

Panel Session II

ASEAN's Experience of Regional Integration and Community-building

ASEAN's Role in East Asian Regionalism: Manager or Leader?

Severino, Rodolfo C.

The full title of this conference is “Emerging Regionalism: Paradigm Shift of International Relations in East Asia?” I like this title. I like it, because, first, it talks about “regionalism”, which is a subject close to my own heart. Secondly, there is a question mark at the end of it, indicating a becoming modesty, the lack of the arrogant certainty that often characterises discussions such as what we are having today. But I like it most of all, because the substance and very title of this conference make clear that the part of Asia that we are talking about is not all of Asia, but East Asia.

All too often, people talk about Asia, as in the rise of Asia, when what they really mean is East Asia – that is, Southeast Asia, the ten nations of ASEAN plus, now, Timor-Leste, and Northeast Asia, mainly China, Japan and the Republic of Korea. Worse, too often they say Asia when what they really mean is China. People keep forgetting that in some definitions Asia refers to the entire continent stretching from Jordan to Japan and includes South, Central and West Asia, as well as Southeast and Northeast Asia. Surely, not all of that Asia is rising or emerging or is stamped with a brand that projects development and rapid growth.

I realise that Northeast Asia, strictly speaking, includes Mongolia and North Korea, but for our purposes let us limit our discussion at this stage to either ASEAN Plus Three, the three being China, Japan and South Korea, or the East Asia Summit, which for the present includes the ASEAN-10, Australia, China, India, Japan, South Korea and New Zealand, and, now, Russia and the United States.

Thus, in the light of the preceding paragraph, we can see that, in so far as “emerging regionalism” in East Asia is concerned, we are really talking about two views, which are either irreconcilable or susceptible to

compromise. The first is the more traditional view of East Asia as the ten member-countries of ASEAN and the three major Northeast Asian states of China, Japan and the Republic of Korea, or ASEAN Plus Three. The other view is that of a more open region, more a political determination than a geographical expression, and thus more flexible and pragmatic than ASEAN Plus Three. This is the view of East Asia as including all the participants in the East Asia Summit (EAS) forum.

One can say that it all officially started when the then Prime Minister of Malaysia, Dr. Mahathir Mohamad, publicly proposed on 10 December 1990, at a dinner that he was hosting for visiting Chinese Premier Li Peng, that “the countries of the Asia Pacific region should strengthen further their economic and market ties so that eventually an economic bloc would be formed to countervail the other economic blocs”. He was referring to the transformation of the European Economic Community into the European Union and the closer economic ties among Canada, Mexico and the United States mainly through the North American Free Trade Agreement. Ostensibly because of the lack of prior consultation within ASEAN, the Mahathir proposal, originally named the East Asia Economic Group, or EAEG, did not immediately gain traction. It had to be watered down, first, into the East Asia Economic Caucus (EAEC), that is, somewhat disingenuously, a caucus of East Asians within APEC. It was not until the ASEAN informal summit of December 1997 in Kuala Lumpur that the leaders of China, Japan and South Korea, invited by the host, Dr. Mahathir, met with those of ASEAN. In order to sound both innocent and flexible, the process thus started was called simply ASEAN Plus Three.

As proposed by the East Asia Vision Group, formed in 1998 at the instance of then ROK President Kim Dae Jung, and endorsed by the East Asian Study Group of senior government officials, organised also at President Kim’s suggestion, the East Asia Summit was supposed to be a long-range vision based on ASEAN Plus Three. However, it soon became clear that, with Japan in a long-term economic fall and Korea too small an economy, the rapidly rising China was being perceived as bound to

dominate ASEAN Plus Three. The East Asia Summit became the vehicle for including, as evidently balancing elements, Australia, India and New Zealand in a leaders-led process, with ASEAN at its core. What started as an apparent attempt to break ASEAN's centrality in East Asian consultations thus became another ASEAN-centred and -controlled scheme.

From this interpretative account of the evolution of the two concepts and the two realities, one can conclude that the polite debate between the two views and the tension between the two realities, ASEAN Plus Three and EAS, each have two dimensions – the economic and the strategic. This is what makes this discussion so complicated. We are all interdependent in an ever-tightening network of markets and investment channels, even as strategic alliances constantly shift, with many members of those alliances pretending to be virtuously non-aligned. The middle and small powers seek to play off the big powers against one another, even as they try to sell their goods and services to all the powers and covet their investments. Are we then to take the historical blip that was the second half of the 20th century, when ideological lines were sharp, strategic alliances apparently fixed and global markets fragmented, as the exception rather than the rule?

China-U S. Rivalry

Let us face it. There are two facts that underpin the international situation today, globally and in the Asia-Pacific. The first is the rise of China's economic, political and military power and its consequent demand for its rightful place at the world's negotiating and decision-making table. The second fact is the United States' insistence on retaining its presence and influence in Asia and the Pacific. This insistence arises from many factors. One is the reality of Washington's web of bilateral military alliances, formal or informal, with several states in Asia and the Pacific. Another, just as factual, is America's continuing role as a major market and source of investments and technology for East Asian economies. Another fact is the weight of America's cultural influence. A fourth is the

desire of several Asia-Pacific countries for such an American presence as a counter-force to a feared potential regional hegemon. We have been here before, *mutatis mutandis*. At the same time, China’s involvement is encouraged by some in Southeast Asia and elsewhere as a counter-weight to the (at least, potential) colonial-era dominance and perceived penchant for dictation and interference on the part of the “West”, although fear of American domination and suspicions of U. S. intentions seem to be fading.

However, in the light of this coyly prosecuted rivalry, we should not make the mistake of imagining the situation as a new Cold War. No nuclear-weapon standoffs set the rest of the world on edge with anxiety. No competing ideologies induce nations to choose sides. North America, Western Europe, Australia and New Zealand seem to be set in their liberal, capitalist ways. On the other hand, China and others that seek to emulate it have their economies dominated by state-owned enterprises, clearly no purely free-market economies; but so do many of those that Washington believes to be in its camp. China is a one-party state, clearly no liberal democracy of the Western kind; but so are many countries that the United States considers to be on its side. Indeed, some countries that are aligned with the U. S. are even no-party states. Not least, China does not seem to be bent on exporting its political, economic or social system to others in the world. At the same time, Washington has foresworn any intention of seeking to “contain” China or prevent its “peaceful rise”. In any case, for whatever it is worth, Southeast Asians will have no part in such an effort. They prefer balance between military forces and non-confrontation between defence alliances. They prefer dialogue and consultation among states to armed confrontation between them.

Nevertheless, let us not make the opposite mistake of denying the existence – or, at least, the potential existence – of an incipient global and regional Sino-US rivalry, of overlooking the beginnings of competition between them for influence, particularly in East Asia, but also in other parts of the world, of ignoring the clash of national interests that is at the heart of the rivalry and competition. It is a rivalry and competition between an old established power – by far the world’s leading power – and

a rising, emerging one. Again, we should not err in seeking to wish away the complicated nature of this situation, which is much more complex than the relatively simple equations and calculations that defined the Cold War.

This situation is especially complicated for Southeast Asia. China, with its vast land area, 1.2 billion people and a voracious and rapidly growing thirst for all kinds of natural and human resources and electronic components, will forever be its neighbour. Thus, the ever-tightening economic and strategic inter-relationships that characterise today's increasingly globalised world have special resonance for Southeast Asians – as they do, on an altogether different scale, for the United States.

At the same time, most, if not all, Southeast Asian states seem to harbour doubts about the reliability of the United States' staying power. These countries seek to supply the U. S.' voracious consumer market and attract its companies' enormous capacity for and inclination to foreign investment, for their own profit and that of their companies and entrepreneurs, as well as those of the United States. From a strategic standpoint, they also see in the U. S. a desirable participant in ASEAN's inclusive, balanced and non-confrontational schemes that aim to prevent East Asia's dominance by any one power. However, the question remains in the back of policy makers' minds, if not loudly asked: how reliable is Washington in the performance of this role and for how long?

These doubts have roots in reality, some of them quite deep. One such root is the streak of isolationism that has always been inherent in the American psyche. It is a streak born of geography – the mainland United States being protected by two oceans – and history, a history of rescuing countries that eventually develop to bite the hand that feeds them. Another is the image of America's disgraceful retreat from Vietnam, at least partly as a result of domestic political pressure. A third is today's economic weakness that is perceived to have lowered – permanently, according to some – not only Americans' purchasing power but also their capacity to maintain a substantial and sustained military, political and economic presence overseas.

Japan's Role

And then there is Japan. It further complicates things. Despite the enormous amounts of yen that Tokyo has doled out to many developing countries, including especially those in Southeast Asia, the international commentariat in the past 20 years has regarded Japan as a stagnant, if not declining, power. In the face of current problems manifested in slow economic growth, an aging population, high debt, natural and nuclear disasters, an inept and uncoordinated bureaucracy and weak leadership, it is easy to overlook the fact that Japan is the third-largest economy in the world, that it was dislodged, by China, from second place (after the U. S.) only in 2010, less than two years ago, and that it continues to be a fount of technological innovation unmatched by the rest of the world. It is even easier to forget that, with the yen's appreciation following the Plaza Accord of 1985, Japanese companies relocated to Japan's south and, in doing so, triggered the wave of industrialisation that has enriched the economies of many in Southeast Asia. The Japanese government has shelled out large amounts of money to help ASEAN achieve its many declared purposes.

Both Tokyo and Washington have asserted that their alliance is the linchpin of both countries' strategic interests in the Asia-Pacific. The U. S. claims that its partnership with Japan is the most important of its hub-and-spokes web of bilateral defence alliances in the area. Aside from regarding it as useful for peace and stability in the Western Pacific, some nations look upon the fact that Japan anchors its security on its alliance with the U. S. as a guarantee against Japan's overt militarisation, including its possible acquisition and/or development of nuclear weapons.

At the same time, the economies of China and Japan are rapidly becoming integrated, both bilaterally and in the context of ASEAN Plus Three. As a percentage of the total trade of the countries and region involved, the trade within ASEAN Plus Three, much of it the bilateral exchanges between China and Japan, at about 55 percent of total trade, exceeds that within the North American Free Trade Agreement and approaches that of the European Union. It is important to point out,

however, that this intensification of East Asian trade has been largely market-driven and has received little direct stimulation from government decisions or inter-governmental agreements. It is equally important to point out that skillful diplomacy resulting in a regional environment of peace and stability has made, albeit indirectly, *de facto* regional economic integration possible.

ASEAN Centrality

This is where Southeast Asia, as ASEAN, comes in.

ASEAN has of late been rather obsessed with its “centrality” in regional schemes in East Asia or the Asia-Pacific. In one forum, I noted that this was like Hamlet’s observation during the play within a play. He said, “The lady doth protest too much, methinks.” In other words, this constant pre-occupation with its own place may indicate, as in Hamlet’s mother, a certain degree of insecurity.

ASEAN need not feel so insecure. As a convenor and hub of East Asian or Asia-Pacific regionalism, there is currently – and there will be in the foreseeable future – no alternative to ASEAN. Other potential candidates for this function cancel one another out. The United States? Australia? Japan? China would never allow it. Nor will any of them allow China to assume some kind of East Asian leadership. Beijing knows this, and denies that it is even trying. It also has sound geostrategic reasons for not taking the reins of East Asian leadership. India? It has been tried before – in the non-aligned, in South Asia, in the developing world – with diminishing success. The Europeans? Their day of dominance in East Asia is over. For many, ASEAN “centrality” is a given, leadership almost by default.

Thus, having pioneered the Dialogue Partner system, ASEAN hosts and chairs the Post Ministerial Conferences (PMC) between the association as a group and its Dialogue Partners after the annual ASEAN Ministerial Meeting. There are currently ten such Dialogue Partners – Australia, Canada, China, the European Union, India, Japan, the Republic of Korea, New Zealand, Russia and the United States. (The UN

Development Programme occasionally takes part in the PMC discussions on development assistance.) For a long time since the system started in the early 1970s, the Dialogue Partners used to be limited to the developed countries, which were deemed capable of conferring economic benefits on the ASEAN countries. With the addition of China, India and Russia in 1996, strategic considerations had clearly become salient.

While, after the end of the Cold War, several countries outside ASEAN saw the need for a new strategic configuration in the Asia-Pacific, it had to be ASEAN’s leaders that called for the use of the ASEAN Dialogue-Partner system for the discussion of political and security issues in the region. It quickly dawned on ASEAN and Dialogue-Partner officials that, in the contemporary situation and in line with ASEAN’s regional policy of inclusion, no regional political and security discussions could take place without China or Vietnam. Thus was born the ASEAN Regional Forum, with the participation – decided mainly, at least publicly, by ASEAN – of all of ASEAN, its Dialogue Partners, its “consultative partners” (then China and Russia) and observers (then Vietnam and Laos, plus Papua New Guinea). Now in its 18th year, the ARF is the only ministerial-level forum for the discussion of region-wide political and security issues in the Asia-Pacific and the only region-wide platform for the conduct and observation of joint exercises and other confidence-building measures. It is also inclusive and non-confrontational, with China, Japan and the United States, India and Pakistan, and North and South Korea sitting at the same table and planning and undertaking cooperative, confidence-building activities together. The ARF is not a military alliance directed against any one power. Nor is it meant to “solve” outstanding problems like those on the Korean peninsula or in the South China Sea or in Jammu and Kashmir. Other forums, mechanisms and bases are there to do that. Rather, the ARF is but a platform, an important one, for building confidence and the capacity to act cooperatively in case of need.

ASEAN Plus Three

China, Japan and Korea cooperate with one another, largely through

ASEAN, and with ASEAN. ASEAN Plus Three has had as its centrepiece the Chiang Mai Initiative, or CMI. Named after the Thai city where it was launched in 2000, the CMI started out as a network of bilateral currency swap and re-purchase agreements worth US\$80 billion (including the long-established, now-expanded US\$2-billion ASEAN Swap Arrangement). One part of the CMI conducted surveillance of the regional and national economies. It also had a research and training component, originally carried out largely by the Asian Development Bank. In 2009, the currency network was “multilateralised” into a single pool and increased to US\$120 billion. The scheme is now called Chiang Mai Initiative Multilateralised, or CMIM. ASEAN Plus Three has decided that Japan and China, including Hong Kong, contribute US\$38.4 billion, or 32 percent, each, and Korea US\$19.2 billion, or 16 percent. The ASEAN countries account for the rest, divided among the ten of them according to a complicated formula. As part of CMIM, an ASEAN Plus Three Macroeconomic and Research Office has been recently established in Singapore, with a Chinese national currently at its helm and a Japanese slated to succeed him.

A growing number of other areas of cooperation engage ASEAN Plus Three, including food and energy security, finance, trade facilitation, disaster management, people-to-people contacts, narrowing development gaps, rural development and poverty alleviation, human trafficking, the movement of labour, communicable diseases, the environment and sustainable development, and transnational crime. Cooperation in these areas is now conducted through some 65 bodies at various levels.

East Asia Summit

For those who see ASEAN Plus Three as being, inevitably, dominated eventually by China despite the presence in it of Japan and South Korea, despite the official neutrality of ASEAN, and despite Beijing’s own protestations to the contrary, the East Asia Summit presents a more balanced and reassuring alternative, with the participation of Australia, India and New Zealand in addition to the Southeast and major

Northeast Asian countries. For these and various other reasons – who knows exactly what these were and are? – Japan, Indonesia and Singapore have publicly backed the EAS. As Japan has been advocating from the beginning, the U. S., together with Russia, is now a full participant in EAS.

ASEAN Plus Three has for many years been contemplating an East Asia Free Trade Area (EAFTA), while EAS has proposed a Comprehensive Economic Partnership for East Asia (CEPEA), which is clearly EAS-based. China and Japan have jointly proposed, in a show of an apparently unprecedented collaboration, the formation of “three new working groups for trade and investment liberalization under the EAFTA and CEPEA”. The two proposals, however, no matter what states declare, seem irreconcilable at least in terms of participation. In any case, Japan has openly manifested its partiality to CEPEA by leading and funding the clearly pro-EAS Economic Research Institute for ASEAN and East Asia (ERIA), which is based in Jakarta and in close proximity to the ASEAN Secretariat.

At the same time, EAS has presented ASEAN and China with different dilemmas. For ASEAN, the participation of the American President in EAS, with his country’s political, military and economic heft behind him, raises the danger that Washington’s national agenda, whatever it is at any given time, could dislodge ASEAN’s actual centrality in EAS. As for China, Beijing has apparently decided to take an active part in EAS even if it has the potential of being dominated by the U. S. and of overshadowing China’s preferred ASEAN Plus Three.

Meanwhile, the U. S. participation in EAS raises questions about the American President’s ability to come to Southeast Asia year after year; his absence would erode EAS’ prestige and credibility. With the U. S. in EAS but apparently preferring the potentially divisive Trans-Pacific Partnership to CEPEA, the ascendancy of the ASEAN Plus Three-based EAFTA seems assured.

ASEAN as Hub and Convenor

In any case, ASEAN has been at the centre of all these strategic

frameworks. All summit and ministerial meetings take place at ASEAN events and under ASEAN chairmanship. The inter-sessional activities (that is, activities between the annual ministerial sessions) of the ASEAN Regional Forum have always been co-chaired by one ASEAN and one non-ASEAN ARF member. ASEAN Plus Three has been more or less institutionalised, at least insofar as anything ASEAN can be institutionalised. At its summits, ASEAN meets separately with each of the leaders of China, Japan and South Korea, as well as with all of them together. ASEAN also meets separately with the political leaders of India and the U. S. and with any other leader that the ASEAN host invites.

In all these schemes, ASEAN has maneuvered itself into making the decisions as to which countries participate or not. This has been true of the Dialogue system, the ARF and the signatories to the Treaty of Amity and Cooperation in Southeast Asia. In the drive for a compromise on EAS vs. ASEAN Plus Three, it was ASEAN's foreign ministers who cleverly drew up the criteria for EAS participation, namely, the status of the country concerned as an ASEAN Dialogue Partner, its accession to the ASEAN-led Treaty of Amity and Cooperation (TAC), and whether it had "substantive relations with ASEAN". In announcing these criteria, agreed upon at the ASEAN foreign ministers' "retreat" in Cebu in April 2005, George Yeo, Singapore's foreign minister at the time, stressed that "ASEAN alone" would decide future participation in EAS. Eagerly anticipating its participation in EAS, and keenly aware of the conditions for doing so, Australia, long resistant to pressure to adhere to the TAC, finally signed the treaty.

It will be recalled that China had offered to host the first EAS and, when ASEAN rebuffed that offer, then the second. As it turned out, the first, in 2005, and subsequent East Asia Summits were each held in an ASEAN country on the occasion of the ASEAN Summit. China graciously had to acquiesce in this.

Even attempts to create arrangements outside the ASEAN ambit – attempts whose success cannot necessarily be assumed at this point – have found it important to include all ASEAN members, except for those that

are geographically defined, like BIMSTEC and ACMECS. (BIMSTEC, originally BISTEC for Bangladesh, India, Sri Lanka and Thailand Economic Cooperation when it was founded in June 1997, took on a new name when Myanmar joined it later in the year. The acronym now stands for Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation, being so named at the organisation’s first summit meeting at the end of July 2004, after the accession of Nepal and Bhutan made the earlier nomenclature difficult to modify. Founded at the instance of then Thai Prime Minister Thaksin Shinawatra at the special ASEAN Summit on SARS in Bangkok in April 2003, ACMECS is the Ayeyawady-Chao Phraya-Mekong Economic Cooperation Strategy, which originally comprised Cambodia, Laos, Myanmar and Thailand. Vietnam joined it a year later. The name refers to the three great rivers of Southeast Asia.)

Holding on to its “centrality”, and as a result of the usual intra-ASEAN compromise, ASEAN has thus been considered as a convenient convenor of regional inter-governmental arrangements in the Asia-Pacific. It is made up of ten sovereign states, with no threat of pushing any one national agenda. It has striven for neutrality, currently assuming the posture of rejecting any attempt to force it as an association to choose between China and the U. S.; its members are widely diverse in their relations with each of the two powers. These and other powers sometimes seek dialogue links with one another partly through ASEAN.

ASEAN, or, more specifically, its chair of the moment, is generally doing well as the manager of these processes, setting up the administrative arrangements and negotiating the inevitable chairman’s statements, which are officially and publicly the chair’s sole responsibility but are in reality negotiated beforehand among senior officials of the states most interested, at least as far as the statements’ critical provisions are concerned.

ASEAN as Leader as well as Manager?

The question that some observers, particularly some non-ASEAN participants, ask is whether ASEAN can perform as well in exercising substantive leadership as in working out administrative details and crafting

chairman's statements. My answer to this question would be that ASEAN can exercise substantive leadership, and this really means *intellectual* leadership, only if ASEAN can demonstrate its ability to take common positions on large international issues, deepen regional economic integration, and cooperate in addressing and dealing with common regional problems, like environmental degradation, the spread of contagious diseases, transnational crime and natural disasters. Critical also is ASEAN's ability to raise an ASEAN or regional consciousness among the people of Southeast Asia.

ASEAN has succeeded spectacularly in devising a framework for peace and stability in Southeast Asia through its general adherence to the peaceful settlement of international disputes and its policy of inclusiveness and non-confrontation in engaging the major powers in the affairs of the Asia-Pacific.

However, ASEAN has failed to take more than vague and general positions on such global issues as climate change. With Indonesia in the G-20 in 2011 both as ASEAN chair and in its own right, ASEAN as a group has passed up the chance to present and publicly project constructive ideas at the global economic forum on such transcendent problems as the world recession and the governance structures of the international financial institutions. Aside from its general insistence on regional peace and stability, adherence to international law, specifically the 1982 United Nations Convention on the Law of the Sea, and freedom of navigation and overflight, ASEAN has not taken a more detailed position on the disputes in the South China Sea.

ASEAN has recognised more and more areas as subject to ever-increasing regional cooperation, including protecting the regional environment, stemming the spread of contagious diseases, combating transnational crime, and mitigating the ravages of natural disasters. Through its ASEAN Socio-Cultural Community Blueprint, it confers recognition on the importance of poverty alleviation, social safety nets, income inequality, science and technology, entrepreneurship, education and other forms of human resource development, health care, information

and communications technology, food security and safety, social justice and human rights as regional concerns. However, it is also clear that most, if not all, of these concerns are subject to national, rather than regional, decision and action.

Similarly, while ASEAN is committed to it, regional economic integration is undermined and obstructed by the ASEAN countries' inability or unwillingness (or both) to move ahead on carrying out their commitments at the national level. As a result, the trading and investing community continues to regard ASEAN as ten separate markets and investment destinations.

Indeed, fewer and fewer ASEAN leaders have the political strength or fortitude to defy powerful political forces and carry out in their own countries the commitments that they have made in the region.

While no country persuasively contests ASEAN's "centrality" in the regional schemes of East Asia, there is no overarching "architecture" that ties all these schemes together. ASEAN and the larger Asia-Pacific are much too diverse for that, and ASEAN's international posture of inclusiveness and non-confrontation takes account of this diversity. One result is that decisions arrived at in all the schemes that have ASEAN at their core are the products of consensus and compromise.

Is this effective? This question raises another: effective for what? If it is for building confidence, dispelling mutual suspicion and promoting dialogue and consultation in place of armed conflict, then it is effective – so far. If it is to “solve” problems and “resolve” issues, then it is not. But how realistic would the second situation be?

Conclusion

The notion of an East Asian or Asia-Pacific regionalism has to be premised on the international, global context, which today is characterised at least partly by an incipient Sino-U. S. rivalry. In such a context, ASEAN's inclusive, balanced, non-confrontational approach seems to have greater efficacy in the promotion of peace and stability than the divisive confrontational military approach favoured in the Cold War

period.

There is no alternative to ASEAN as convenor and hub of East Asian and Asia-Pacific regionalism. ASEAN has managed well in the not-inconsequential task of administering regionalism and negotiating the all-important chairman's statements. However, ASEAN is often called upon to lead as well as manage. But what if, as is unlikely, ASEAN succeeds? What if ASEAN could go back to its halcyon days, when the leaders of the five ASEAN founders could arrive at agreements over a round of golf and then be strong enough to carry out those agreements at home? Could ASEAN then stay neutral and objective? Would it not push its own regional agenda? Would it consequently lose its desirability as a convenor, hub and manager if it achieved detailed common positions on political/security issues, deeper economic integration, and the ability to cooperate substantively on common problems?

I have no answers to these questions. I do not know the answers. Moreover, I would not venture to give them, even if I knew them, as the questions remain, for now, completely hypothetical.