The emergence of East Asian regionalism is arguably one of the most important developments in the international relations of Asia. The trend began in 1997, when the region was hit by a massive economic crisis. The crisis undermined the credibility of regional institutions that were developed within a sub-regional or Asia-Pacific basis, namely the Association of Southeast Asian Nations (ASEAN), Asia Pacific Economic Cooperation (APEC) and the ASEAN Regional Forum (ARF). These institutions were seen to have failed to anticipate or contain the crisis and repair the damage to the region’s economic dynamism and political relationships caused by it. Since then, East Asian institutions, comprising the ASEAN Plus Three (APT, 1997), the East Asian Summit (EAS, 2005), and the futuristic notion of an East Asian Community (EAC), have gained momentum in the growing alphabet soup of regional institutions in Asia. So much so that proponents of East Asian regionalism envision them as the basis for a “bona fide [East Asian] regional community… for peace, prosperity and progress”.

In this talk, I analyze the prospects for East Asian regionalism, focusing particularly on the East Asian Summit and the proposed East Asian Community. After discussing the factors that led to its emergence, I will outline some of the comparative advantages of building regional institutions within an East Asian framework. I then turn to the limitations of East Asian regionalism. My argument is that although the East Asian framework does offer some important comparative advantages in promoting regional cooperation, it is not necessarily a more viable framework for addressing the economic and strategic problems of contemporary Asian security order. At best, it can co-exist with Asia Pacific institutions, providing a platform for useful summit-level talks and undertaking a limited range of functional tasks which other regional institutions are ill-suited or unwilling to take on. But a host of institutional, political and strategic problems would need to be overcome before East Asia could really develop a genuine sense of regional community.

Origins and Impetus

Why has multilateralism occurred in an East Asian framework? Four factors have contributed to the emergence of East Asian regionalism. For the sake of brevity but at the risk of some oversimplification, I shall call them anxiety, anger, interconnectedness, and identity.

Anxiety

The contemporary move towards an East Asian institution began in 1990 when the then Malaysian Prime Minister, Mahathir Mohammad, proposed an East Asian Economic
Grouping (later renamed as East Asian Economic Caucus). His proposal was spurred by an acute sense of anxiety about regional trade blocs emerging in Europe and North America. The EU was about to become a single market, and the North American Free Trade Agreement was emerging. If East Asia did not do anything, reasoned Mahathir, it would be marginalized. Adding to the concern was the crisis over the Uruguay Round of the GATT, which was facing a breakdown. In fact, Mahathir’s proposal for EAEG came a day after the Uruguay Round that was in a state of impasse over the issue of the EU’s agricultural subsidies.

But the EAEG proposal stalled in the face of stiff American opposition. US pressure contributed to Japan’s reluctance to assume leadership of the grouping, as Mahathir had envisaged. Moreover, the fear of regional trading blocs that inspired Malaysia’s proposal proved to be unfounded. The EU did not become “fortress Europe”. The GATT Uruguay Round was successfully completed, thereby undercutting the rationale for an East Asian grouping.

Anger

The role of anger in spurring East Asian regionalism was critically evident following the outbreak of the Asian economic crisis in 1997. The crisis spurred a certain amount of regional disappointment and resentment towards the US, even among its allies such as Thailand and Japan. The very different responses from Washington to the Baht collapse and the Peso crisis in Mexico fuelled perceptions of America apathy towards the region. Washington’s response to the Peso crisis was prompt and generous, while in the case of Thailand it simply let the IMF take the lead and provided little direct financial aid. This, coupled with abrupt and total manner in which Washington rejected Japan’s proposal for an Asian Monetary Fund as a bulwark against future crises “antagonized opinion leaders of the region”.[1]

The crisis spurred a new regional process, known as the ASEAN-Plus-Three (APT). The APT focused particularly on regional financial cooperation, which had not been undertaken within APEC. At the behest of South Korean leader Kim Dae Jung, APT leaders set up an East Asia Vision Group (EAVG), to consider pathways towards regional cooperation. Its Report and that an inter-governmental group called the East Asian Study Group (EASG), endorsed the idea of an East Asian Summit.

Interconnectedness

A major impetus for East Asian regionalism is accelerating East Asian regional economic interdependence, both before and in the wake of the financial crisis. The president of the Asian Development Bank notes that intra-regional trade in East Asia in 2003 accounted for 54% of the region’s total trade, compared to 35% in 1980. Intra-East Asian trade today is higher than that in the NAFTA region (46%), “very much comparable to intra-
regional trade in the European Union before the 1992 Maastricht treaty.”[2] Although East Asian nations with the notable exception of China rely on investment from outside East Asia, the share of intra-regional foreign direct investment jumped from 24% in the latter half of the 1980s, to 40% in 1995-97.[3] On the top of economic linkages, the East Asian Community idea has been strengthened by a string of regional crises since the financial meltdown in 1997. The terrorist attacks on Bali and elsewhere in the region since October 2002, the outbreak of the Severe Acute Respiratory Syndrome (SARS) in 2003 and the Indian Ocean Tsunami in 2004 have fostered a sense of shared vulnerability of the region to complex transnational disasters, which come with little warning and respect no national boundaries.

Identity
A fourth factor spurring the move towards an East Asian regionalism is the somewhat invented or imagined notion of an East Asian identity. This has been most evident in the language of the East Asian Vision Group, which unlike Mahathir’s ‘negative imagining’ of the region, presented East Asia as a positive, progressive regional identity. Hence, it stressed ‘fostering the identity of an East Asian community’ as well as ‘promotion of regional identity and consciousness’. (EAVG 2001:1-6). The EASG argued that “Fostering a strong sense of East Asian identity and congeniality is essential for expediting genuine regional cooperation and, moreover, for helping reach the ultimate goal of East Asian integration…East Asian countries should attach great importance to the issue of regional identity and work closely to develop it. Building a strong sense of identity and an East Asian consciousness is a goal to be sought through continuous efforts by both government and civic leaders, since it is related to having people realize the common fate of the region and to changing the way of thinking. (EASG 2002:39)

The Advantages of an East Asian Framework

What are the actual and potential contributions of East Asian regionalism? At least five are noteworthy. I would discuss them under the following categories: institutional-binding, institutional-balancing, efficiency and functional logic, normative change, and the autonomy to the weak.

First, and this is a liberal institutionalist argument, East Asian regionalism provides an important additional layer of engagement between the region’s preeminent rising power, China, and its neighbours. This may create the possibility of China developing a form of what John Ikenberry, an American scholar, calls “institutional self-binding”, whereby a great power adopts a structure of restraint towards its weaker neighbours in exchange for the latter’s collective recognition of its own economic and security interests and leadership. East Asian regionalism may be a better mechanism for such Chinese self-binding than ARF or APEC, where the presence of the US makes China nervous about making concession which may be perceived as a sign of weakness and not even be reciprocated by Washington. Indeed, China has in the past seen US policies of engagement through the ARF as a form of “soft containment”.

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Second, and this conforms broadly to expectations of realist theory, East Asian regionalism offers a psychological cushion to its participants against excessive US dominance. This may be seen as a form of ‘institutional balancing’, (different from institutional-binding) whereby a group of states use a regional institution to counter the dominance of a great power that remains outside the grouping. The very existence of East Asian institutions forces the US to weigh the diplomatic and political costs of action in a future regional crisis that may be construed as grossly unsympathetic or hostile by regional actors, for example the kind of behaviour mentioned earlier that sparked resentment against the US in the wake of the 1997 crisis.

Third, and this draws from neo-liberal theory, East Asian regionalism may serve as a more efficient platform for undertaking certain functional tasks that other regional groupings are less suited or inclined to perform. Financial cooperation is one of them, and has been already undertaken by the APT. East Asian regionalism has also proven useful in addressing certain types of non-traditional security threats, such as pandemics. The regional response to SARS crisis was undertaken through an East Asian framework and this may prove useful again should there be a massive outbreak of the bird flu. The focus on energy security at the 2nd EAS in Cebu is also noteworthy given the membership in the EAS of both India (not an APEC member) and China, two of the biggest consumers of energy resources.

Fourth, from a social constructivist perspective, East Asian regionalism, especially APT, may be a better platform for promoting normative change in the region, especially the much needed dilution of the non-interference doctrine. In ARF or APEC, such dilution is less likely, because of the likelihood that any such effort would be forcefully championed by their Western members such as the US or Australia, and invite suspicion and rejection by the more traditional-bound East Asian nations such as China and Vietnam. The level of comfort for negotiating what the former Thai Foreign Minister Surin Pitswuan once called “flexible engagement” may be greater within an East Asian context and forum. Fifth and finally, (and this may conform to Mohammed Ayoob’s ‘subaltern realism’, East Asian regionalism, especially through its Summit, provides a forum for interactions between China and Asia’s two other rising powers: India and Japan. This ensures not only that the EAC will not be dominated by China, which is a concern of some of its detractors. But the simultaneous engagement of China, Japan and India through the EAS also offers the region’s weaker states a greater scope for autonomy. Weak states are known for their tendency to play great powers against one another to secure a margin of freedom for their own actions and to secure material benefits. While an extreme version of this may be destabilising, some amount of competitive bidding by the Asian powers for ASEAN’s affection may be good for regional order, especially if the benefits offered include geopolitical restraint and economic assistance. Indeed, this has already happened with respect to China and Japan. Despite offering these advantages, East Asian regionalism faces some very powerful obstacles. I identify five of them, referring them as: definition, default, duplication, distrust, dominance.

Obstacles and Challenges

Defining East Asia: Opportunistic Regions
Its first challenge is contested regional definition. Proponents argue that East Asia is economically more integrated and politically and culturally more coherent than unwieldy Asia-Pacific institutions like ARF and APEC that include the US, Canada and Australia. Yet, the inaugural Kuala Lumpur summit defined East Asia in “political rather than geographical terms”. The broadening of the summit to include India, Australia and New Zealand, at the behest of Japan and Singapore, and justified as a way of underscoring “open” and “inclusive” nature of the grouping, became a source of considerable controversy. Ironically, Mahathir himself disowned the summit for its inclusion of these non-East Asian countries, especially Australia. He accused Canberra of being America’s “deputy sheriff” that would “represent not the east but the views…of America.” But Mahathir’s conception of East Asia is not shared by others, not the least by his former deputy and political nemesis Anwar Ibrahim. Anwar contends that the term East Asia is “of course a misnomer”, and urges the advocates of the East Asian Community idea “to think in terms of a truly Asian, original identity.” Referring to Indian participation, he argues “Ignoring India means ignoring an emerging economic giant and its contributions to the civilization of South East Asia.”

Such politically-motivated differences over regional definition cloud the future institutional development of the East Asian Community. China had opposed moves to include Australia, New Zealand and India in the lead up to the summit. Whereas the move to broaden the Summit was undertaken by Japan and Singapore partly due to fears of Chinese dominance, Beijing saw this move as a Japanese ploy to weaken Chinese influence in East Asia. While Japan and India want the Summit to be the basis for the development of the East Asia Community, Beijing would prefer to develop such a community through the APT process, which does not include Australia, New Zealand and India.

Default Leadership: ASEAN

The next challenge facing East Asian regionalism concerns its leadership. The inaugural KL Summit declaration made it clear that ASEAN would be the “driving force” of the summit. Institutionally, this implies that the EAS will be hosted and chaired by an ASEAN member state which assumes the ASEAN chairmanship and held back to back with the annual ASEAN summit. ASEAN’s leadership of the EAC is a function of its political standing. As Singapore’s Senior Minister Goh Chok Tong states, “ASEAN does not threaten anybody and the big countries in the region will want ASEAN to play that facilitating role.” But ASEAN’s capacity for leadership is undermined by internal weaknesses, which include the challenge of economic competition from China, intra-mural political
bickering, and domestic political problems in member states. ASEAN is leading the EAC process 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”, argues Japanese scholar Takashi Shiraisi, “cannot work if the prime mover is either or the two countries.”[10]

Duplication: EAC Versus Asia Pacific Institutions

What are the functions of East Asian institutions that are not undertaken by Asia Pacific regional groups, the ARF and APEC? As noted, one such area is financial cooperation undertaken by APT, including the system of bilateral currency swaps. But East Asian institutions are also supposed to tackle non-traditional security issues, such as terrorism, natural disasters, and environmental degradation, etc., that also fall within the mandate of APEC and ARF. The EAS’ mandate for undertaking “strategic dialogue and cooperation in political and security issues”, is also the key mission of the ARF. The EAS also seeks to promote “development, financial stability, energy security and economic integration”. [11] APEC suffered by ignoring development, and could do without a role in energy or finance. But the issue of economic integration is problematic, given the existence of competing blueprints for FTAs in the region: Asia Pacific wide (APEC-based), EAS-wide (pushed by Japan) and APT-wide (backed by China).

Although the EAS claims to provide for “open and spontaneous Leaders’-led discussions on strategic issues of peace and stability” in the region and in the world. (Chairman’s Statement, 2nd EAS, Cebu), it is not clear why APEC with its own annual summitry cannot provide such a medium. Hence, avoiding institutional competition and duplication of tasks is a major challenge for regional institution-building in general and East Asian regionalism in particular.

Distrust: The Unstable Sino-Japanese Core

The most serious challenge to East Asian Community idea is the spiral of mistrust between China and Japan. Sino-Japanese tensions reverses decades of reconciliation which might otherwise have served as the basis for a genuine East Asian Community. In many ways, China and Japan have complemented each other as benefactors to the region. In the 1980s and 90s, outward Japanese investment contributed to common prosperity in East Asia. The Chinese economy has increasingly assumed the role of regional integrator. In the 1997 crisis, aid offered by Japan was an important psychological factor behind Malaysia's ability to withstand the crisis, while China's pledge not to devalue its currency helped to stave off any further aggravation of the crisis. The SARS crisis moved China closer to the region after Beijing made up for its earlier secrecy over the outbreak by cooperating closely with neighbours in containing the pandemic. And Japan was the largest provider of humanitarian economic aid in response to the Indian Ocean tsunami. But while their economic and functional ties with the region have been largely complimentary, the political and strategic roles of China and Japan in East Asia have
become increasingly competitive. Japan was alarmed by Chinese nuclear tests and military expansion in the 1980s and 1990s. Responding, it strengthened its alliance with the US, which in turn fuelled Chinese perceptions of renewed Japanese militarism. Japan's prolonged economic stagnation at a time of China's meteoric rise fuelled Japanese insecurity. North Korea's missile tests and nuclear programme aggravated Japan’s insecurity and moved Tokyo closer to Washington's strategic agenda.

The Bush administration's war on terror offered an opportune framework for Japan to carry out political and constitutional changes which in reality have their basis in its concerns about the rise of China. These changes, which permit an expansive role for Japan's military are interpreted by neo-nationalist elements in China as a further sign of Japanese militarism. These forces have also exploited anti-Japanese sentiments over the visits to the Yasukuni Shrine by the former Prime Minister Koizumi and the publication of Japanese textbooks that glossed over Japanese war-time atrocities in East Asia. Anti-Japanese demonstrations in China, sometimes tolerated by the authorities in Beijing, produced a nationalist backlash in Japan. As a result, Sino-Japanese competition and mistrust creates a kind of unstable core at the heart of the EAC concept. It remains to be seen whether there would be any genuine improvement under the Abe government.

Dominance: The US as the Victim or Spoiler?

The United States has a history of anxiety attacks over East Asian regionalism. In his memoirs, US Secretary of State James Baker confesses to having done his best to “kill” Mahathir’s proposal for an East Asian Economic Caucus, “even though in public [he] took a moderate line.”[12] Today, the EAC is seen by some sections of the US policymaking community as a wedge between the US and East Asia, and an instrument for Chinese strategic gain at the expense of the US. Richard Armitage, Deputy Secretary of State under the first George W. Bush administration, describes East Asian regionalism as ‘thinly-veiled way to make the point that the US is not totally welcomed in Asia.[13] There has been some speculation that US might one day be invited to the EAS. But even friends of Washington do not see this as either necessary or desirable. Singapore’s Goh Chok Tong argues 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, the region’s “engagement with the US could be through the APEC and the ARF.”[14]

In the meantime, while feigning disinterest and a lack of concern, sections of the US establishment are worried about potential Chinese dominance of East Asian regionalism. The famously conciliatory speech by the then Deputy Secretary of State, Robert Zoellick, in September 2005 warned that American concerns about China “will grow if China seeks to maneuver toward a predominance of power [in East Asia].” To prevent this, he urged ASEAN, Japan, Australia, and others to work with the US “for regional security and prosperity through the ASEAN Regional Forum and the Asia Pacific Economic Cooperation forum”, institutional competitors to EAC inn which America is a member.
If the past is any guide, overt or covert US pressure and manipulation could stifle progress towards an East Asian Community. On example of such an approach comes from neo-conservatives like Dana Dillon of the Heritage Foundation, who 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.”[15] Already, America’s regional allies, such as Japan and Singapore, are seen to be acting in support of US interests (as well as their own), by keeping the EAS “open” and “transparent”.

Conclusion

In conclusion, East Asia’s nascent regionalism, while not being doomed from the start, or dead on arrival, has a lot of ground to cover before it can lay the foundations for a regional community. It will co-exist with, rather than subsume subregional mechanisms such as ASEAN, SCO, or supplicant Asia-Pacific institutions like ARF and even the almost defunct APEC. The vision of an East Asian Community has been, and may well remain, an imagined community. As I have written elsewhere, “To describe it this way is not to dismiss it as an illusion, or to deny its potential for transforming East Asia’s future…[Rather] ‘imagined’ is meant to emphasize the bold aspirations that underlie the notion, aspirations which seek to transcend powerful physical, political and even cultural barriers confronting them. Many great transformations in history start with a vision, which is essentially an imagined outcome. Some acts of imagination carry a strong dose of wishful thinking that remains unfulfilled. The East Asian Community could turn out to be just that. But some imaginations can and do find their cherished outcome. The key to success or failure for the EAC lies not in its imaginary beginning, but in the process of translating it into reality…The challenge here is not just to resolve questions and uncertainties about its membership, leadership, functional scope, and intra-mural harmony, but also to find an institutional niche so as to accentuate the distinctive contributions it can make to regional stability and economic well-being which other institutional mechanisms have been unwilling or unable to make.

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