic and trade liberalization while politics should remain outside its scope. The U.S. and many of its allies on the other hand would also like to see a security agenda on the table. Naturally China is unwilling to acquiesce to such a demand since some of the advantages that accrue from the bilateral resolution of political and security disputes would be lost. In any event, such multilateralism may interfere in areas that China regards as comprising its core security interests like the status of Taiwan and overlapping territorial claims. The current status quo is to China's advantage and if the current trajectory of its growth in power continues to obtain, the future will hold significant dividends in dispute resolution at

the bilateral level.

The ASEAN position on regionalism is by no means fail safe. One of the biggest stumbling blocks is the non-interference rule. This rule that is meant to safeguard state sovereignty has made a mockery of peaceful co-existence on a number of occasions. This rule has actually run counter to the TAC that requires that international disputes be resolved peacefully. The Thai-Cambodian conflict over the Preah Vihear Temple complex in 2008 and 2011 has made it clear that ASEAN and its protocols have little sway in informing decision-making over territorial conflicts. In fact if anything, heightened nationalistic rhetoric and the avoidance of ASEAN mechanisms has been the norm. Even Indonesia with its strategic centrality in ASEAN and in a rather strong position internally and internationally, was unable to persuade the two parties to accept peace keepers and defuse the situation. And Thailand that was caught in the midst of domestic political contestation ignored international resolutions on a number of occasions. Such behaviour by member states of an organization that claims strategic centrality in East Asian regionalism is hardly inspiring. The core has not sufficiently gelled in order to expand outwards to the periphery. When the organization is unable to restrain its own members from breaching key protocols it will hardly be in a position to advise others on proper conduct. In this regard the outward expansion of ASEAN has been undertaken rather hastily and perhaps without much foresight. In an attempt to address deficiencies in the core, ASEAN has acceded to a charter to strengthen itself but all these “disturbances” are occurring after the signing of the charter. Another important point to note is that ASEAN has no capacity whatsoever to drive the regionalism process should the major players decide to disengage. They are all currently engaged in the hope for some gain but if it turns out to be another “talk shop” key participants will quickly lose their enthusiasm and withdraw. That would simply reinforce U.S. perceptions that function should take precedence over form in such deliberations. As Etel Solingen notes, the three core characteristics of informality, consensus and open regionalism indicates East Asian regionalism to be process rather than product driven.<sup>309</sup>

The ASEAN core has also been criticized for being an elite club rather than an organization whose reach really extends downwards to its citizens. In fact a number of ASEAN countries until today refuse to deal with civil society organizations from their respective countries. Strangely

enough though, the origins of East Asian regionalism derived from below in terms of trade and investments through market mechanisms and corporate organizations as pointed out by T. J. Pempel.<sup>310</sup> Shiraishi and Katzenstein noted a similar development earlier on in Northeast Asia.<sup>311</sup> Yet, the current process of regionalism is curiously state driven. Elites wish to take control of what had previously been a spontaneous development. This development is telling in that market forces have their own logic and are often much more efficient than states as surmised in classical economic theory. That states would like to control such forces may derive from an attempt to either assist this development or to control it. And if it is the latter, it portends poorly for the process of liberalization which is meant to be at the heart of East Asian regionalism.

## Conclusion

East Asian regionalism in its current form is characterized by many drivers who also have their own preferences as to how the process should unfold and what should be on the agenda. The three major drivers appear to be ASEAN, China and the U.S. with Japan and South Korea in tow. Japan does however have a history of working multilaterally for economic and technical cooperation. And South Korea is uniquely placed to play a brokerage role. ASEAN has driven the process thus far and assumed centrality in the process – a development that most other players and in particular China appear comfortable with. China retains a marked preference for the APT as the premier forum for East Asian regionalism while the U.S. is keen to work the process through its existing alliance arrangements. It is also keen to include political liberalization – an agenda item shared by Australia, Japan, South Korea and India but resisted by China and many members of ASEAN.

Given the large number of differences over major policies ASEAN’s management of its centrality will be an important factor guiding the process in the future. It is perhaps with regard to consolidating its own core and being able to manage the process of regionalism radiating from it that ASEAN has worked hard on codifying its norms in the 2007 Charter. If the spirit of the Charter is seen through in the organization’s workings and those of its individual member countries, then there is hope for the regionalism process to move forward. However if such progress does not obtain then ASEAN and East Asian regionalism will be similarly

handicapped. Having a number of less than democratic countries and communist regimes does pose a challenge to ASEAN. And the non-interference rule obliges members to stand idly by in the event of repression and political violence.

Nationalistic rantings during tensions between neighbouring member states is another problem that detracts from the formation of the envisaged ASEAN security community. It may well be worthwhile to remember that in Karl Deutsch's conception of a security community, threat perceptions cannot point towards members of the community. This is certainly not the case with ASEAN member states at the present time when the overwhelming perceptions of threat derive from within the community. There is also an emerging nationalism that appears opposed to the impact of globalization that East Asian regionalism seeks to further. ASEAN's internal cohesion and forward movement on some of these challenges will strengthen its own infrastructure and enable it to continue guiding East Asian regionalism. Such a development will also allay the fears of the U.S. that ASEAN initiated projects are more concerned with process than outcomes.

## NOTES

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- 304 *On the concept of Indonesian centrality in ASEAN see Anthony L. Smith, Strategic Centrality: Indonesia's Changing Role in ASEAN (Singapore: Institute of Southeast Asian Studies, 2000).*
- 305 *For a recent examination and assessment of bilateral relations in ASEAN see N. Ganesan and Ramses Amer, eds., International Relations in Southeast Asia: Between Bilateralism and Multilateralism (Singapore: Institute of Southeast Asian Studies, 2010).*
- 306 See "Noda steps back from 'East Asian community'," *Yomiuri Shimbun*, September 8, 2011.
- 307 See for example Lam Peng Er, *Japan's Peace-building Diplomacy in Asia: Seeking a More Active Political Role (London and New York: Routledge, 2009).*
- 308 *For this possibility of a Korean role in East Asian regionalism see Gilbert Rozman, Northeast Asia's Stunted Regionalism: Bilateral Distrust in the Shadow of Globalization (Cambridge: Cambridge University Press, 2004): 372-3.*
- 309 Etel Solingen, "East Asian Institutions: Characteristics, Sources, Distinctiveness," in *Remapping East Asia: The Construction of a Region*, ed. T. J. Pempel. (Ithaca, NY: Cornell University Press, 2005): 32.
- 310 T. J. Pempel, "Exogeneous Shocks and Endogeneous Opportunities: The Economic-Security Tradeoff and Regionalism in East Asia," *EAI Working Paper Series No. 11*, Seoul, South Korea: East Asia Institute, 2008, quoted in Hyug Bag Im.
- 311 Peter J. Katzenstein and Takashi Shiraishi, eds., *Network Power: Japan and Asia (Ithaca and London: Cornell University Press, 1997).*

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## List of Contributors

N. Ganesan is Professor of Southeast Asian politics at the Hiroshima Peace Institute in Japan where he has been since 2004. Concurrently he serves as Visiting Professor at the National Graduate Research Institute for Policy Studies (GRIPS) in Tokyo. His teaching and research interests are in sources of intrastate and interstate sources of tension of conflict.

Dr. Colin Dürkop is presently the country coordinator for the Konrad-Adenauer-Stiftung (KAS) in Istanbul, Turkey. He has previously served in a similar capacity in Seoul, Singapore and Bangkok. Prior to joining KAS he worked for the World Bank from 1988 and began his career with the Food and Agricultural Organization (FAO) of the United Nations in 1979 in Rome, Italy.

Pavin Chachavalpongpun is a Fellow and Lead Researcher for Political and Strategic Affairs at the ASEAN Studies Centre, Institute of Southeast Asian Studies, Singapore. He is the author of *Reinventing Thailand: Thaksin and His Foreign Policy* (2010).

Dr. Li Mingjiang is an Assistant Professor at S. Rajaratnam School of International Studies (RSIS), Nanyang Technological University, Singapore. He is also the Coordinator of the China Program and the Coordinator of the MSc. in Asian Studies Program at RSIS. He received his Ph.D. in Political Science from Boston University. His main research interests include China's diplomatic history, the rise of China in the context of East Asian regional relations and Sino-U.S. relations, and domestic sources of China's international strategies. He is the author (including editor and co-editor) of 9 books. His recent books are *Mao's China and the Sino-Soviet Split* (Routledge, 2012) and *Soft Power: China's Emerging Strategy in International Politics* (Lexington-Rowman & Littlefield, 2009).

Im Hyug Baeg is Professor at the Department of Political Science and International Relations, Korea University, Seoul, South Korea. He is Dean at the Graduate School of Policy Studies and Director at the Institute for

Peace Studies and Director of BK21 Globalizing Korean Political Science Corps. He was vice-president of The Korean Political Science Association (2006) and Korean Association of International Studies (2005). He served as a presidential adviser to both Kim Dae Jung and Roh Moo Hyun. His current research focuses on the impact of IT revolution and globalization on Korean democracy.

John D. Ciorciari is an assistant professor at the Gerald R. Ford School of Public Policy at the University of Michigan and a Bernard Schwartz Associate Fellow at the Asia Society. He is the author of *The Limits of Alignment: Southeast Asia and the Great Powers since 1975* (Georgetown University Press, 2010).

Haruko Satoh is senior research fellow at Osaka School of International Public Policy (OSIPP), Osaka University, and is currently co-organizer of the OSIPP project, "International Order in East Asia: Critical Reflections from Asian and European perspectives." Her research interests include state theory, Japan-China relations and Japan-Europe relations.

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Japan Office

OAG-House 4F, 7-5-56 Akasaka  
Minato-ku, 107 0052 Tokyo  
Tel +81 3 6426 5041  
Fax +81 3 6426 5047  
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