Debating Asian Regionalism

Amitav Acharya

In this essay, I examine some of the key issues of debate about the nature and function of Asian regional institutions and their impact on regional order. It is specifically concerned with four regional institutions: ASEAN, ARF, APEC and the East Asian Summit. The focus of my discussion is on the following five 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? What decides their membership and geographic scope?
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 it always be ASEAN? What about the leadership role of Asian powers such as China, Japan, India?
4. How to reform and strengthen existing regional institutions? Should the informal, non-legalistic nature of these institutions change, and their adherence to the doctrine of non-interference in the internal affairs of states be diluted?
5. What should be the role of the United States in Asian regional institutions? Should it lead or be led?

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 favourite macro-regional concept was represented in various permutations such as ‘Asia Pacific’, ‘Asia-Pacific’, ‘Pacific Asia’, ‘Pacific Rim’, Asia and the ‘Pacific Basin’, etc. All these conceptions reflected the growing awareness 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 a more distinctive regional identity to be found in 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 have bedevilled the East Asian summit and community frameworks. A divided ASEAN gave in to Japanese (and Singaporean) pressure 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 engendered the 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”. 4 Two factors: the reality of economic linkages and strategic calculations, have been important in determining the membership and geographic scope of Asian regional institutions. What is also clear is that there are no natural regions or sub-regions in Asia that could form the basis for regional organizations. Regional definition have been politically determined and continually contested. 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.5 Until now, regional institutions in Asia have emphasized their role as ‘consultative’ mechanisms or ‘dialogue’ forums. The so-called ‘ASEAN Way’ begun as an informal and inter-personal process; its primary aim being to increase the ‘comfort level’ among the participants. Influenced by ASEAN, the ARF also presents itself primarily as a dialogue forum. China in particular has insisted that the ARF does not go beyond being a dialogue mechanism 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.6

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 specific steps to reduce regional conflict. It is one thing to build confidence through conferences and dialogues, but quite another to develop and implement confidence-

5 Amitav Acharya, "Ideas, Identity, and Institution-Building: From the 'ASEAN Way' to the 'Asia Pacific Way", Pacific Review, vol.10, no.2 (1997), pp.319-346
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 to fight terrorism, prevention and management regimes against pandemics such as SARS and the bird flu, and early warning systems to reduce loss of lives in the event of 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. Its ‘leadership’ (also known as ‘driver’s seat’) role consists of three aspects. 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. Secondly, several processes and approaches originally developed by ASEAN have been adopted by the newer regional institutions. Hence, ARF, APT and APEC all have embraced ASEAN style consensus decision-making, and its preference for non-legalistic and non-binding 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 ministerial gathering and the East Asian Summit.

But 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 a 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. China itself has been careful not to throw its weight around regional agenda-setting, with the exception of matters concerning its vital interest, such as Taiwan. This is not to say that Asian regionalism has not had an impact on China. On the contrary, proponents of Asian regionalism could claim to success in their engagement of China. But allowing China leadership in regional institutions is an entirely different matter than engaging it through them.

Asian regional institutions have tried to address the issue of diversification from ASEAN’s control 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 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

---

Perhaps the single most important challenge facing Asian regional institutions is 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.

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 aversion to legalization. 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.

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 one of the most contentious issues 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.

The Role of the US

Since the failure of SEATO, the United States has neither sponsored nor actively backed an Asian regional organization. The brief exception of APEC in the early 1990s will be discussed later. US attitude towards Asian regionalism has varied from being a ‘spoiler’ of some regionalist efforts to professing indifference and showing benign neglect of others.

The spoiler role could be seen in the Bush Sr administration’s response to proposals for post-Cold War multilateralism in Asia as being a ‘solution in search of a problem’. Although this was to change under Clinton, the US strongly opposed Mahathir’s East Asian Economic Caucus idea and later the Japanese idea of an Asian Monetary Fund in the aftermath of the 1997 financial crisis. The US remains highly ambivalent about the East Asian regionalism, while some sections of the US policy-making community feign indifference, others such as former Deputy Secretary of States Rich Armitage, viewed it as a ploy to isolate the US and to serve the long-term strategic goals of China.

The benign neglect posture of the US towards Asian regionalism could be seen with respect to ASEAN. Although ASEAN was founded as a group of essentially pro-western nations fighting communist insurgencies, it was careful to distance itself from the US, and was particularly keen to draw a sharp contrast between itself and SEATO. This was partly in recognition of ASEAN’s need for a display of political autonomy at a time when it was under attack from the Soviet Union and Vietnam as a front of American imperialism. But the US was also cognizant of the limitations of ASEAN in dealing with the hard security issues in the wider Asia-Pacific region. Another regional institution which has been subject to relative US indifference is the ARF, exemplified in Secretary of State Rice’s decision to give its annual meeting a miss in 2005. Not only has the US been a passive actor in the ARF, but it has also actively opposed some proposed forms of regional confidence-building, especially in the maritime domain.

Historically, the US has viewed the need for multilateralism in Asia to be less pressing than that in Europe, because its bilateral alliances in the region, part of the so-called San Francisco system, have worked well since their inception at the onset of the Cold War. Moreover, there is a general preference in Washington – from the early 1990s to the present – for ad hoc or a la carte multilateralism, comprising a limited number of actors that are most relevant to a specific issue area, than long-term institutions. The four and six party talks on the Korean Peninsula are the best examples of this. Critics see this as

self-serving; for example the reliance on six-party talks spares the Bush jr. administration of the need to talk directly with North Korea, rather than a genuine policy of multilateralism in small numbers.

From the perspective of Asian states, the limited interest and engagement of the US in regional institutions is a mixed blessing. On the one hand, it has worked to the advantage of the lesser powers, especially ASEAN, which does not want great power dominance in the regional order-building process. But the lack of US backing has meant fewer resources for Asian regional organizations. Also, without the active participation of the US, Asian regional organizations have suffered from a credibility problem, especially given the fact that the US is seen as a de facto Asian power.

For Asian states, the greatest challenge in developing regional institutions is to strike a balance between US indifference and US dominance. (The same could apply to the role of China and Japan as well). The experience of APEC in the early 1990s serves as a reminder that an aggressive push by the US to steer the agenda of a regional organization could generate suspicion and undermine its prospects. This was when the Clinton administration organized the first of APEC’s annual summits and pushed a trade liberalization agenda whose main purpose was to put the EU on the defensive over the issue of agricultural subsidies. But the US emphasis on free trade did not accord with Japan’s preference for using APEC for developmental purposes. It also caused misgivings in the region about US dominance. The US interest in using APEC as a vehicle for its trade liberalization agenda waned with the successful conclusion of the Uruguay round of GATT, as well as due the backlash from the Asian nations.

What could change the relative indifference of the US towards Asian regional institutions? One key factor is the changing fortunes of its bilateral alliances. Lately there has been much discussion of the ‘decline’ of some of these alliances, such as the US-Thailand, US-Philippines and US-South Korean alliances. Admiral Dennis Blair, the former chief of the US Pacific Command, once argued that the best case for multilateralism in Asia is the problems associated with America’s almost exclusive reliance on bilateral alliances and arrangements. His idea of a Pacific ‘security community’ sought to reconcile America’s Cold War bilateralism with the region’s nascent multilateralism by expanding participation in bilateral military activities (such as the Cobra Gold exercises between the US and Thailand) by countries which are not formally part of the system. If bilateral alliances prove more difficult to manage and maintain, then it is possible that Washington might pay greater attention to multilateral arrangements and institutions in the region.

In the meantime, however, the advent of East Asian regionalism has rekindled the debate over the US participation in Asian multilateral institutions. As noted, sections in the US policymaking world see the EAC as a dangerous and misguided attempt to isolate the US.

---

Some even see as a Chinese ploy to reduce US influence in the region. Dana Dillon of the Heritage Foundation believes that “[w]ith artful management of the process by engaged American diplomats, the U.S. can either neutralize EAS into another Asian talk-shop, like the ASEAN Regional Forum, or use it to help harness China’s economy while muzzling its military.” But what is striking is that Washington’s participation in the EAS has not been enthusiastically embraced by its own regional friends and allies. Singapore’s former Prime Minister, Goh Chok Tong, himself no America-basher, contends that “East Asia cannot be extending to countries in the Pacific, for then even the political definitions would get stretched beyond belief.” In Goh’s view, East Asia’s region’s “engagement with the US could be through the APEC and the ARF.” Hitoshi Tanaka, a former Japanese Deputy Foreign Minister, agrees: “I do not think the United States is committed to the East Asia community building and I do not think that the United States is a member of the East Asian Community.”

But between indifference and dominance, there remains substantial room for the US to play a constructive and productive role in developing Asian regionalism. If the US is really worried about the EAS/C frameworks, then it should seek to revitalise and strengthen those institutions, such as the ARF and APEC, in which it is a member.

Conclusion

Since the end of the Cold War, there has been a proliferation of regional institutions in Asia. But their 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 be 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 Asian regional institutions is the engagement of great powers, the US and China in particular, without courting their dominance. This has been an area of some success but sustaining it in the future would require that ASEAN, as the hub of regional socialisation, remains a cohesive organization.
