Debating Asian Regionalism: Conceptual and Policy Issues

Amitav Acharya

This paper offers an overview of the key issues of debate about the nature and function of Asian regional institutions. It is specifically concerned with four regional institutions: ASEAN, ARF, APEC and the East Asian Summit. The focus of my discussion is on four issues that have attracted much attention from scholars and policymakers interested in Asian regionalism.

1. What is the appropriate ‘region’ for various Asian regional institutions? Who should be included and excluded? Should the geographic scope of Asian regional institutions be limited to East Asia?

2. What should be their mandate? Should they be limited to a primarily brainstorming or consultative role, or engage in problem-solving and conflict resolution?

3. Who should be their leader? Should Asian regional institutions be led by ASEAN? What about the leadership role of Asian powers such as China, Japan, India?

4. How to reform and strengthen existing regional institutions? Here, the specific points of debate are the informal, non-legalistic nature of these institutions, and their adherence to the doctrine of non-interference in the internal affairs of states.

Membership and Geographic Scope: Which ‘Region’?

Debates over linking ‘region’ with ‘regionalism’ are nothing new. Nor is it unique to Asia. But the manner of the growth of Asian regional institutions has rendered the issue of the geographic scope and membership of regional institutions much more contentious than is the case with other regions in the world. For example, disagreements about membership in macro-regional institutions in Africa, Middle East and Latin America are rare, with the notable exception of the major regional ‘pariahs’, i.e. Rhodesia and South Africa during the apartheid era for the OAU and Cuba for the OAS. Other than that, these regional organizations have been remarkably inclusive. But in Asia, the membership and geographic scope of regional institutions have been a matter of major contestation, reflecting disagreements about regional identity. For example, the Conference of South East Asian Prime Ministers, otherwise known as the Colombo Powers, which convened the Asia-Africa Conference held in Bandung in 1955, consisted of India, Pakistan, Ceylon, Burma and Indonesia. Yet, the Association of Southeast Asian Nations, formed just over a decade later in 1967, excluded both India and Pakistan. Burma was not invited to join at first, and Ceylon, which did receive an invitation to the Bangkok meeting that founded ASEAN, was uninterested in becoming a member. A decade later, when Sri Lanka did apply for membership, it was turned down, on the ground that it was not from Southeast Asia.

1 Amitav Acharya, The Quest for Identity: International Relations of Southeast Asia (Singapore: Oxford University Press, 2000).
The same uncertainty about who belongs in which region was evident when the two major macro-regional institutions, Asia Pacific Economic Cooperation and the ASEAN Regional Forum, were formed in 1989 and 1994 respectively. At this time, the macro-regional concept was represented in various permutations such as Asia Pacific, Asia-Pacific, Pacific Asia, Pacific Rim, Asia and the Pacific, etc. All these conceptions reflected the notion of trans-Pacific interdependence that had grown rapidly through the post-war decades. As a consequence, India, seen as a laggard in embracing economic globalization, without significant trade or investment links with East Asia, was denied a place in APEC. India was also excluded from the ARF when it was formed, but this was not to last for more than two years, as ASEAN members recognized India’s strategic potential in the regional power balance. But when India was invited to join the ARF, it was made clear to New Delhi by ASEAN that India’s participation was only due to its ‘geographic footprint’ in Southeast Asia and because India had a strategic role in the wider Asian balance of power. The inclusion of India did not mean that the ARF would get ‘bogged down’ in South Asian security issues, especially the India-Pakistan conflict. The ARF has since expanded to include Pakistan, Sri Lanka and Bangladesh, although South Asian regional conflicts are not to be raised in the forum.

While early post-war regionalism in Asia was expressed as ‘Asian’ regionalism, and the 1990s saw the rise of ‘Asia Pacific’ regionalism, in the past decade, the term Asia Pacific has lost currency in favour of ‘East Asia’ and simply ‘Asia’ as the dominant regional construct. East Asian regionalism has been even more contentious in so far as regional definition is concerned. Claims about the distinctive regional identity of East Asia greeted the birth of APEC. Under the leadership of Mahathir Mohammed, Malaysia questioned the relevance of APEC, which it perceived to have been an Australian initiative. Mahathir contended an East Asian regional organization, excluding the US, Australia and New Zealand, would be the most appropriate and effective basis for a regional organization to cope with the challenged posed by emerging regional trading blocs in Europe and North America. But he also underscored the cultural (and perhaps racial) rationale for such a grouping. Although his initial idea of an East Asian Economic Caucus failed to take off owing to US pressure and Japanese reluctance to assume its leadership, the idea failed to die away. It was revived after the Asian financial crisis in 1997, first in the form of the ASEAN Plus Three and later as the East Asian Summit and East Asian Community. But the problem of membership and geographic scope has bedevilled the East Asian summit and community frameworks. A divided ASEAN could not prevent the Japanese desire to bring Australia, New Zealand and India to the table at the inaugural East Asian summit in Kuala Lumpur in 2005, promoting Mahathir (now out of office) to disown the summit. More important, the expanded summit, while easing fears of Chinese dominance of East Asian regionalism, might have led to certain amount of loss of Chinese interest in its future development. Beijing now prefers to use the APT which will remain limited to the ASEAN-10 and Japan, China and South Korea, as the main vehicle for developing the East Asian Community, thereby raising the prospect of

India, Australia and New Zealand being relegated to second class status as participants in the East Asian regionalism process, and

The foregoing suggests that the conception of ‘region’ underlying Asian regional institutions has been fluid and flexible. As T.J. Pempel writes: “the outer boundaries” of East Asia have not been constant and been “continually shifting”.  

Two factors: the reality of economic linkages and strategic calculations, have been important in determining the membership and geographic scope of Asian regional institutions. The exclusion of India from APEC and its membership in both ARF and EAS underscore this fact. What is also clear is that there are no natural regions or sub-regions in Asia that could form the basis for regional organizations. This is unlikely to change in the future.

Mandate: Dialogue or Action?

A second major area of debate about Asian regional institutions concerns their mandate, or the nature of their mission and purpose. Here, the main debate is between those traditional proponents of the ‘ASEAN Way’, which stresses ‘process over the product’ and those who would like to see regional institutions develop a more problem-oriented approach.  

Until now, regional institutions in Asia have emphasized that their purpose is to function as ‘consultative’ or ‘dialogue’ mechanisms. The so-called ‘ASEAN Way’ begun as an informal and inter-personal process, with a view to increase the ‘comfort level’ among the participants. Influenced by this, the ARF also presents itself primarily as a dialogue mechanism. China in particular has insisted that the ARF does not go beyond being a dialogue mechanisms to being a ‘problem solving’ one. Hence, in 1995, when confronted with a concept paper for the ARF prepared under an Australian initiative, which consisting of three stages, (1) confidence-building, (2) preventive diplomacy, and (3) conflict resolution, China insisted that the third phase be renamed to something that reflects the consultative nature of the ARF. Hence ‘conflict resolution’ was changed to ‘elaboration of approaches to conflicts’. The notion of ‘cooperative security’ underlying the ARF is premised on the assumption that habits of consultations and dialogue would lead to mutual understanding and trust which would socialize its members into new ways of thinking about regional security in which conflicts becomes muted and war is rendered progressively unlikely.  

But lately, this approach has come under challenge. In general, the Western members of the ARF, such as Canada, Australia and the EU, would like to see the ARF take on more

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specific tasks to reduce regional conflict. For example, it is one thing to build confidence through regular dialogue, but another to implement confidence-building measures (CBMs) that actually address the problem of misperception through measures akin to those adopted by the Organization for Security and Cooperation in Europe (OSCE). These include advance notification of military exercises, mutual inspection of military bases and facilities, withdrawal of troops to a distance from the common border that is considered not provocative, and publication of data of defense spending and weapons holdings to increase transparency.

Growing criticism of its failure to deal with the Asian financial crisis and the advent of new transnational challenges such as terrorism, pandemics, pollution, etc has led ASEAN, APEC, and the ARF to consider moving beyond the ‘brainstorming’ mode to a limited ‘problem-addressing’, if not ‘problem-solving’ mode of operation. Regional cooperation to address terrorism after the 9/11 attacks on the US and the Bali bombings of October 2002, the response to the SARS pandemic of 2003 and the Indian Ocean Tsunami in 2004 have fuelled demands for such a shift. The result can be seen in the creation of information-sharing mechanisms, disease prevention regimes, and early warning systems for future Tsunamis. The most concrete examples of such an approach can be found in the economic arena, such as ASEAN’s creation of a free trade area, regional investment initiatives, etc., the APT’s role in developing regional currency swaps, and proposals for an East Asian FTA under the auspices of the East Asian Community. But these measures, especially in the political and security field, are as yet limited, and there remain huge gaps between the rhetoric of ideas and blueprints and the reality of their implementation.

Leadership and Agenda-Setting

Since its formation in 1967, ASEAN has been the centrepiece of Asian regionalism. It has offered leadership to them in three ways. First, it is the institutional hub around which new and wider regional institutions have been anchored and established. Hence, the expressions: ASEAN Regional Forum, ASEAN Plus Three, ASEAN Plus Three Plus Three (East Asian Summit), etc.

Second, some of the processes and approaches originally developed by ASEAN have been adopted by the new regional institutions. Hence, ARF, APT and APEC all have adopted ASEAN style consensus decision making, and its preference for non-legalistic and non-binding approaches to cooperation. Third, ASEAN has been the venue for the most important meetings of these institutions, with the exception of the annual APEC summit, but including the annual ARF gathering and the East Asian Summit.

But today, there are signs of growing dissatisfaction with the leadership of ASEAN in Asian regional institutions. This is due to several reasons. First, the credibility of ASEAN as a regional organization has not recovered from the blow it received in the Asian financial crisis. Disputes among ASEAN members, especially Singapore and Malaysia and Singapore and Indonesia, have created the image of a house divided against itself. This has paralleled the rise of China and India, and hence the relative decline, if not
marginalization, of ASEAN in the Asian balance of power. Third, Asian regional organizations face a number of transnational challenges that require a wider regional perspective and approach and greater dose of resources than what ASEAN can provide.

But moving away from ASEAN leadership is not going to be easy. Takashi Shiraisi argues that ASEAN is leading East Asian regionalism mainly by default, because neither of the region’s two major powers, China and Japan, is in a political position to do so. “Cooperation in East Asia cannot work if the prime mover is either or the two countries.”

Asia as a region has been traditionally inhospitable to great power-led regional institutions. Examples of such failure include the Indian-sponsored Asian Relations Organization, the US-led South East Asia Treaty Organization, and the Japanese and Australian backed Asia and Pacific Council. Hence neither China nor Japan would be acceptable as an outright leader of an Asian regional institution, not the least because of their mutual rivalry. China’s leading role in the Shanghai Cooperation Organization may seem to be an exception to this, but China’s influence in that grouping is balanced by that of Russia, which had a major role in developing the Shanghai Agreement on CBMs which formed the basis of the SCO.

While there is growing dissatisfaction in South Korea, Australia, Canada, and the EU regarding ASEAN’s handling of regional agenda setting, there is little demand for this role to be handed over to China, Japan or India. This was amply evident in the process leading to the East Asian Summit, when China’s desire to host the 2nd summit was rebuffed. This is not to say that Asian regionalism has not had an impact on China. On the contrary, they could claim to some success in the engagement of China. But allowing China leadership is an entirely different matter.

Asian regional institutions have tried to address the issue of diversification by holding a growing number of their working group deliberations outside of ASEAN venues, such as the ARF Inter-sessional meetings. But this has been met with some resistance from ASEAN, which is understandably keen to preserve its central role in Asian regionalism, out of fear that being the institutional hub gives it a degree of influence over regional affairs that it could not otherwise muster through economic or military means.

Legalization and Institutional Reform

The above considerations lead to the single most important challenge facing Asian regional institutions: how to reform their existing procedures and mechanisms so as to better respond to the challenges of the 21st century. The question of institutional reform has several aspects.

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The first is greater legalization and institutionalization. As Miles Kahler has argued, this has been occurring, albeit in an agonizingly slow pace. Examples of legalization in ASEAN include the creation of dispute settlement mechanisms under the ASEAN Free Trade Area and the Southeast Asia Nuclear Weapon-Free Zone Treaty, and the regional environmental protection agreement. But these mechanisms remain untested and the latter has proven to be singularly ineffective in fighting the haze.

The story is even less promising in relation to ARF and APEC. APEC’s proposed dispute settlement mechanism never took off. The ARF remains without a secretariat and its confidence-building and preventive diplomacy agenda, as noted earlier, is anything but legalistic.

The Shanghai Cooperation Organization is a limited exception to this. Shaped by the OSCE experience, the SCO has adopted a regime of CBMs which are comparable to those of the OSCE. But proposals to develop similar measures through the ARF were resisted by China on the ground that while the SCO is a grouping of states with primarily land borders (hence comparable to the OSCE situation), the ARF operates in a primarily maritime theatre, where rights of passage issues and proximity of military deployments are much more complicated.

The story of the Korean Peninsula Energy Development Organization (KEDO) tells another story of how formal and institutionalized agreements may not serve their purpose in the absence of a political environment conducive to conflict management. Resistance to institutionalization is also evident in the difficulties encountered in proposals to develop a permanent Northeast Asian sub-regional arrangement out of the Six Party talks.

Asian regional institutions are not short of rules and institutional mechanisms, but these suffer from lack of usage and automaticity. For example, the ASEAN High Council, provided under the 1976 Treaty of Amity and Cooperation, has not been invoked even once. The ASEAN Troika, provided under a 2000 initiative to undertake preventive diplomacy and crisis management, is yet to be invoked as well. ASEAN and APT have held swift meetings in response to major regional hazards, such as the APT meeting on the SARS outbreak and the ASEAN-sponsored meeting to cope with the devastating Indian Ocean Tsunami in 2004. But these meetings need to be specially convened, unlike in the case of the OAS, which provides for automatic ministerial sessions to deal with crises such as a military coup in a member state. There is no provision for emergency meetings of the ARF or APEC in response to regional contingencies.

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Perhaps the most important move towards the legalization and institutionalization of Asian regional institutions is the current efforts to draft an ASEAN Charter. ASEAN was created on the basis of a Declaration (the Bangkok Declaration of 1967), and over the past decades, it has developed a number of treaties and agreements on a more or less ad hoc basis. The ASEAN Charter aims at consolidating these agreements and specifying the duties and responsibilities of the member states. It is also supposed to give ASEAN a legal personality in its international dealings. But the final shape of the charter remains uncertain. It is unlikely that the Charter will embrace measures for human rights protection and defense of democracy as found in the case of the OAS. Moreover, instead of diluting ASEAN’s non-interference principle, it might actually entrench it by giving it formal status as the core and inviolable normative framework of ASEAN.

The question of non-interference has been perhaps the single most contentious issue for Asian regional institutions in recent years. The sanctity of this principle was challenged by the Asian financial crisis which saw the credibility of ASEAN and APEC take a severe beating. Critics blamed their failure to prevent or cope with the crisis on non-interference, or absence of mutual peer reviews of the members’ economies. Subsequently, challenges such as the recurring haze in Southeast Asia, human rights in Burma and proposals for regional peacekeeping have raised renewed questions about this principles. The issue has divided ASEAN and ARF. On the reformist side, or those who would like to see the principle diluted, include: Thailand under the Chuan Leekpai government from the late 1997 till early 2001, Anwar Ibrahim, the former deputy prime minister of Malaysia who was sacked and jailed by Mahathir, and at various points the governments of the Philippines and post-Suharto Indonesia. The most notable of proposals to move beyond non-interference was mooted in 1999 by Surin Pitsuwan, the Thai Foreign Minister at that time. Speaking the language of “flexible engagement”, Surin urged ASEAN to collective deals with problems which may be internal to a member, but which has a regional implication. On the other side have been Singapore, Myanmar, and Vietnam, who see non-interference as a central basis for ASEAN’s continued viability. Indonesia, once a member of the conservative camp, has since its democratic transition been advocating a more flexible approach to sovereignty, especially in its initial blueprint for an ASEAN Security Community.

Recent developments seem to have vindicated Surin’s stance, especially with ASEAN voicing growing disquiet over the political situation in Myanmar. In addition, the haze problem has led to Singapore and Malaysia criticising Indonesian inaction and eliciting an Indonesian apology. But there is still no consensus over under what circumstances should the norm be compromised.

The issue of sovereignty and non-interference also bedevils the ARF. It has prevented ARF’s move to a preventive diplomacy role. China has been the single most important objector to attempts to dilute the non-interference norm. The ARF has no role in handling internal conflicts.

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Reforming Asia Institutions

Comparing Europe with Asia, Peter Katzenstein argues: “Europe is undergoing fundamental institutional change, with far-reaching efforts to redefine state prerogatives... Asia is characterized by marginal adjustments, insistence on state sovereignty and a preference for bilateralism.”\(^{14}\) The arrested state of Asian multilateralism owes to the diminishing relevance of ASEAN-style diplomacy, which has shaped most recent institution-building activities in the region.

Three general features of this ASEAN and Asian-style multilateralism need to be reformed. The first is their minimalist approach to institutionalization and legalization. Second, and closely related, is their deep attachment to Westphalian sovereignty, especially the principle of non-interference. Third, Asian institutions have not only avoided collective defense arrangements, they have generally stayed away from any form of military cooperation.

Lately, there has been some movement in these areas. ASEAN is already making an attempt at greater legalization by drafting an ASEAN Charter. The Charter would specify the rights and responsibilities of the grouping’s members, consolidating and rationalizing its institutional mechanisms, and giving the organization a legal personality in dealing with the outside world. If realized, the Charter will mark a departure from the “ASEAN Way” of informalism, which has been blamed for organizational inertia and a lowest-common denominator mindset.

ASEAN is also rethinking its non-interference doctrine, especially in relation to Burma. It has publicly expressed anxiety over the slow pace of political reform in the country. The shift is not very pronounced yet, because several ASEAN members remain wary that criticizing a member regime for its domestic political practices might backfire on them one day. But at least the Burma issue is no longer being swept under the carpet.

ASEAN’s development of a “Security Community” also holds promise. Though dismissed by critics as a rhetorical device, it does include initiatives such as a meeting of ASEAN Defence Ministers, first held in May 2006. This was the first such gathering in the history of an organization that has traditionally shunned intra-mural defense cooperation. This will not lead to a regional defence alliance, but would facilitate military confidence-building from within Southeast Asia, thereby complementing the Shangri-la Dialogue organized by the London-based International Institute for Strategic Studies.

Although the EAS confirmed the principle that ASEAN should remain in the “driver’s seat” of East Asian institution-building, ASEAN could usefully divest itself of its role as the sole host of the annual ministerial meetings of the EAS and the ARF.

Asian institutions also need to clarify their respective missions and develop some sort of a division of labor that would avoid competition and duplication in their functions. One key challenge here is the functional overlap between East Asian institutions and Asia Pacific ones. Malaysia’s Prime Minister Badawi assures that the EAS would not become “confrontational with Apec or other organizations.”\(^{15}\) His Foreign Minister, Syed Hamid Albar, explains that the EAS would “look at broader perspective of international issues and how they impact our region, issues that are beyond ASEAN plus Three”.\(^{16}\) Yet, the EAVG report also says the APT is the “remains the only credible and realistic vehicle to advance the form and substance of regional cooperation in East Asia.” As such, an element of duplication and competition would inevitably mark the relationship among the EAC and wider institutions such as APEC and ARF.

A distinctive role of East Asian regionalism is financial cooperation, including the Chiang Mai Initiative that involves a mechanism for currency swaps. These fall outside of the mandate of both APEC and the ARF. But the EAC is also supposed to focus on non-traditional security issues, such as piracy in regional waters, which are also the target of APEC and ARF. One of the recommendations of the EAVG is to “strengthen” the ARF. But the EAS’ mandate includes conducting broad “strategic dialogue and cooperation in political and security issues”, which is precisely the key role of the ARF. And the EAS seeks to promote “development, financial stability, energy security and economic integration”.\(^{17}\) Would not these overlap with APEC’s missions?

To avoid institutional competition, there is a need to refocus APEC, which has shifted towards security issues, on its originally intended mission, which includes not just trade liberalization, but also trade facilitation, and broader measures for the economic development of the region. Leaving financial cooperation to the APT, it can address the challenge posed by the proliferation of bilateral trading arrangements and the lack of progress in the Doha WTO Round. The ARF needs to move beyond its hitherto role as a forum for dialogue and revive stalled efforts to create specific mechanisms for confidence-building and preventive diplomacy.

Several developments combine to make these reforms urgent and imperative for Asia’s multilateral institutions. Growing criticism by the international community of their failure to deal with regional hotspots, such as East Timor in 1999, or the problem of terrorism, is one such factor. Another is the demonstration effect of norm-making and institution-building outside the region, including at the global level and in Europe, such as the “responsibility to protect” norm recognized by the UN and the development (now stalled) of an European constitution. Transnational dangers in the region have severely tested the limits of the non-interference dogma. The rise of India and China challenges ASEAN to think and act more cohesively, or be swept aside in the resulting geopolitical maelstrom. Informal and ad hoc processes of multilateral cooperation now compete with formal and


\(^{16}\) “Malaysian PM wants ASEAN summit, related meetings to boost regional integration”, *BBC*, 8 November 2005.

\(^{17}\) “East Asia Summit simply described as a dialogue forum”, *Jiji Press*, 28 November 2005.
standing institutions. Some of the more serious forms of regional action in Asia today are being undertaken outside the framework of formal regional institutions. Example include the six-party talks involving North Korea, the coordinated patrols in the Straits of Malacca organized by the armed forces of Singapore, Malaysia and Indonesia, and a range of informal understandings and cooperation among countries – such as Indonesia, Philippines, Malaysia and Singapore – in fighting terrorism. A group of ASEAN parliamentarians is leading regional pressure for political reform in Burma.

The SARS crisis showed the potential for issue-specific, just-in-time regional cooperation, featuring frontline health and immigration officials as much as foreign and health ministers. Cooperation over issues affecting the region, whose scope goes beyond Southeast Asia or even East Asia, was demonstrated in the response to the Indian Ocean Tsunami, where a number of regional nations, with Japan, China, India, Singapore, Malaysia worked in tandem with the international community at large in mitigating the human suffering caused by the natural disaster. These emerging dimensions of Asian regionalism will become increasingly important in the coming years, and institutions would need to keep up with them.

Multilateral institutions in Asia need to adjust to the changing times. Transnational threats that the region faces demand more intrusive forms of collective action. While just-in-time or ad hoc cooperation is essential, greater institutionalization of multilateralism is crucial in offering credible responses to such threats. Moreover, the older agenda of regional confidence building in Asia is far from complete, especially in view of the recent climate of Sino-Japanese mistrust. Asia’s leaders should seriously dedicate themselves to reversing its arrested multilateralism through a process of reform and rejuvenation.

Conclusion

Asian regionalism has made considerable progress since the end of the Cold War. But its trajectory has been, and will remain evolutionary rather than revolutionary. No dramatic changes can be expected in the mandate, decision-making styles and leadership of these major institutions, such as ASEAN, ARF and EAS. The most promising stimulus for change could be the advent of transnational crises, such as terrorism, pandemics and major natural disasters. These issues seem to less divisive and more amenable to collective responses than traditional intra-state or inter-state conflicts, over which Asian regional institutions have had little impact. A key goal of these institutions is the engagement of great powers, the US and China in particular, without courting their dominance. This will not be an easy task, however, given that ASEAN, as the hub of regional socialisation, is finding increasingly difficult to maintain a common front.