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Mely Caballero-Anthony

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Understanding ASEAN’s centrality: bases and prospects in an evolving regional architecture

Mely Caballero-Anthony

Abstract There have been a number of articles about ASEAN’s centrality in the regional security architecture of Asia. Yet, the notion of centrality remains undefined and under-operationalised. Implicit in the discourses of centrality is the idea of ASEAN’s leadership, which in turn raises questions about ASEAN’s ability to do so, given its limited capacity. This article defines ASEAN’s centrality from the perspective of social network approach and argues that ASEAN’s structural position in the density of networks that it has established and those that it has linkages with explains ASEAN's centrality. Despite its lack of material power, ASEAN has been able to claim centrality because of its position as a node in a cluster of networks, and this condition of 'high betweenness' allows ASEAN to exercise influence in regional processes with the tacit acceptance of major powers. However, while centrality may have been achieved, maintaining centrality in a rapidly changing regional environment compels ASEAN to address challenges to its centrality. This would necessarily include its ability to maintain consensus, carry out collective action and achieve its stated goals.

Keywords centrality; regional architecture; ASEAN Community; ASEAN Political–Security Community

1. Introduction

ASEAN’s ability to manage peace and security in Southeast Asia is often deemed as a key achievement of its 46-year history. This achievement has helped ASEAN’s role in initiating the establishment of many ASEAN-led regional institutions in the wider region of Asia Pacific and has spurred ASEAN’s decision to deepen regional integration and work towards an ASEAN Community by 2015.

The Community that ASEAN has envisioned is founded on three pillars: the ASEAN Political–Security Community (APSC), the ASEAN Economic

Mely Caballero-Anthony is Associate Professor at the S. Rajaratnam School of International Studies (RSIS), Nanyang Technological University, and served as Director of External Relations of the ASEAN Secretariat (2011–2012).

Address: S. Rajaratnam School of International Studies (RSIS), Nanyang Technological University, S4, Level B4, Nanyang Avenue, Singapore 639798. E-mail: ismcanthony@ntu.edu.sg

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Community (AEC) and the ASEAN Socio-Cultural Community (ASCC). The three-pillared Community would realise ASEAN’s vision of a region where: (1) the people and member states of ASEAN will ‘live in peace with one another and with the world at large in a just, democratic and harmonious environment’ (APSC); (2) there will be ‘a single market and production base’ that is ‘more dynamic and competitive’ (AEC); and (3) there will exist an ‘ASEAN Community that is people-centred and socially responsible’ through ‘forging a common identity and building a caring and sharing society which is inclusive and harmonious’ (ASCC) (ASEAN Secretariat 2009).

The overarching goal of establishing an ASEAN Community has attracted significant interest from within and outside the Southeast Asian region. The developments in ASEAN have catapulted the grouping to a prominent position in the international community. This heightened profile has been depicted as ‘ASEAN centrality’.

In 2011 alone, a number of statements were made about ASEAN’s new, elevated position on the international stage. Perhaps among the most persuasive of such statements was the remark by former US Secretary of State Hillary Clinton (2011), who described ASEAN as ‘the fulcrum of an evolving regional architecture’. Academics and analysts have also iterated ASEAN’s centrality. An Australian analyst, Malcolm Cook (2011), asserted that with the United States and Russia joining the East Asia Summit (EAS), ‘ASEAN’s claim to its centrality in East Asian and Asia Pacific regionalism is confirmed’. Cook (2011) added that ‘the future for formal regional institutions that are not based in and originated from ASEAN is bleak’. Within Southeast Asia, regional leaders, analysts and commentators had echoed similar sentiments. The head of a Singaporean think tank, Simon Tay, in evaluating the kinds of meetings ASEAN had been convening over the years, noted that ‘the group [has] moved from neutrality to centrality’. President of Indonesia Susilo Bambang Yudhoyono went further, declaring at the conclusion of the 19th ASEAN Summit held in Bali, Indonesia (ASEAN Secretariat 2011b), that ‘ASEAN’s centrality has been maintained’. It is interesting to note that despite all these pronouncements, none has operationalised what exactly is ASEAN centrality. Similarly, a brief survey of recently published work that mentioned ASEAN centrality also does not offer an explanation of what centrality means (Pomfret 2013; Rolls 2012; Tan 2011, 2012).

Implicit, however, in the oft-heard refrain of centrality is the widening and intensification of ASEAN’s leadership role in East Asian regionalism. Does centrality mean leadership? If so, such assumption points to several salient questions about ASEAN’s relations vis-à-vis its external partners. Among these are: (1) whether ASEAN, as a group of small powers, does indeed have the ability to lead the wider Asia Pacific region which includes the major global powers (the United States, China, Japan and Russia); and (2) whether ASEAN has the ability to influence the course of regionalism in the wider region, given its limited capacity and institutional constraints.
These questions are critical in unpacking the meaning of centrality as applied to ASEAN and its leadership role. Recent studies that have sought to operationalise ASEAN’s leadership (Dent 2012; Jones 2010) have largely fallen short in explanatory force. Lee Jones’ (2010) notion of leadership, for instance, is predicated mostly on the extent of ASEAN’s influence over sub-regional and extra-regional events. Its ability to influence events, according to Jones, depends on the ability of ASEAN members to reach consensus and mobilise resources. This operationalisation, however, does not fully explain why, despite the obvious lack of resources commanded by this group of small states, the narrative about ASEAN’s centrality is still very much in evidence. The lack of conceptual clarity often leads one to miss the fundamentals which led to centrality being ascribed to ASEAN in the first place.

Richard Stubbs’ most recent work on ASEAN leadership provides a useful way of operationalising ASEAN’s leadership (2014, this issue). In his essay, Stubbs defines ASEAN’s leadership as an interactive process wherein [ASEAN], as ‘a state or group of states in the international system in cooperation with follower states’, is able to: (1) facilitate problem solving of an issue area; (2) lead the establishment of infrastructure for regional consultation; and (3) influence and/or shape the way issues are discussed. The three elements outlined by Stubbs make for a good take-off point in unpacking the notion of centrality for this paper, but with the use of a different conceptual framework. The analysis here moves from theories of leadership to network analysis to explore ASEAN’s central role as a function of its structural position in various networks. It draws on the concepts developed by scholars of social network analysis (SNA) to examine the extent to which ASEAN is able to show ‘leadership’ through its ability to influence ‘followers’ in achieving a common purpose, gain access to resources and information, and serve as a channel for transmission of beliefs and norms, and in the process, create structures that can ‘define, enable or restrict behaviour’ (Hafner-Burton, Kahler and Montgomery 2009, 562). In brief, the paper aims to define centrality through the SNA approach by showing how ASEAN’s structural position as the node in the cluster of networks allows it to claim a central role in the region’s institutional architecture that includes major powers.

The paper is therefore organised as follows. First, this paper discusses the conceptual underpinnings of ‘centrality’ using the SNA approach as the conceptual framework. Through the SNA, the paper argues that ASEAN’s centrality is derived from its close and dense ties with other actors in the network of institutions in East Asian regionalism, and more importantly, from its position as a node bridging these different networks. In other words, it is ASEAN’s structural position in the density of networks that it has established and those that it has linkages with which explains ASEAN’s central role in Asian regionalism, despite its lack of material power. Second, the paper examines the extent to which ASEAN is able to
maintain its centrality as it continues to advance regionalism in Southeast Asia and the wider region. This is an important aspect to consider, given that most studies on social networks focus more on why networks are successful and give less attention to their weaknesses and constraints (Kahler 2009). In doing so, this paper therefore aims to extend the discussion beyond how centrality is attained to how it can be maintained. In the case of ASEAN, challenges to its centrality are its ability to maintain consensus, carry out collective action and achieve its stated goals. Finally, the paper concludes with some observations on the future directions of ASEAN and its centrality as it advances with its new and more advanced phase of regionalism with its adoption of the Declaration on ‘ASEAN Community in a Global Community of Nations’, or the Bali Concord III at the 19th ASEAN Summit in 2011 (ASEAN Secretariat 2011a).

2. Unpacking the conceptual underpinnings of centrality

Leadership is often conceptualised in terms of power, though scholars differ in the significance they afford to different types of power. According to realists, it is material power that enables a state to exercise leadership and influence over other states, and which in turn defines the structure of international systems (Ikenberry and Kupchan 1990; Waltz 1979). Constructivist scholars like Alexander Wendt (1999) and Michael Barnett and Raymond Duvall (2005), on the other hand, argue that it is the power of ideas rather than material power that defines the structure of international systems. To these scholars, ideational elements—norms, beliefs and identities—often have a far-reaching impact on the behaviour of states and on how the international system is structured. Constructivists also place a lot of emphasis on the role of norms in shaping the behaviour of states in the international system (Finnemore 1996, see also Acharya 2011).

From the above, one notes that the conceptualisation of leadership is often informed by the notion of power—both material and ideational. However, another way of examining leadership is through the notion of centrality offered by the SNA approach. Anne Marie Slaughter (2009) in her work on social networks puts forth this other view. She argues, persuasively, that in a networked century, power can no longer be measured in material terms as defined by the realist tradition (see also Slaughter 1997). According to Slaughter, ‘it is connectivity, more than money or stature, that determines power and power will increasingly be defined by connection—i.e. who is connected to whom and for what purposes’ (2009, 99). In a networked world, the issue is no longer about relative power but centrality—the position of being able to make connections in order to solve shared problems (Slaughter 2009, 112).

Within such a context, SNA offers a different perspective: it allows one to examine more closely the position of an actor within the power
structure, and how that position could shape international systems in significant ways. This paper applies SNA to the study of ASEAN, focusing in particular on the notion of centrality as developed within the SNA literature. Centrality was first introduced by Alex Bavelas in 1948. He hypothesised a relationship between structural centrality and influence in-group processes. Bavelas' work on centrality was subsequently taken up by other scholars.

Lindon Freeman in his 1979 article, ‘Centrality in Social Networks’, highlights the importance of centrality in understanding social networks. Freeman’s work effectively aims to demonstrate how groups are organised to solve some kinds of problems and why SNA provides a framework for understanding how networks and processes work. According to Freeman, SNA is of particular value in international relations, in that it describes how international networks work and investigates the network effects on key international outcomes. In SNA, centrality is seen to indicate the social power of an actor (represented by a ‘node’) based on how well it connects, or how extensively it is connected, to the entire network. It has been used to explain differential performance of communication networks and network members on a host of variables, including problem solving, perception of leadership, efficiency and job satisfaction.

Stephen Borgatti and Martin Everett (2006) note that scholars have proposed different measures for centrality, including (potential for) autonomy, control, exposure, influence, belongingness, brokerage, independence and power. Freeman (1979) provides a simpler approach to measuring centrality based on three basic concepts: betweenness, closeness and degree. These elements are defined as follows:

- **Betweenness**: The extent to which a node lies between other nodes in the network. This measure takes into account the connectivity of the node’s neighbours; nodes that bridge clusters are given higher values.
- **Closeness**: The degree to which an individual is near all other individuals in a network (directly or indirectly). It reflects the ability to access information through the ‘grapevine’ of network members.
- **Degree**: The count of the number of ties to other actors in the network.

Freeman’s three elements of centrality have been seen as a useful tool by scholars of international relations interested in analysing the relationship between power and networked politics. Like Slaughter, Miles Kahler, in his book *Networked Politics: Agency, Power, and Governance*, argues that power in networks ‘depends on structural positions [of a node] in a field of connections to other agents, as well as actor capabilities or attributes’ (Kahler 2009, 3). The relational structures within networks influence the actions of other nodes. Nodes that have high-betweenness centrality have high social capital and can act as a bridge, or broker, which allows them to gain influence. Similarly, nodes with high-degree centrality, that is, a high
number of ties with other nodes, possess social powers that enable them to access resources and information from those nodes (Hafner-Burton, Kahler and Montgomery 2009, 658). Hence, centrality within the SNA approach provides us with a useful conceptual framework for understanding the notion of centrality as it applies to ASEAN. The centrality of ASEAN can be seen or depicted by its being in between, being closely connected to and being in a number of networks in the wider East Asian institutional landscape. ASEAN’s structural position in the dense web of networks, that is, its being at the centre and as a bridging node, can explain why ASEAN is seen as the driver of and a fulcrum for other regional institutions in Asia.

Figure 1 shows the application of SNA to the case of ASEAN and the place of ASEAN in the regional institutional architecture. ASEAN could be seen to measure highly on all three dimensions of betweenness, closeness and degree. As an organisation of small states, its betweenness, that is, its position as a bridging player or broker, is particularly significant. The strength of its betweenness is amply demonstrated through the various ASEAN-led institutions – the ASEAN Regional Forum, or ARF (1994); the Asia-Europe Meeting or ASEM (1996); the ASEAN Plus Three or APT (1997); and the East Asia Summit or EAS (2005).
2.1. Pathways to ASEAN’s centrality

While the exercise of fleshing out the conceptual meaning of ASEAN centrality provides a useful framework for understanding its position in the regional institutional architecture, one needs to probe further how and why this grouping of small powers has been ascribed this role. Here, ASEAN’s history as a regional organisation is pertinent. Since its establishment in 1967, in a political and security milieu characterised by great power rivalry and competition, ASEAN has carefully navigated the cockpit of great power competition by eschewing alliances and forms of defence arrangements. Instead, ASEAN assiduously crafted a path of cooperative security regimes with the aim of promoting trust, building confidence and encouraging inclusiveness. ASEAN’s storyline over the past 46 years therefore shows a history of policies of engagement with like-minded, as well as non-like-minded, states.

ASEAN’s stance was most visible in the post-Cold War era when it became one of the most ardent proponents of regional multilateralism. By promoting the norm of cooperative security, underscored by the cultivation of habits of dialogue, and observance of regional norms which include the respect for the principles of sovereignty, non-interference and peaceful settlement of disputes – reflected in the so-called ASEAN way, ASEAN has actively sought to develop more ties and create denser clusters of networks. This is best seen in its founding of the ARF.

Established in 1994, the ARF is Asia’s first region-wide security institution. It brings together all the major powers (the United States, China, Japan and Russia), some middle powers (such as the European Union [EU], Canada and Korea) and small powers (such as the ASEAN member states). As the convenor of this Forum, ASEAN has displayed its high-betweenness centrality. Also, by bringing together the major powers and middle powers in the ARF, ASEAN was able to establish its critical position between these clusters. By doing do, ASEAN therefore has been able to exercise its centrality, and appropriate the privilege of setting the agenda for the ARF and apply ASEAN practices in the conduct of ARF meetings and processes. The deliberate attempt by ASEAN to shape the institutional design of the ARF is indicative of the preference of ASEAN members that the ARF not be seen as some kind of superstructure that subsumes ASEAN or competes with it. But, what is unique to ASEAN’s role in the founding of the ARF, and as with the other ASEAN-led institutions that followed it (the APT and the EAS), has been the ‘tacit acceptance’ of other members that it holds high centrality within the network. This explains why in the foundational years after the establishment of the ARF, ASEAN had already earned the position of being in the ‘driver’s seat’.

As argued by many, none of the major powers – China, India, Japan or the United States – would tolerate one of their number, or any other major
power, taking the lead in the region. The only viable alternative, one that is acceptable to all, was and still is ASEAN. As noted by a seasoned diplomat, ‘unlike the major powers, [ASEAN] is militarily weak, neutral and objective...it is strategically located, but is no threat to anyone’ (Kesavanpany 2010). With these attributes, ASEAN, despite its lack of material power, has been able to build trust and confidence among network members. It is important to note that the ARF grew out of ASEAN’s relations with its 10 dialogue partners (Japan, South Korea, China, the United States, Canada, Australia, New Zealand, Russia, the EU and India) whom ASEAN meets with annually during the Post-Ministerial Conferences (PMCs) held after the grouping’s annual post-ministerial meetings. With the institutionalised PMCs, it was easier for ASEAN to establish the ARF and later on expand to 27 members spanning a wide footprint in the Asia Pacific.

Eilstrup-Sangiovanni and Jones (2008) consider trust-based relations to be a key feature of the political dynamics of networks. ASEAN has capitalised over the years on the level of trust it has developed with its extra-regional partners to persuade them to also accept its normative foundation of regional conduct, specifically the Treaty of Amity and Cooperation (TAC) and its principles (ASEAN Secretariat 1976). This pattern of relations and approach continued when ASEAN established the EAS in 2005. Getting China, Japan, India, Russia and the United States to accede to the TAC – a prerequisite to joining the EAS – underscored the centrality of ASEAN in the region’s multilateral institutions.

Over the years, ASEAN has also demonstrated its open and pragmatic outlook by its willingness to continually plug itself into the international community and getting others to join the various ASEAN-led networks. Its role as the first architect or builder of regional security community institutions in Asia has enhanced and reinforced its centrality. Higher betweenness allows it to act as a bridge between the ARF, APT and EAS, and to facilitate the access of one node (the EAS) to another (for example, the ARF). The increased closeness and degree centrality of ASEAN also enables it to leverage a wider range of intra-regional and extra-regional resources. In these networks, ASEAN’s centrality can be seen to be derived not only from its structural position, but also from its role/capability in shaping the norms that define regional institutions in Asia – particularly in the case of the EAS. This is explained further in the following section.

2.2. ASEAN’s centrality in an evolving regional architecture

At the ASEAN Summits since 2010, the ASEAN Leaders have underlined the need to maintain ASEAN centrality in architecture-building and institution-building in East Asia. This centrality, as articulated by the ASEAN Leaders, is about ensuring that regional processes and engagements are
coursed through and defined by ASEAN-led mechanisms. The most recent of these ASEAN-led mechanisms is the EAS. In fact, it is at the EAS where one can hear the loudest pronouncements and iteration of ASEAN centrality and where the dynamics of ASEAN centrality are more clearly played out.

If one were indeed to probe further the central role that ASEAN plays in the EAS and other ASEAN-led mechanisms, one notes two key elements. The first is in deciding the membership and composition of the EAS and the second is agenda-setting. These two elements reflect ASEAN’s social power where, ‘as actors with high degree centrality, [ASEAN] can withhold social benefits such as membership’ (Hafner-Burton, Kahler and Montgomery 2009, 570).

When the EAS was established in 2005, there was much speculation as to why the EAS brought in countries outside the APT ambit. With the inclusion of India, Australia and New Zealand, ASEAN was seen as signalling to the international community that the grouping was ready to take on a wider leadership role in an expanded, albeit still limited, regional body. Unlike the ARF which in 2005 already had 27 members, the EAS configuration of the 10 ASEAN countries plus the three East Asian states (China, Japan and South Korea) plus another three nations (Australia, New Zealand and India) reflected a new power dynamic in the region. ASEAN’s inclusion of a rising power like India, as well as an assertive Australia, was indicative of ASEAN’s attempt to ‘manage’ the changing power dynamics in the region and to ward off potential for dominance or hegemony by China. Moreover, in establishing the EAS as a Leaders-led forum focused on wider strategic issues, ASEAN once again underscored its preferred approach of promoting multilateral cooperative security rather than competition.

Mindful that cooperative security in Asia to address regional challenges would require the inclusion of the big powers such as the United States and Russia, it was only a matter of time before the two countries were invited to join the EAS. However, the membership came with certain conditions, the most significant of which was the signing of ASEAN’s TAC. Before 2010, there appeared to be much hesitation on the part of the United States to sign on to the TAC. For one thing, the United States had reservations about being tied to a regional treaty that eschews the use of force in settling disputes. Thus, the eventual signing of the TAC by the United States carried much symbolic significance, representing as it does a superpower being enmeshed in a normative security framework defined by a group of small and militarily weak states. What ASEAN has accomplished in the TAC-isation of the EAS is the region-wide acceptance of its normative foundations of regional inter-state conduct, which in turn shapes the regional security order.

Also significant is the fact that the expanded EAS represents yet another layer in an increasingly dense web of multilateral institutions in Asia that
address different aspects of regional security and strategic issues, with ASEAN at the centre. ASEAN’s centrality in this regard is reflected in its high level of inter-connectedness, particularly in its betweenness and closeness, with the major players in the regional and global arenas.

The second element of ASEAN’s centrality in the evolving regional architecture is ASEAN’s role in agenda-setting. Once again, the case of the EAS is instructive. The Kuala Lumpur Declaration on the EAS in 2005 outlined the principles of the EAS as a Leaders-led forum for dialogue on broad strategic, political and economic issues of common interest and concern. Based on these principles, members agreed at the grouping’s inaugural Summit that cooperation would focus on five key areas: energy, finance, disaster management, avian influenza and education.

In the run-up to the 6th EAS in November 2011, it became clear that the agenda could no longer be confined to the five areas originally agreed on. While ASEAN is generally cautious when faced with attempts by new members to widen the agenda beyond non-traditional security issues to also include maritime security and non-proliferation, it also realised that it had to be responsive to the changes in the region’s strategic environment. In the end, following a year-long discussion, the Chairman’s Statement at the 6th EAS clearly indicated that ASEAN had to find a way to accommodate the interests of its new members. What emerged from the Chairman’s Statement was an agenda that was no longer limited to non-traditional security threats, and which included strategic geopolitical issues of common interest such as maritime security (ASEAN Secretariat 2011c). Nonetheless, given its role as the Chair of the EAS, ASEAN’s centrality was already evident in its ability to steer the expansion of the EAS agenda in response to the changing strategic landscape of the region.

That ASEAN has been able to play a central role through its deftly structured network of institutions and having positioned itself as the node – in terms of its betweenness, closeness and degree – be it the ASEAN Plus One, APT, ARF or EAS further allowed ASEAN to initiate regional agendas and strategies that stamped its imprint. Thus, ASEAN’s centrality is a result of its skilful diplomacy nurtured through the years.

To remain in this position, ASEAN would have to steer the region with initiatives, ideas and proposals to address emerging regional and international security challenges, including non-traditional threats such as pandemics, natural disasters and potential economic downturns. In this regard, maintaining centrality also means being in a position to lead in solving shared security problems. At least in 2011, one can observe that ASEAN had in fact been at the forefront in addressing regional challenges. ASEAN’s centrality was demonstrated when Indonesia, the ASEAN Chair for 2011, initiated the Special ASEAN–Japan Ministerial Meeting at the ASEAN Secretariat on 9 April 2011 to coordinate assistance for relief and recovery efforts, and medium- to long-term rehabilitation and reconstruction plans for Japan in the wake of the country’s earthquake and tsunami.
disaster. The ASEAN Foreign Ministers requested that the ASEAN Secretary-General work closely with member states and report to the Leaders on their efforts.

In response to the Cambodia–Thailand border dispute of 2011, ASEAN initiated shuttle diplomacy to manage the problem, which led to an ASEAN Special Foreign Ministers’ Meeting. These efforts were welcomed by the UN Security Council, which recognised the critical role of regional organisations in regional conflicts. This unprecedented initiative by ASEAN raised the profile of the grouping. The challenge now is for ASEAN to demonstrate that it can sustain this role and this requires no less than an enhanced institutional capacity for the grouping to carry out its multiple programmes and activities.

2.3. Centrality within ASEAN

The emphasis of ASEAN’s centrality is not limited to ASEAN’s place vis-à-vis its external partners in the evolving regional architecture. Indeed, the notion of centrality is also very much a part of the discourse that takes place within ASEAN itself. During the 18th ASEAN Summit held in Jakarta, Indonesia, in May 2011, ASEAN Leaders underlined the need for the grouping to maintain its centrality in institution-building within ASEAN as this will serve as the fundamental building block for a strong ASEAN Community. At the conclusion of the 19th ASEAN Summit and its Related Summits in 2011, the ASEAN Chair (ASEAN Secretariat 2011b) reported that there is ‘recognition from the Leaders on ASEAN’s centrality in building East Asia regional architecture’.

To unpack the notion of centrality within ASEAN, there is a need to expand the analysis and consider the ASEAN member states themselves as nodes in the network. According to SNA literature, the nature and patterns of association among nodes create the kind of structure that can define, enable or restrict the behaviour of those nodes. What this implies is that the ties among its member states define what ASEAN is able to do. In this regard, closeness and degree centrality among all nodes (member states) is highly salient, as such centrality creates conditions for increased cohesiveness among all member states, which in turn strengthens the ability of ASEAN to gain access to resources, set the agenda, frame debates and craft policies that benefit its member states (Beckfield 2003, cited in Hafner-Burton, Kahler and Montgomery 2009, 570).

A rapidly changing strategic environment has brought on more uncertainties in ASEAN. As security, economic and development issues transcend borders, ASEAN’s cohesiveness has become more critical than ever to its members. Compounding such concerns are moves by bigger countries to establish alternative regional institutions. ASEAN saw the versions of the Asia Pacific Community proposed by Australia’s Kevin Rudd and
Japan’s Yukio Hatoyama as a challenge to its coveted position in the regional landscape. Those proposals compelled ASEAN members to strive to strengthen their collective resilience and commitment to ASEAN centrality. In an environment riven by competition, fears of great power influence and abandonment often surface, making it imperative for ASEAN to coordinate its efforts as it continues to engage, lock-in and enmesh the major powers in its regionally led frameworks. On this front, ASEAN appears to have made significant progress. In 2010 alone, a number of ASEAN-initiated frameworks emerged. Notable among these was the convening of the first ASEAN Defence Ministers’ Meeting (ADMM) Plus, which brought together the Ministers of ASEAN states and their counterparts from Australia, China, India, Japan, New Zealand, South Korea, Russia and the United States.

ASEAN has also continued to deepen relations with its 10 dialogue partners, namely Australia, Canada, China, Japan, South Korea, India, New Zealand, Russia, the United States and the EU. The grouping holds bilateral Summits between ASEAN Leaders and the Leader of each of its dialogue partners at the sidelines of each ASEAN Summit. There are also annual meetings and summits that deal with economic and security issues. The dense web of networks and meetings covering political, economic and security issues reflects the extent of ASEAN’s betweenness. These networks illustrate ASEAN’s position as a critical ‘boundary spanner’ in the international system. Figure 2 further illustrates the nodal function of ASEAN in the ASEAN-led mechanisms.

Over the last two years (2010–2012), ASEAN has worked on strengthening its relations with the United Nations, as well as actively engaging other regional organisations such as the Organization of American States, the African Union, the Gulf Cooperation Council, the Economic Cooperation Council and the Mercosur. ASEAN has also welcomed the increasing interest of the global community in fostering closer relations with ASEAN, as manifested in the growing number of non-ASEAN states appointing Ambassadors to ASEAN. As of November 2011, there were a total of 62 non-ASEAN Ambassadors. There is also the growing interest from international entities such as the International Committee of the Red Cross (ICRC), the World Bank and others to have formal relations with ASEAN through memorandums of understanding. Thus, the makings of the internal network within ASEAN itself also explain why ASEAN is able to maintain its central role in Asia Pacific regionalism.

3. Maintaining ASEAN centrality

The value of the SNA in the study of ASEAN centrality extends beyond explaining why ASEAN’s structural position allows it to play a central role or facilitates its ‘leadership’ in East Asian regionalism. While SNA helps
examine the ability of the network to increase their power by enhancing and exploiting their network positions, it also allows one to examine its weaknesses. Although the latter has been given less attention in SNA studies (Eilstrup-Sangiovanni and Jones 2008; Hafner-Burton, Kahler and Montgomery 2009), a closer look at the possible weaknesses and constraints of the network allows for a better assessment of the network power of ASEAN. As noted by Eilstrup-Sangiovanni and Jones, although networks’ strengths are their scalability, adaptability and resilience – properties that define ASEAN, networks can also suffer from inefficiencies, that is, lack of capacity for collective action, maintaining consensus and ability to achieve their states’ goals. The latter issues are equally critical to avoid the pitfalls of exaggerating the centrality of ASEAN.

Ironically, ASEAN’s success has increased the pressure on ASEAN to maintain its centrality. As former ASEAN Secretary-General Dr Surin Pit-suwan argues, the grouping now needs to demonstrate the substance of its centrality, underscoring the need for ASEAN to transcend perceptions that it is merely a convenor of multilateral meetings. If ASEAN were to continue to set the agenda of regional institutions, it is expected that there have to be credible and substantive strides in the regional mechanisms that it has established. To ASEAN Leaders and its political elites, maintaining
centrality requires no less than a two-pronged approach – starting with strengthening centrality within ASEAN, followed by maintaining its centrality within the dense cluster of networks in the regional arena.

3.1. Building and maintaining centrality from within

Against a rapidly changing regional environment, an agenda that is gaining greater salience within ASEAN is how to achieve its strategic priorities of building an open, dynamic and resilient ASEAN Community. In this regard, it has been recognised that ASEAN needs to strengthen the basics to ensure that ASEAN continues to be the cornerstone of the foreign policies of its member states.

Within ASEAN, the task at hand is to demonstrate its effectiveness at solving problems and promulgating policies that benefit its member states. Currently, this applies to realising the goals of the ASEAN Community as set out under its three pillars. In the APSC, for instance, ASEAN needs to make more progress towards becoming a rules-based organisation, with the ASEAN Charter as the foundation, while at the same time upholding the fundamental principles, values and norms of ASEAN. When ASEAN finally adopted the ASEAN Charter in 2007, 40 years after its founding, the Charter was seen as a watershed for regionalism in Southeast Asia.

There are at least three significant implications of ASEAN’s adoption and subsequent ratification of the Charter. First, the Charter confers ASEAN a legal personality. It provides a legal framework for incorporating ASEAN decisions, treaties and conventions into the national legislation of member countries. Second, the Charter sets out a framework for institutional accountability as well as a compliance system (Caballero-Anthony 2008). As Singapore’s Koh, Woon, Tan, and Sze-Wei (2007) point out, the Charter provides ASEAN with ‘a new culture of adherence to rule . . . a culture of taking our obligations seriously . . . a system of compliance monitoring and, most importantly, a system of compulsory dispute settlement for noncompliance that will apply to all ASEAN agreements’. Third, by having a Charter that spells out clearly the grouping’s institutional norms and values, member states have effectively committed themselves to the promotion of democracy, protection of human rights and human security. These developments reflect an ASEAN that has been and is undergoing a normative transformation and which is bent on becoming a serious player in the future of the Asia Pacific region.

However, six years on, the aim of a convergence of norms and values such as democracy among ASEAN states with different political systems has yet to be fully realised. This demonstrates the underlying lack of consensus and coherence in policies within ASEAN. The slow progress could compromise claims of ASEAN’s centrality. As one diplomat pointed out, can ASEAN in fact earn its place at the region’s core without a certain
degree of convergence not only in interests but also in values? (Kesavapany 2010)

The challenges are clearly huge in a highly diverse ASEAN and the results after the adoption of the Charter are still mixed. In the promotion of democracy and human rights, ASEAN has made significant progress, with the establishment of the ASEAN Intergovernmental Commission on Human Rights (AICHR) in 2009 and the ASEAN Commission on the Promotion and Protection of the Rights of Women and Children (ACWC) in 2010. The year 2012 also saw ASEAN finally adopting the ASEAN Declaration on Human Rights. Yet some would argue that many ASEAN member states are still not signatories to the major international convention on human rights.

Then again, Myanmar has seen dramatic political changes, starting with the elections in November 2010. Within a year, Myanmar transformed from being a pariah state — a military regime known for having one of the worst records of human rights violations — to a democratic state with a civilian leader and a national parliament. The April 2012 by-elections saw the opposition party, the National League for Democracy (NLD), win 43 of the 44 seats it contested (out of the 45 up for grabs). Its leader, opposition icon Daw Aung Sang Suu Kyi, won a parliamentary seat. Moreover, Myanmar is now getting ready to be the ASEAN Chair in 2014. The country is finally taking its turn, after having passed over its Chairmanship to the Philippines in 2008 following a series of violent demonstrations in 2007 known as the Saffron Revolution.

The country’s rapid political transition has clearly taken the world, and Myanmar’s own neighbours, by surprise. Myanmar’s neighbours had for years patiently and quietly tried to persuade Yangon to address what at that time seemed like an intractable political impasse, pitting a disempowered political opposition against a strong, seemingly resilient military regime. With these changes, it appears that the normative landscape of ASEAN is slowly being shaped along the lines set out by the Charter. In brief, these developments demonstrate the social power of the regional network to influence, albeit very slowly, the behaviour of a member node. One could also argue that by keeping Myanmar within the association, ASEAN has brokered the continued link of Yangon to wider regional networks, thus allowing Myanmar — through ASEAN’s high betweenness — to benefit from the range of resources made available to and accessed by ASEAN (Caballero-Anthony 2014). Malaysian Prime Minister Najib Razak noted that ASEAN, by acting as a broker to assist Myanmar at the aftermath of the humanitarian crisis caused by cyclone Nargis, has helped to widen the space for and quicken the pace of political reforms in Myanmar (Razak 2012).

To meet the goals of maintaining peace and security in Southeast Asia and beyond, the ASEAN Charter calls on ASEAN and its member states to act in accordance with several principles, including ‘shared commitment
and collective responsibility in enhancing regional peace, security and prosperity’ and ‘enhanced consultations on matters seriously affecting the common interest of ASEAN’. To this end, the APSC Blueprint, formally adopted at the 14th ASEAN Summit in 2009, devotes an entire section to conflict resolution. The Blueprint calls for the strengthening of existing mechanisms for the settlement of disputes, and for additional mechanisms as needed to be considered. It also urges the development of ASEAN modalities for good offices, conciliation and mediation.

ASEAN’s mechanism for dispute resolution was put to the test during the Cambodia–Thailand border dispute in February 2011. The ‘shuttle diplomacy’ undertaken by the ASEAN Chair to stop the military skirmishes between Cambodian and Thai troops and the convening of the ASEAN Special Foreign Ministers’ Meeting on 22 February 2011 in Jakarta to discuss the dispute were certainly a breakthrough. Equally significant was the UN Security Council’s decision on 14 February 2011 (prior to the Special ASEAN Foreign Ministers’ Meeting) that expressed support for ASEAN’s efforts and encouraged the disputing parties to continue to cooperate with the regional organisation. ASEAN should now take advantage of the momentum created by its efforts during this dispute to take steps to ensure that it is not found wanting in the event that it faces a similar situation in the future. Although an ASEAN Institute of Peace and Reconciliation (AIPR) has been set up in 2012, progress in defining its work has been slow and appears to be hampered by the differences among member states on the mandate of the AIPR.

An enhanced ASEAN capacity for maintaining regional peace and security is also important if ASEAN aims to contribute and respond to key global issues of common interest and concern. This vision was articulated by Indonesia during its Chairmanship of ASEAN in 2011 when it adopted the theme ‘ASEAN Community in a Global Community on Nations’. An important element in this vision is ASEAN’s endeavour to have a common platform on global issues by the year 2022. According to the Indonesian Chair, this would require a more coordinated, cohesive and coherent ASEAN position on key issues that is based on a shared ASEAN global view. A common platform would in turn further enhance ASEAN’s common voice in relevant multilateral fora.

No sooner had this idea found traction than ASEAN found themselves in disarray over the handling of the South China Sea disputes. At the 20th ASEAN Ministerial Meeting held in July 2012, in Phnom Penh, Cambodia, ASEAN Foreign Ministers failed to issue a joint communiqué – the first time in the grouping’s 45-year history. Despite efforts by Indonesia to convince Cambodia, which was then the Chair to reflect the discussions on the South China Sea, Cambodia refused to do so. Media reports suggested that China had a hand in influencing Cambodia and undermining ASEAN’s effort to expedite the drafting of the Code of Conduct on the South China Sea (Bower 2012; Philippine Daily Inquirer, 15 July 2012).
officials acknowledged that the incident had a negative impact on ASEAN’s credibility and underscored deep divisions among the 10 members on how conflicting territorial claims are dealt within the regional framework (Today, 14 July 2012). Singapore Foreign Minister K. Shanmugam cogently captured the impact of the event when he said: ‘We talk about ASEAN centrality, ASEAN neutrality, ASEAN community, but before all that, is the central issue of credibility’ (Today, 14 July 2012). Soon after the meeting, ASEAN officials went into damage-control mode. With Indonesia’s shuttle diplomacy, ASEAN Foreign Ministers announced ASEAN’s Six Point Principles on the South China Sea. Among others, the statement allayed concerns that ASEAN cannot reach a common position on the issue (Manila Times, 21 July 2012; Vietnam News Agency, 20 July 2012).

Indeed, while maintaining ASEAN centrality is undergirded by a politically cohesive and strategically coherent ASEAN, of equal and critical importance also is an ASEAN that is economically strong and robust. ASEAN is already an emerging market of over 598 million people, with a combined gross domestic product of US$ 1.8 trillion (at current prices) in 2010. The region has so far enjoyed robust economic performance and resilience. In 2010, ASEAN economies expanded by 7.5% despite the shadow of the 2008 global economic crisis.

ASEAN has identified hurdles to the realisation of the AEC and taken action to address them. It is working to attract more investment, to facilitate free flow of skilled labour, and to set up or strengthen a national coordinating agency in each member state to effectively coordinate implementation across various ministries and agencies. Since the adoption of the AEC Blueprint in 2007, ASEAN has redoubled its efforts to expedite the implementation of measures that would lead to the realisation of the AEC. As of July 2011, ASEAN implemented 73.4% of the measures under the Blueprint. It has completed two of the four implementation phases planned for the run-up to the 2015 target for the AEC, with modest progress seen (ASEAN Secretariat Information Paper 2011).

Notwithstanding these modest achievements, there is shared recognition that unless ASEAN has made significant progress in narrowing the region’s development gap, the notion of ASEAN centrality among its own member states may not be fully appreciated. Narrowing the development divide is a strategic priority for ASEAN, and a key programme to address this is the Initiative for ASEAN Integration (IAI) Work Plan (Mahani 2013). Another significant step taken by ASEAN to deepen economic integration is the adoption of the Master Plan on ASEAN Connectivity (MPAC). The MPAC identifies key strategies and actions to enhance connectivity in the region, both within and outside of Southeast Asia, in terms of three dimensions: physical, institutional and people-to-people linkages. Despite these programmes, ASEAN officials acknowledge that much more needs to be done to significantly bridge and reduce the development disparities across
the region and ensure that the fruits of integration are evenly spread. All these initiatives require collective will and ability to push through with the stated goals.

From the discussion, it is clear that much more needs to be done to achieve ASEAN’s goals of establishing an economically vibrant and politically stable and secure Southeast Asia, and these are just two of the three key pillars that need to be strengthened for the ASEAN Community to be fully realised. Importantly, realising the APSC and the AEC would be critical if the notion of ASEAN’s centrality is to be widely shared by the people of the region. As noted by one observer, ‘If ASEAN wants to be the glue for enduring architecture in Asia, it must be strong and integrated. Like the foundation of a building, if ASEAN is weak [internally], regional structures built on the principle of ASEAN centrality will be weak’ (Bower 2010).

4. Conclusion: ASEAN centrality in Bali Concord III and beyond

The Bali Concord III, the latest ASEAN road map, in outlining the strategies to strengthen the three pillars of the ASEAN Community, emphasised once again the need for ASEAN to address challenges through concerted efforts. In the APSC Blueprint, mention was made of the need to bolster cooperation on issues such as conflict resolution, transnational crimes, maritime security and nuclear proliferation. As part of ASEAN’s goal of becoming an integrated economic community by 2015, the Leaders of ASEAN called for the adoption of region-wide production standards, increased openness and technological progress, improvements in access, diversification of energy sources and technological advances in agricultural production for food security. On the sociocultural side, more focus was given to deeper collaboration on natural disaster relief and assistance, managing the impact of climate change and ensuring health security. A key highlight in this area is the establishment of the ASEAN Coordinating Centre for Humanitarian Assistance on Disaster Management (AHA Centre).

The elements emphasised in the Bali Concord III reflect the resolve of ASEAN to assume a leading role in efforts to deal with increasing regional and global challenges. The resolve appears to bring more initiatives, which also means the broadening of the agenda. The question, however, is the extent to which ASEAN can deliver. While ASEAN continues to receive strong affirmation of its centrality from its dialogue partners, which includes major and middle powers, it also knows that it has to be able to demonstrate its ability to retain this role. To this end, it becomes even more critical for ASEAN, in moving forward to a more advanced phase of regionalism, to adopt a more decisive approach to its commitments to the building of the ASEAN Community. ASEAN will have to continually
develop sufficient weight to constitute a credible bloc, within which mem-
bers begin to adopt a common stand on key issues. This also means that
ASEAN cannot afford to have a repeat of what happened in Phnom Penh
in 2012.

On the economic front, this would mean recording meaningful targets in
realising the ASEAN Economic Community by 2015 and beyond. Closely
related to this is also the role of a strengthened ASEAN Secretariat to help
implement and coordinate the slew of regional initiatives.

The discussions in the paper have attempted to unpack the notion
of ASEAN centrality using the SNA framework. Within the framework,
ASEAN’s centrality is understood as the structural position of a major
node [ASEAN], in its attempts to get itself widely connected to and
embedded in a density of networks. As ASEAN finds itself at the centre of
the East Asian or wider networks of regional institutions, it is all the more
vital for ASEAN to maintain its centrality, in order to protect and promote
the collective interests of its members.

In conclusion, an understanding of ASEAN centrality – in its various
manifestations, including driving the agenda, convening meetings that
bring together all the significant players in the region, and forming a signifi-
cant bloc in regional multilateral processes – involves an appreciation of
the structural position of ASEAN in a network of networks. Importantly,
however, ASEAN’s centrality has to be understood in terms of its signifi-
cance in amplifying the capability of ASEAN to influence and shape the
regional environment and the regional order. With influence comes leader-
sip, and in making this leadership effective, ASEAN clearly needs to
work harder to build its own institutional capacity. This ultimately requires
a combination of political will and considerable investment.

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Notes

1. Since its founding in 1994, the ARF has grown from the original 21 member
states (which include the 10 ASEAN states) to 27 countries. Its geographic foot-
print has extended beyond Asia to North America, Europe and the Pacific.
2. In SNA, nodes can either be individual states or corporate actors such as organi-
sations (Hafner-Burton, Kahler and Montgomery 2009, 562).
3. In the economic sphere, aside from the ASEAN Free Trade Agreement
(AFTA), which came into force in 2002, efforts are also underway to realise the
East Asia Free Trade Agreement (EAFTA), which will bring together the 10
ASEAN states with Japan, China and South Korea. There are also plans to
establish the Comprehensive Economic Partnership in East Asia (CEPEA),
which will extend the membership of the 10 ASEAN members with Japan, China and South Korea to include India, Australia and New Zealand.

4. See Article 2 of the ASEAN Charter.

5. At the 21st ASEAN Summit, the idea of establishing a bigger economic grouping called the Regional Comprehensive Economic Partnership (RCEP) was announced. The objective of the RCEP is to form one of the world’s largest free trade bloc comprising the ASEAN 10 and six countries that have FTAs with ASEAN – China, India, Japan, South Korea, Australia and New Zealand.

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‘Severe dent on ASEAN’s credibility’, *Today*, 14 July 2012.


Since the end of the cold war, the security of the Asia-Pacific region has been the subject of considerable scholarly attention. One reason for this interest is the area’s heightened strategic significance, which is itself due in no small part to the rapid economic growth that many of the countries in the region enjoyed in the 1980s and 1990s. At the same time, the post–cold war international politics of the Asia-Pacific have been relatively dynamic and unsettled, especially in comparison with Europe. The breakup of the Soviet Union and subsequent turmoil in Russia, the rise of China, the strategic retrenchment of the United States, uncertainty about Japan, and other developments all have raised questions about the future trajectory of security relations in the region.

Of particular interest to a number of scholars has been the evolving constellation of international security institutions in the Asia-Pacific. One can discern two especially notable sets of recent developments. On the one hand, many longstanding mutual security arrangements have undergone significant changes, ranging from dissolution to revitalization. On the other hand, the last decade has seen efforts to fashion all new international security structures, most importantly the ASEAN Regional Forum (ARF), that, many hope, will be able to address the novel security challenges presented by the post–cold war era.

Despite this recent flurry of activity, however, one cannot help but be struck by the relatively limited nature of the formal institutional security architecture
to be found in the Asia-Pacific region throughout the postwar era, at least in comparison, once again, with the Euro-Atlantic. Although both areas have been crisscrossed by large numbers of security ties, those of the Euro-Atlantic have generally been characterized by greater multilateralism, elaboration, and formalization than have those of the Asia-Pacific. Such differences have been emblematic, moreover, of both externally oriented collective defense ties and inclusive collective security arrangements at the regional level. In short, the Asia-Pacific has yet to host anything comparable to the highly developed North Atlantic Treaty Organization (NATO) and Organization for Security and Cooperation in Europe (OSCE), respectively.¹

The striking nature of these differences is only intensified when one considers that, at least from a global perspective, the two regions have possessed many common features since World War II. In both cases, the postwar era began with the defeat of a regional power that had aspired to hegemony, leaving a profound power vacuum. Subsequent years witnessed an increasingly intense struggle for influence and control by the two emergent superpowers, the United States and the Soviet Union, a competition that culminated in the formation of numerous formal alliances between them and local partners. Within its own spheres of influence, the United States exhibited, at least initially, a pronounced preference for multilateral security arrangements. And both regions have been characterized in more recent decades, but especially since 1990, by a growing degree of multipolarity as the cold war competition has abated and the power of the United States and the Soviet Union has declined in comparison with that of important regional actors.

How, then, is one to explain the contrasting nature of the security institutionalization that has occurred in the two regions? The answer to this question is of potentially great policy relevance. Prominent analysts have argued that the absence in the Asia-Pacific of a dense network of security institutions like that of Europe is one condition that makes the former area more “ripe for rivalry” after the cold war.² Thus a better understanding of the determinants of regional security institutions should help to illuminate the prospects—and perhaps even to suggest concrete strategies—for creating and strengthening those of the Asia-Pacific as part of a more comprehensive program for promoting peace and stability in the region.³

At the same time, a comparative analysis of the formal security arrangements of the Asia-Pacific regions promises to make a contribution to the more general theoretical literature on international security institutions.⁴ Although a substantial number of works on the sources of alliances already exists, scholars have yet to ask why such institutions are formalized and elaborated to varying degrees and why they assume bilateral versus multilateral forms (when more than two potential partners are available).⁵ Likewise, no systematic attempts have been made to understand variations in regional collective security institutions.⁶
The use of an explicitly comparative approach should help to illuminate the causes of such differences. Nevertheless, the purpose of this essay is not theory testing per se. Rather, the goal is simply to identify factors that would seem to account for the variation in regional security institutionalization that has been observed. To this end, I borrow freely from several well-established theoretical perspectives in the international relations literature. The first of these, neorealism, seeks to explain variations in international outcomes primarily in terms of the structure of the international system, which is typically defined as the distribution of material capabilities among states. Neorealist analyses may differ depending on whether the focus is on global structures or those at the regional level. But for all neorealists, the intrinsic nature of states as well as the international institutions they may create are relatively unimportant.\(^7\)

In contrast, two other important theoretical perspectives stress precisely those factors that neorealism deemphasizes. State-level or “second-image” theories seek to explain international outcomes primarily in terms of state characteristics. Over the years, such theories have proliferated, and there is no consensus on precisely which state characteristics—political system, level of development, national identity, political culture, ideology, etc.—are most consequential. But second-image theorists would agree that such factors are determinative of whether or not state preferences and strategies are compatible and, just as importantly, whether or not states perceive them as being so. Finally, institutional theories seek to highlight the role that international institutions play in shaping international outcomes. The problem for the present analysis is that variations in institutionalization are precisely the outcomes we are seeking to explain. Nevertheless, institutional theory can be useful by sensitizing us to the possibility of path dependence as a result of sunk costs and altered incentive structures.

In fact, this analysis finds that all three of these theoretical perspectives help to account for the differences in security institutionalization observed between the Asia-Pacific and the Euro-Atlantic areas. But some appear to be more helpful than others. In particular, differences in regional structural factors, especially the relative capabilities and geographical dispersion of the states in each area, appear to have been leading determinants of this cross-regional variation. Such factors, which are emphasized by fine-grained versions of neorealism, tended to promote the creation of multilateral alliances and stronger institutional forms in the Euro-Atlantic while favoring bilateralism and less elaborate and formalized institutions in the Asia-Pacific, especially in the early postwar years. Until relatively recently, moreover, the effects of these regional structural differences appear to have been significantly reinforced by differences in the patterns of state characteristics, especially those concerning historical animosities and levels of development, to be found in the two regions. In addition, the nature of the institutions established (or not, as the case may be) at one point in time has restricted the range of institutional possibilities at later junctures. Ar-
guably, the constraining effect of the regional structural factors that inhibited the creation of strong multilateral security institutions in the Asia-Pacific has attenuated with the passage of time, but the state-level obstacles remain significant.

The following section surveys the empirical record of security institutions in the Asia-Pacific and Euro-Atlantic regions, highlighting the most important differences. A second section discusses the inadequacy of a global structural perspective for explaining these differences. The third section explores the role of regional structural factors in producing the contrasting institutional outcomes. A fourth section explicates the reinforcing effects of state characteristics and the role of institutional path-dependence. In a conclusion, I draw upon the preceding analysis to consider the future prospects for security institutionalization in the Asia-Pacific.

**THE EMPIRICAL RECORD**

Since World War II, both the Euro-Atlantic and Asia-Pacific have hosted large numbers of security institutions. Most prominent among these have been strong—by historical standards—alliances linking the United States to regional actors, but there have also been some modest regional collective security arrangements. What distinguishes the regions is not so much the sheer number of security institutions as it is the greater elaboration and formalization of those ties and the more multilateral nature of alliances in the Euro-Atlantic area.

**ALLIANCE FORMATION DURING THE EARLY COLD WAR YEARS, 1945–1955**

These differences emerged by the early 1950s. By that time, the countries of the Euro-Atlantic area had formed a highly institutionalized 12-member alliance, NATO, which included both an elaborate political apparatus for consultation, policy coordination, and joint decisionmaking and an integrated military planning and command structure. Grounded in the North Atlantic Treaty of 1949, NATO also built on the preexisting Western Union, which six West European states had established the previous year. In the early 1950s, moreover, five of the original continental members of NATO in combination with the Federal Republic of Germany (FRG) elaborated plans for a supranational European Defense Community (EDC), which, however, never came to fruition.

In contrast, the security institutions of the Asia-Pacific region in the early postwar years consisted primarily of a series of bilateral agreements concluded by the United States and individual countries: the Philippines (August 1951), Japan (September 1951), South Korea (October 1953), and Nationalist China (December 1954). The only—and still modest—departure from this initial pat-
tern was the trilateral security treaty signed by the United States, Australia, and New Zealand (ANZUS) in September 1951. It was not until 1954 that a multilateral arrangement bearing any resemblance to NATO was born with the signing of the Manila Pact that led to the creation of the eight-member Southeast Asian Treaty Organization (SEATO) the following year.

Especially in comparison with NATO, moreover, most of these U.S.-sponsored arrangements were only weakly institutionalized. As a general rule, they involved less binding security guarantees, few if any common policymaking structures, little joint military planning, and minimal or no integrated command bodies and military infrastructure. In addition, they failed to include some important noncommunist regional actors, such as Indonesia, Burma, and India, all of which had been mooted as potential members of SEATO, and, after its independence in 1957, Malaya. It is also noteworthy that, in contrast to the Western Union and NATO, none of these alliances were established until after the outbreak of the Korean War and that no comparable formal security arrangements of any kind—bilateral or multilateral—were concluded among the many U.S. allies in the region.

THE EMERGENCE OF REGIONAL COLLECTIVE SECURITY INSTITUTIONS

A second distinct phase of regional security institution-building took place in the late 1960s and 1970s. In the Euro-Atlantic area, the principal development during this period was the establishment of the bloc-transcending Conference on Security and Cooperation in Europe (CSCE) in 1973 and the signing two years later of the Helsinki Final Act, which included a set of principles concerning the behavior of participating states and several confidence-building measures (CBMs). Although the CSCE was better characterized as a process than as an organization, through the 1980s it nevertheless served as the pan-European forum for the negotiation of arms control agreements and additional CBMs.

In the Asia-Pacific region, in contrast, there was no comparable movement, however modest, toward the establishment of an all-inclusive regional collective security system. What little activity of this nature that did take place occurred at the subregional level, with the founding of the Association of Southeast Asian Nations (ASEAN) in 1967. Yet even ASEAN could be characterized as a security institution in only the most limited terms. Indeed, only in 1992 did its leaders explicitly agree for the first time that security cooperation was a worthy goal and begin to address security issues directly. In addition, ASEAN contained only very general behavioral prescriptions, such as noninterference in the internal affairs of other members and renunciation of the threat or use of force; few formal mechanisms, which have seen little or no use; and no military
component. Instead, ASEAN consisted primarily of regular dialogues and consultation, leading on occasion to consensual ad hoc agreements that placed few constraints on its members.\textsuperscript{17} SEATO, for its part, rather than grow, began to lose members and was finally disbanded in 1977, although the Manila Pact on which it was based remained in force.\textsuperscript{18}

\textbf{THE POST-COLD WAR PERIOD, 1990–PRESENT}

It was not until the 1990s that either region witnessed a degree of security institution-building that was in any way comparable to that of the early postwar years. In the Euro-Atlantic area, this activity has assumed a wide variety of regional and subregional forms. The CSCE has been transformed from a process into a formal organization consisting of several permanent bodies, and it has acquired a growing number of security-related mechanisms as well as a new name (OSCE). NATO has been streamlined and has developed new appendages—the North Atlantic Cooperation Council (NACC), the Partnership for Peace (PFP), the Euro-Atlantic Partnership Council, and the NATO-Russia Permanent Joint Council—that have joined it and its members with erstwhile adversaries and European neutrals. The members of the European Union (EU) have sought to fashion a new European security and defense identity (ESDI) based on a revitalized WEU and the EU’s own new Common Foreign and Security Policy (CFSP).\textsuperscript{19} And the countries of the region have forged several important pan-European agreements concerning arms control and CBMs.

Although not insignificant, the level of post–cold war institution building in the Asia-Pacific region has not been nearly as great. Here, the most important development has been the initiation, in July 1994, of the ASEAN Regional Forum.\textsuperscript{20} By bringing together virtually all the states in the area, including the major powers, the ARF represents the potential kernel of a regional collective security system. So far, however, it remains only minimally institutionalized, possessing few formal structures or procedures. Instead, it continues to emphasize dialogue, consultation, and informal consensus in lieu of decisive action, with the most noteworthy achievements taking the form of modest CBMs. As a result, it has not yet helped to resolve any actual conflicts or yielded any concrete institutional measures that might significantly enhance the security of its participants.\textsuperscript{21}

In addition, the end of the cold war has been followed by considerable activity in the area of bilateral security relationships. The closure of the last U.S. bases in the Philippines in 1992 was offset by the conclusion of modest military support arrangements between the United States and Singapore, Malaysia, Indonesia, and Brunei.\textsuperscript{22} In December 1995, Australia and Indonesia signed a very general agreement on security cooperation, although this was subsequently suspended.\textsuperscript{23} The United States and Japan have taken steps, most notably the is-
suance of a revised set of defense cooperation guidelines, to reaffirm and strengthen their long-standing security ties. And even Vietnam has moved toward establishing military ties with the United States. None of these bilateral developments, however, have notably altered the overall security architecture of the region. Even the U.S.-Japan alliance, which is the strongest of these bilateral arrangements, remains far less elaborated than NATO.

In sum, both the Asia-Pacific and the Euro-Atlantic areas have hosted large numbers of security institutions since shortly after World War II, and both have seen a renewal of institution-building activity in the post–cold war era. Nevertheless, the security institutions of the two regions have been characterized by important differences concerning the degree of formalization, elaborateness, and multilateralism. How might we best make sense of these regional patterns of security institutionalization, in terms of both their similarities and their differences?

THE INADEQUACY OF A GLOBAL STRUCTURAL PERSPECTIVE

A common starting point for the analysis of security affairs is neorealist theory. Neorealist explanations typically emphasize the basic structure of the international system, as defined primarily by the number and relative capabilities of major powers. In fact, a global structural perspective does help to explain the rapid proliferation of security institutions in both the Asia-Pacific and the Euro-Atlantic during the decade after World War II as well as the emergence of proto-collective security institutions in later years. It is much less able, however, to account for the important differences across the two regions that are identified above.

From a global perspective, the Euro-Atlantic and Asia-Pacific areas shared a number of important structural features during the early postwar years. In each case, a would-be regional hegemon lay in ruins, defeated and occupied. Although both Germany and Japan continued to represent potential threats, should their war-making potentials ever be revived without adequate controls, the dominant powers then vying for influence in each region were the United States and the Soviet Union, a situation that reflected the highly bipolar nature of the new global power structure. Increasingly, moreover, and perhaps quite naturally in view of this bipolar structure, relations between the two superpowers were marked by tension and hostility. As a result, the United States became ever more inclined to seek the rapid political and economic rehabilitation of the defeated regional powers, or at least those parts of their former territories lying within its sphere of influence. From the U.S. perspective, it was imperative to deny the Soviet Union control over the industrial and military resources of Germany and Japan. And ideally, their energies could be enlisted in the
emerging global competition for influence between Soviet communism and the West.

These common factors go far toward explaining the emergence of formal U.S. security ties to states in both regions. American efforts to hasten the restoration of sovereignty, the economic recovery, and the rearmament of the defeated powers raised acute security concerns among their regional neighbors, which had so recently been the victims of German and Japanese aggression. Consequently, the United States found it expedient to offer formal security guarantees to Western-oriented states in both areas in order to obtain their acquiescence in its lenient policies toward Germany and Japan. Otherwise, the erection of strong regional bulwarks against Soviet influence would have been much more problematic.

Although a global structural perspective yields important insights, it does not begin to provide a fully satisfactory account of the security institutionalization that has occurred in the Asia-Pacific and Euro-Atlantic regions. Several of the leading motives for the creation and maintenance of security institutions do not fit easily with such an analytical framework. Above all, there is the rather awkward fact that many of the initial postwar security arrangements were directed at least as much against Germany and Japan as they were against the Soviet Union, notwithstanding the severely weakened positions of the defeated powers.

In addition, the structural similarities cannot explain the important variations identified above in the nature of security institutionalization across the two regions. The difference in the degree of multilateralism is even more puzzling when one considers U.S. preferences. Although these are often portrayed as fundamentally different in the two regions, they were in fact quite similar. The Truman administration was not enthusiastic about incurring formal security obligations in either area, but its natural inclination and initial predisposition, once the need to extend security guarantees became clear, was to seek multilateral solutions. In the Euro-Atlantic area, U.S. officials never gave any serious consideration to purely bilateral arrangements. In the Asia-Pacific as well, the original U.S. conception was of a multilateral Pacific Pact that would include the United States, Japan, the Philippines, Australia, New Zealand, and possibly Indonesia. Yet this proposal was never realized. And the primarily bilateral nature of the institutional outcome in the Asia-Pacific would seem to be rendered yet more problematic by the fact that, given the differences in timing, an attractive multilateral model already existed in the form of NATO.

A global structural perspective is no more satisfactory for explaining subsequent institutional developments in the two regions. Clearly, the emergence of the CSCE was facilitated by the considerable improvement in U.S.-Soviet relations that began in the 1960s, just as the end of the cold war set the stage for the further institutionalization of the CSCE and the first steps toward the possible erection of a collective security system in the Asia-Pacific that have occurred in
the 1990s. In Northeast Asia in particular, recent concerns among American allies that the United States might reduce its security role in the region has done much to prompt interest in multilateral alternatives. Yet the decline and, later, the disappearance of cold war antagonisms cannot account for the important differences that mark the two regions—above all the fact that inclusive collective security arrangements appeared much earlier and have attained much higher levels of institutionalization in the Euro-Atlantic area—or for the precise character of the institutional outcomes, given the wide range of possibilities.

THE IMPORTANCE OF REGIONAL STRUCTURAL FACTORS

The limitations of a global structural perspective suggests the need, at least as a first step, for a more fine-grained neorealist analysis that is sensitive to regional characteristics. Such an approach directs our attention to subsystemic structural conditions, such as the number, relative capabilities, and location of regional actors, that can serve as important additional incentives for and impediments to security institutionalization. For example, one important factor that a focus limited to the power and policies of the United States and Soviet Union fails to capture is the leading role that lingering concerns about potential German and Japanese power played well after the end of World War II in shaping regional security cooperation. After all, it was those countries, not the Soviet Union, that had just waged unsuccessful campaigns of aggression against many of their neighbors. Consequently, it was natural for surrounding countries to continue to fear and to seek assurances against them, even though they had been eclipsed in terms of actual capabilities by the new superpowers. Indeed, Asia-Pacific states initially demanded U.S. security assurances almost exclusively out of concerns about a possible resurgence of Japanese power once the United States began to press for a liberal peace treaty. Likewise, France, in seeking alliance ties with the United States, was motivated at least as much by the anxieties triggered by Western moves to create a separate German state out of the western zones of occupation. Several years would have to pass before the Soviet Union and its satellites would replace them in the eyes of many as the principal regional threat. Only the last early cold war security institutions to be erected in the Asia-Pacific can be viewed principally as attempts to block the expansion of communist influence.

The employment of a regional structural perspective is even more useful for highlighting dissimilarities across the two areas under consideration that can serve as the basis for a more satisfactory explanation. At least two differences in the geostrategic circumstances of the U.S. spheres of influence in the Asia-Pacific and Euro-Atlantic help to account for the disparate institutional outcomes, especially during the early postwar years. The first is differences in the relative
sizes of the extant regional actors. The construction of security institutions in Western Europe benefited from the presence of two major—if no longer great—powers, Britain and France, which were willing and able to take the initiative and play leading roles in this process. In the Asia-Pacific, in contrast, no countries of comparable rank existed. As a result, although even a country as large as France frequently evinced fears of German domination, Japan’s potential regional partners had even more reason to be concerned and thus to eschew security ties with the former hegemon for fear of being dominated.

At least as important, however, are the geographic characteristics that have set the two regions apart. For example, one finds considerable differences in the proximity of regional states to one another. In the Euro-Atlantic area, many countries shared a common border with or lay only a short distance from the former enemy. As a result, it was not difficult to imagine that a serious military threat could quickly materialize if and when the shackles of the occupation were removed. In the Asia-Pacific, in contrast, most regional actors were located far enough from Japan that they had somewhat less (although still good) reason to be concerned. Japan would have to acquire a substantial power projection capability before it could once again threaten them, and it would be relatively easy to interpose the U.S. navy. Consequently, they had less incentive to erect strong institutional security structures—beyond bilateral ties with the United States—as a hedge against a possible revival of Japanese militarism. This situation may also help to explain the lack of institution building prior to the outbreak of the Korean War.

Geographic proximity also made it more natural and easier for West European states to work together. Proximity meant a greater degree of security interdependence; an external threat to one country often represented a threat to others. In addition, considerable gains were to be had through cooperation, since the security of one country could often be enhanced by strengthening the defenses of its contiguous neighbors.

In the Asia-Pacific, by contrast, greater distances meant that threats to one country did not necessarily translate into common security concerns requiring joint solutions. As a result, less was to be gained through multilateralism, and the obstacles to collective military preparations were greater. The assumption of defense obligations to other countries in the region was unlikely to enhance a state’s security and might well, in the event of actual hostilities, have the effect of tying down scarce defense resources that would be needed elsewhere.

Finally, the nature of the respective institutional security arrangements was importantly shaped by the geographical circumstances of the regional power center. In Europe, the industrial resources of western Germany were located hard on the dividing line between the two emerging blocs. Consequently, the task of deterring and defending against possible attacks on German territory, especially once the outbreak of the Korean War convinced Western leaders that
Soviet military restraint could no longer be assumed, was a highly demanding one. It required the active participation of all of western Germany’s neighbors as well as that of the Federal Republic itself. This requirement in turn necessitated the establishment of elaborate political and military structures to determine and coordinate the myriad activities of the allies and to ensure that German armed forces, once formed, would be under tight allied supervision and control.40

In the Asia-Pacific, by contrast, the vital center of regional power, Japan, although actually closer to the territory of the Soviet Union than was Germany, lay off the Eurasian mainland. As a result, the United States, by virtue of its substantial naval and air capabilities, could defend Japanese territory almost single-handedly. There was no compelling need to involve other countries, and since relatively few Japanese resources, in addition to U.S. basing rights, were required, there was little need for elaborate bilateral structures either. By the same token, because of their distance from the Soviet threat and the availability of U.S. naval protection, other island states in the region had little to gain from military ties with Japan. It was simply a less important potential security partner than was the Federal Republic in Europe.

A further consequence of the relatively low level of security interdependence in the Asia-Pacific resulting from the geography of the region was that the United States initially had little interest in making security commitments to noncommunist territories that bordered directly on or that lay just overland from the Soviet Union and its Chinese ally, e.g., South Korea, Hong Kong, Indochina, Thailand, and Burma. Not only were these areas of relatively little strategic importance, but they seemed highly vulnerable to attack. As special envoy and soon to be Secretary of State John Foster Dulles noted in early 1952, “the United States should not assume formal commitments which overstrain its present capabilities and give rise to military expectations we could not fulfill, particularly in terms of land forces.”41 Consequently, the Pacific Pact proposal proffered by the United States was limited to offshore island states.

The initial U.S. inclination to exclude mainland territories from its formal security sphere in the Asia-Pacific had yet another important consequence. From London’s perspective, not only would it leave the British colonies of Hong Kong and Malaya unprotected, but it would suggest that Britain was renouncing its responsibilities in the region. Thus the British voiced strong objections to the U.S. proposal. Primarily as a result of this opposition, the multilateral Pacific Plan quickly dissolved into bilateral arrangements with Japan and the Philippines and the trilateral ANZUS treaty.42

In more recent years, the arguably higher level of security interdependence bred by greater geographical proximity in Europe as a whole has fostered the development of stronger collective security institutions there than in the Asia-Pacific. One might also expect the growth of Chinese power to have had a stultifying impact in this regard, but it has thus far had, in fact, the opposite effect.
An important motive for the formation of the ARF was the desire to constrain China by engaging it in a constructive manner. Nevertheless, although China has not (yet) posed enough of a threat to provoke strong balancing behavior by its neighbors, the creation and strengthening of many bilateral security arrangements in the region as well as the ARF itself represent attempts to respond to the rise of Chinese by ensuring continued U.S. engagement.

REINFORCING STATE-LEVEL AND INSTITUTIONAL FACTORS

Differences in regional structural factors appear to account to a considerable extent for postwar differences in security institutionalization in the Asia-Pacific and Euro-Atlantic areas, especially during the early cold war years. Nevertheless, two other sets of factors seem to have importantly reinforced and sometimes supplemented the effects of local geostrategic circumstances. These are the characteristics of the states in the region and their perceptions of one another, and the path-determining effects of preexisting international institutions.

STATE CHARACTERISTICS

In contrast to neorealist theory and other systemic or “third image” approaches, a number of theoretical attempts to explain international relations have emphasized the characteristics of the units, in this case nation-states. Notwithstanding its structural “neorealist” turn of the past two decades, even realist theory has traditionally placed considerable weight on the nature of states and their perceptions of one another. And over the years, an almost bewildering array of other unit-level theories, concerning everything from class and social structure to political institutions to ideology and culture, have been developed and advanced. Despite their significant differences, these approaches are united in agreement on the importance of the intrinsic behavioral and perceptual dispositions of states, whatever their origins. In particular, such factors can greatly shape the possibilities for security cooperation.

Among other things, this state-level perspective directs our attention to differences in the character of Germany and Japan and in regional perceptions of them, differences which have had important institutional consequences. Although there was little love lost between Germany and her western neighbors after World War II, the especially brutal nature of Japan’s wartime behavior (and, before that, its colonial practices) erected unusually high obstacles to postwar cooperation with potential regional partners, obstacles that in fact have still not been overcome. These differing legacies of the conflict were subsequently reinforced by the types of policies pursued by the defeated powers. Once estab-
lished in 1949, the FRG aggressively pursued reconciliation with its neighbors, championing novel schemes for European integration that might even involve the sacrifice of important aspects of state sovereignty. Japan, in contrast, had minimal dealings with nearby countries, focusing instead on its bilateral relationship with the United States.

Consequently, fears of Japanese intentions and anti-Japanese sentiment more generally remained strong long after the war. Shortly after the failure of the American Pacific Pact proposal, Dulles, who had been the chief U.S. negotiator, wrote that many prospective members of any Asian alliance “have memories of Japanese aggression which are so vivid that they are reluctant to create a Mutual Security Pact which will include Japan.” In 1954, when the members of the Western Union and NATO were willing to add Germany to their ranks, Australia and New Zealand opposed the inclusion of Japan in the relatively inconsequential SEATO on the grounds that to do so would be provocative in areas where the physical or psychological scars of the war remained unhealed. And South Korea and Japan, both close U.S. allies with several nearby common enemies, did not even normalize their political relations until 1965 because of historical animosities.

Nor have intra-regional obstacles to security cooperation been limited to lingering attitudes of enmity toward defeated would-be hegemons, especially in the Asia-Pacific region. Another important unit-level factor, especially in the early postwar years, has been the legacy of imperialism, especially distrust, and in some cases outright hostility, on the part of former colonies toward the former imperial powers. As Dulles observed in the language of the time, “Many Orientals fear that Westerners are incapable of cooperating with them on a basis of political, economic, and social equality.” As a result, newly independent states were often hesitant or unwilling to enter into the security arrangements proffered by the United States, especially where doing so meant compromising their neutrality. In particular, Indonesia, Burma, and India had no interest in joining SEATO. Indeed, Indonesia under Sukarno pursued a foreign policy based on confrontation against all forms (both real and imagined) of colonialism and imperialism, opposing in particular the U.S. and British military presence in the Philippines, Malaysia, and Singapore.

More generally, the fact that the countries of the Euro-Atlantic area have been characterized by a high degree of political, economic, and cultural homogeneity has arguably contributed to a natural cohesiveness and mutual identification that facilitated the emergence of multilateral security arrangements independently of any favorable geographical circumstances. In the Asia-Pacific region, by contrast, security cooperation has often been impeded by significant differences in the level of political and economic development, not to mention the possibility of racist attitudes. Thus, in the early 1950s, Australia and New Zealand were reluctant to assume defense obligations to the Philippines, which
they viewed as politically unstable and, in any case, unable to make much of a contribution to their common security. As Dulles noted in his post-mortem on the Pacific Pact negotiations, “some countries are as yet unable or unwilling to qualify for definitive security arrangements under the ‘Vandenberg formula’ of ‘continuous and effective self-help and mutual aid.’ ”

Occasionally, other dyadic tensions and conflicts rooted in state characteristics have interfered with institution building or precluded greater multilateralism. For example, in the early 1950s, Australia, because of the risk that communists might come to power in Jakarta as well as revisionist Indonesian claims to western New Guinea, opposed its inclusion in U.S. proposals for multilateral security arrangements. By the same token, Indonesia’s decision to jettison its policy of confrontation with Malaysia and adopt a more conciliatory attitude in the mid-1960s following Sukarno’s replacement by Suharto was a necessary condition for the establishment of ASEAN.

Curiously, these unit-level differences could on occasion serve as a fillip to multilateralism. One consideration that influenced the initial U.S. design for a Pacific Pact was the desire to have Asiatic representation in the form of the Philippines and possibly Indonesia. Later, the imperative to avoid the taint of imperialism was an important U.S. motive for resisting the expansion of ANZUS to include Britain, notwithstanding entreaties from London, and for creating SEATO. A primary purpose of Indonesia’s support for ASEAN was to alter its neighbors’ negative perceptions of its intentions. Likewise, an important Japanese motive for promoting multilateral security cooperation in the region after the cold war has been to reassure others.

INSTITUTIONAL PATH-DEPENDENCE

Consideration of institutional factors themselves as possible explanatory variables can further enrich our understanding of the patterns of security institutionalization considered in this essay. The principal conceptual contribution of an institutional perspective in this context is that of path dependence. The choice of institutional arrangements at one point in time can have an important bearing on institutional (and other) possibilities and outcomes at subsequent junctures. Although this perspective would thus seem to be most useful for explaining later rather than earlier developments in a temporal sequence, it also helps to justify the considerable attention paid so far to the initial phase of security institutionalization in the two regions.

In fact, the search for institutional determinants of the postwar security outcomes in the Asia-Pacific and the Euro-Atlantic must go back at least to the institutional legacies of World War II, especially the occupation regimes imposed on Germany and Japan. Differences in those regimes contributed to the differ-
ent regional configurations of power and interest that in turn influenced the timing and nature of the initial postwar regional security institutions.

In Japan, the United States effectively enjoyed total control over the administration of the occupation. It was dependent on other countries primarily to legitimize its policies, especially when it sought to reach a peace agreement with Tokyo at the beginning of the 1950s.\textsuperscript{65} In Germany, in contrast, power was divided, both de jure and de facto, among the United States, the Soviet Union, Britain, and France.

This power-sharing arrangement had several important consequences. First, it hastened the unfolding of the cold war in the European theater. Conflicting objectives with regard to Germany contributed to a rapid breakdown of four-power cooperation and early decisions by the three western powers to proceed jointly with the political and economic rehabilitation of their zones of occupation. These moves helped in turn to put the issue of U.S. security guarantees to the countries of Western Europe on the agenda as early as 1948, some two years sooner than occurred in the Asia-Pacific.

Second, the multilateral nature of the occupation regime meant that, even after attempts to find a common solution with the Soviet Union to the German problem had ceased, the United States could not easily pursue its objectives in the western part of Germany unilaterally. Rather, it still needed to obtain the cooperation of Britain and France. Thus these two European powers enjoyed greater leverage over U.S. policy than did any Asia-Pacific state. This leverage helped Britain and France to extract American security guarantees at an earlier date than was possible in the Asia-Pacific.

Finally, the presence of British and French as well as U.S. military forces in Western Germany meant that the territory of the FRG was covered by NATO security guarantees. As a result of this situation, France in particular was spared the need to agree to early German membership in the alliance. In contrast, a comparable Asia-Pacific security arrangement involving Japan could have been truly multilateral only if Japan had been included as a formal party from the outset. This, of course, was a requirement that all potential members of the proposed Pacific Pact other than the United States found highly objectionable.

Once the first postwar security institutions began to form in Europe, further institutional consequences followed. The multilateral Western Union offered a logical and compelling model for NATO, which can be understood primarily as an expansion of the former to include the United States and Canada.\textsuperscript{66} In fact, given the prior existence of the Western Union, it would probably have been difficult for the United States to insist on organizing its security ties to Europe on a purely bilateral basis, even if it had wanted to.\textsuperscript{67} In contrast, no such regional institutional template existed in the Asia-Pacific prior to the U.S. decision to offer security guarantees to countries in the area.
The early experience with NATO had a different set of consequences for the shape of the security institutions that were to emerge in the Asia-Pacific. Most importantly, objections to Article 5 of the North Atlantic Treaty that arose in the Senate during the ratification process led Truman administration negotiators, especially Dulles, to press for the inclusion of more open-ended, and thus less controversial, language in the guarantee clauses of the treaties concluded with allies in the Asia-Pacific. In addition, prior military commitments in Europe made in the context of NATO caused the U.S. Joint Chiefs of Staff to object strongly to the assumption of any comparable obligations in the Asia-Pacific, especially while large numbers of forces were tied down in Korea. And later, it has been suggested, preexisting alliance arrangements were at least partly responsible for the lack of effort to develop true collective security or collective defense schemes in Southeast Asia.

One can point to additional examples of institutional path dependence in the wake of the cold war. In both the Euro-Atlantic and Asia-Pacific regions, most of the institution building that has taken place since 1990 has centered on international institutions erected during previous decades. Few, if any, of the new security institutions have been created entirely from scratch. Consequently, one might legitimately wonder whether the OSCE, the NACC and the PFP, the CFSP, and the ARF might have ever emerged but for the prior existence of the CSCE, NATO, the EC, and ASEAN, respectively. Indeed, in the absence of ASEAN, something even as modest as the ARF might have been difficult to set up, given the continuing level of mistrust among the major powers in Northeast Asia.

Moreover, the new institutions have strongly reflected the strengths and limitations of their predecessors. To continue with the example of the ARF, its extremely low level of formalization and elaboration is not surprising given the nature of ASEAN. In contrast, the architects of the new European security architecture have benefited in general from the prior existence of a much stronger and more diversified institutional basis on which to build. Of course, the degree to which the potential of preexisting institutional infrastructures is actually exploited will depend on a range of other factors, not least of which are the interests of their participants and the degree of amity and enmity that prevails among them, as suggested by the case of the ARF. Nevertheless, one can say that such institutional legacies will be especially determinative when the structure of the international system offers few clear imperatives, as has been the case since the end of the cold war.

CONCLUSION

This analysis has found that, using familiar theoretical approaches to the study of international relations, one can offer a highly satisfactory account of postwar
patterns of security institutionalization in the Asia-Pacific and Euro-Atlantic regions. Commonplace analytical perspectives help to explain both the similarities and the differences in the institutional outcomes that have characterized the two regions. At the most general level, a global structural perspective helps to account for the rapid proliferation of security institutions in both regions during the decade after World War II and, to a lesser extent, the institution building that has taken place since 1990. It cannot explain, however, the much greater degrees of multilateralism and of institutional formalization and elaborateness to be found in the Euro-Atlantic area throughout the postwar era.

In order to understand these differences, it is necessary to consider structural factors of a primarily regional nature, such as the relative sizes and the geographical dispersion of relevant regional state actors. In particular, the absence of potential regional counterweights to Japan, the relatively great distances between Japan and other U.S. allies in the Asia-Pacific, and Japan’s greater defensibility in comparison with West Germany resulted in fewer opportunities and incentives for security cooperation than existed in the Euro-Atlantic area during the early postwar years. These unfavorable structural circumstances were reinforced by state characteristics, such as enduring enmity toward Japan, mistrust of the former colonial powers, and disparate levels of development, that erected additional obstacles to the construction of strong multilateral security institutions in the region. Finally, we have seen how the presence (or absence) of regional institutions at one point in time has importantly shaped the possibilities for further institutional development at later junctures.

Missing, perhaps conspicuously so, from this analysis has been a search for internal motives for the formation of regional security institutions. Important recent studies of the sources of alliances have shown that weak regimes sometimes seek security ties with other states in order to shore up their positions vis-à-vis domestic opponents. In fact, considerations of this nature have not been entirely absent from the calculations of postwar national leaders in the Euro-Atlantic and Asia-Pacific areas. For example, an important initial purpose of the North Atlantic Treaty was to raise confidence and boost morale in the countries of Western Europe. And SEATO was set up as much to counter the danger of internal subversion in the countries of Southeast Asia as it was to deter more traditional external forms of aggression. In later years, Indonesia at least viewed ASEAN largely as a means to address internal threats by preventing external interference in its domestic affairs.

Overall, however, domestic security concerns appear to have done relatively little, in comparison with the other factors identified in this paper, to promote or hinder the formation of security institutions in both regions. In Western Europe, apprehensions about the durability of the democratic orientation of several countries immediately after World War II were short-lived. And although domestic instability in some of the postcolonial Asia-Pacific states due to a lack
of strong central political institutions or the presence of serious internal challenges sometimes served to obstruct the establishment of alliance ties by diminishing the appetite of potential partners for greater security cooperation, this does not seem to have been the dominant determinant.

THE FUTURE OF SECURITY INSTITUTIONS IN THE ASIA-PACIFIC

On the basis of the preceding analysis, one might derive several conclusions about the prospects for further security institutionalization in the Asia-Pacific. In important respects, the obstacles to multilateralism and the development of more elaborate and formalized institutions have been reduced. Other significant impediments remain, however, and some new ones have emerged. Thus the further development of regional security institutions, especially those of an inclusive nature, is possible, but progress is not likely to come as easily as it has in Europe.

Turning first to conclusions that follow from the global structural perspective, the end of the East-West ideological conflict that marked the cold war should, on balance, facilitate the formation of inclusive regional collective security institutions, as has already begun to occur with the formation of the ARF. At the same time, however, it renders problematic the preservation of existing alliances—primarily those involving the United States—predicated on the Soviet threat and precludes the creation of strong new ones, absent the emergence of compelling new security rationales.

A second structural development of a global nature, the steady erosion, if not the definitive end, of U.S. hegemony in its former spheres of influence, has ambiguous implications. In some respects, it complicates the task of institution building and maintenance. In theory, the existence of an effective hegemon can compensate to a considerable extent for the absence of common interests and even the presence of significant conflicts among other regional actors. During the decades since World War II, and especially in recent years, however, both the relative power of the United States and the size of its military presence in the Far East has declined, reducing its previously unrivaled potential for inducing or coercing security cooperation.

Nevertheless, as suggested above, one should not exaggerate the ability—or at least the willingness—of the United States to impose multilateral institutions where they are not wanted. Its most ambitious proposal, the ill-fated Pacific Pact, was blocked by the opposition of much smaller regional actors. Paradoxically, moreover, the risk of U.S. disengagement and the desire to prevent it has served as a leading motive for the creation of new security ties in the Asia-Pacific. Thus perhaps the most that can be said is that American policy preferences will play an important role in shaping institutional outcomes in the region, notwithstanding the relative decline of U.S. power.
To the extent that global structural conditions have become yet less determinative of regional security arrangements, local structural circumstances should be even more so in the future. And from this perspective, the conditions for institutionalization are perhaps more auspicious than at any time since World War II. First, and paralleling the relative decline of U.S. power, the Asia-Pacific has seen since the 1940s the steady emergence of a number of important regional actors with the potential, in principle, to play leadership roles, thanks to a combination of successful postwar economic recovery and development. These include Japan, Canada, South Korea, Australia, the ASEAN group, and, if one brings in former adversaries, China. Indeed, Australia, Canada, and ASEAN have been the sources of the most important multilateral institutional initiatives since the late 1980s.

One caveat is nevertheless in order. The regional distribution of power remains highly skewed in favor of Japan and, increasingly, China. Consequently, the smaller countries may well continue to fear the possible domination of regional security arrangements by those countries. In addition, the rise of China may continue to help to breathe new life into the bilateral alliances forged by the United States in Northeast Asia during the cold war, and it could even overcome the traditional obstacles to closer Japan-Korea security cooperation.

Second, the implications of the geography of the Asia-Pacific, which previously militated against multilateralism, may have been altered by advances in military technology. The protection previously afforded by the great distances between many regional actors and, in a number of cases, their offshore locations has been eroded by increases in power projection capabilities through such mechanisms as the proliferation of ballistic missiles and advances in naval technology. The resulting higher levels of security interdependence should, other things being equal, provide incentives for greater security cooperation.

These reasons for expecting further security institutionalization, especially of a collective nature, must be tempered, however, by a recognition of the enduring obstacles to institution building presented by the characteristics of the states in the region and their perceptions of one another. Rather than reinforcing the effects of regional geostrategic circumstances, as they did during the cold war, these unit-level factors may tend to work counter to the favorable structural trends identified above. In contrast to Europe, the Asia-Pacific remains fractured by tensions and conflicts stemming largely from state characteristics that can hinder the development of collective security institutions even as they provide reasons for maintaining old alliances and creating new ones.

Chief among these are enduring historical animosities. To some extent, security cooperation may also continue to be hampered by the legacy of colonialism, especially the mistrust that it has generated on the part of former colonies toward former colonizers, a hindrance that is absent in the Euro-Atlantic area. Perhaps more importantly, Japan’s otherwise substantial potential to exert polit-
ical leadership in the region continues to be crippled by strongly held memories in other countries of its actions as a colonial power and during World War II and its perceived failure, in marked contrast to Germany, to accept its responsibility and apologize for past misdeeds. It may still be many years, if not decades, before Japan can earn the confidence of potential regional security partners. For its part, Japan will find it difficult to assume security commitments involving military obligations to other countries, even where they are welcome, because of deeply rooted anti-militarist sentiments.

More generally, the region’s diverse state characteristics and practices raise fears and create frictions that are not conducive to progress on international issues. The actual and potential political and economic instability of many states, such as Russia, China, Indonesia, India, and Pakistan, generates uncertainty about their future intentions and behavior. Beyond that, substantial differences in political and economic systems and levels of development may simply make it more difficult to find common ground on security issues. And some close observers have pointed to a deeply rooted Chinese preference for bilateralism and suspicion of multilateral institutions, which has served as a principal brake on the development of the ARF.

Not to be overlooked are the places, such as Korea, Taiwan, the South China Sea, and the Kurile Islands, where one can still find revisionist attitudes toward basic questions of political jurisdiction and territorial boundaries. Such fundamental conflicts can complicate even the mere task of initiating and maintaining a dialogue on security issues, not to mention the actual creation of formal security ties. The trend toward democracy in several states, most notably South Korea, offers some grounds for optimism, since pairs of liberal democracies are less likely than other types of dyads to engage in military conflict. But this trend is not yet sufficiently widespread or far enough advanced to promise a fundamental change in overall regional security relations.

Finally, security institutionalization will continue to be constrained by the lack of a strong base of preexisting regional institutions, especially institutions of a multilateral character, on which to build. To be sure, the presence of old institutions can sometimes stand in the way of creating new, more functional structures. For example, the initially cool American responses to proposals in the late 1980s and early 1990s for an Asia-Pacific cooperative security structure reflected concerns that such a body would undermine the U.S. alliances in the region. As suggested above, however, much of the recent activity in Europe has been facilitated by the presence of considerable institutional raw material with which to work. The other consequence of the absence of an elaborate and multilateral institutional infrastructure in the Asia-Pacific is that it may represent a lost opportunity for promoting reconciliation among past and present adversaries in the region. Although the historic improvement that has occurred in Germany’s relations with its neighbors owes first and foremost to a conscious
German strategy to effect such change, it was certainly facilitated by the presence of security institutions such as NATO that, although created for other purposes, could be used to burnish the country’s image in the eyes of its partners.\textsuperscript{86}

Nevertheless, there is at least one institutional cause for optimism. Recent institutional developments in Europe, especially those of a pan-European nature, can serve as valuable sources of ideas for possible Asia-Pacific experiments. Indeed, some recent proposals have been explicitly modeled after aspects of the CSCE and OCSE.\textsuperscript{87} Although too close an association with European structures can also taint an initiative in the eyes of some states in the region, their relatively successful track record may ultimately imbue derivative proposals for the Asia-Pacific with an appeal that can overcome parochial resistance.

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\textbf{ENDNOTES}

1. This analysis emphasizes those parts of Asia that are contiguous with the Pacific ocean, namely northeast and southeast Asia.


3. It should be noted that this paper does not attempt to undertake the equally important task of evaluating the effects and effectiveness of different types of regional security institutions.

John Ravenhill, eds., Pacific Cooperation: Building Economic and Security Regimes in the Asia-Pacific Region (St. Leonards, Australia: Allen & Unwin, 1994), which examines both economic and security regimes.

5. One might justifiably question whether much of alliance theory actually considers alliances *qua* institutions rather than merely as alignments. For example, one particularly influential study, Stephen M. Walt, *The Origins of Alliances* (Ithaca, NY: Cornell University Press, 1987), defines alliance as any formal or informal relationship of security cooperation between sovereign states. This definition would not seem to preclude purely ad hoc, one-shot arrangements growing out of a transitory alignment of interests.

6. Two recent books employ a theoretically informed, comparative approach to study regional security. Emanuel Adler and Michael Barnett, eds., *Security Communities* (Cambridge: Cambridge University Press, 1998), focuses on security communities, which are ideational constructs, while David A. Lake and Patrick M. Morgan, eds., *Regional Orders: Building Security in a New World* (University Park: Pennsylvania State University Press, 1997), examines what are termed “regional orders,” which refer to modes of conflict management. Neither, however, is explicitly concerned with formal collective security organizations per se, although there are likely to be important links between the three phenomena.


8. The analysis will exclude the security institutions such as the Warsaw Treaty Organization that linked the Soviet Union to its respective regional allies.

9. In 1955, the FRG was admitted to both NATO and the WU, and the latter was renamed the Western European Union (WEU).

10. The signatories included the United States, Britain, France, Australia, New Zealand, the Philippines, Thailand, and Pakistan.


12. In 1957, Britain agreed to guarantee the security of Malaya (later Malaysia), its former colony, under the terms of the Anglo-Malayan Defense Agreement (AMDA), with which Australia and New Zealand associated themselves in 1959.

13. Also of note is the 1971 Four-Power Agreement on Berlin, signed by the United States, Soviet Union, Britain, and France, which codified the status of the divided city.


15. The five original members were Indonesia, Malaysia, the Philippines, Singapore, and Thailand. Brunei joined on attaining independence in 1984.


19. All of the WEU’s original military structures had been absorbed by NATO by the mid-1950s. In the 1990s, however, it added a planning cell, a situation center, and a range of military and politico-military committees and working groups. (See Western European Union, “WEU’s Structure,” available from http://www.weu.int/eng/info/structure.htm; accessed 1 Oct. 1998.) And at the end of the decade, the EU took its first steps toward the acquisition of an autonomous capability for military action, including the creation of a Military Staff.

20. As of 2001, the membership of the ARF consisted of the ten ASEAN states, Brunei, Cambodia, Indonesia, Laos, Malaysia, Myanmar, the Philippines, Singapore, Thailand, Vietnam, and 12 other countries: Australia, Canada, China, India, Japan, South Korea, North Korea, Mongolia, New Zealand, Papua New Guinea, Russia, and the United States. In addition, a representative of the EU participates.


23. The most comprehensive discussion of the Australia-Indonesia agreement is Bob Lowry, “Australia-Indonesia Security Cooperation: For Better or Worse?” Working


26. As early as 1948, George Kennan had defined them, along with the United States, the Soviet Union, and Great Britain, as the five most vital power centers in the world from the standpoint of U.S. national security. See John Lewis Gaddis, Strategies of Containment: A Critical Appraisal of Postwar American National Security Policy (New York: Oxford University Press, 1982), pp. 30ff.


29. McIntyre, Background to the Anzus Pact, and David McLean, “Anzus Origins: A Reassessment,” Australian Historical Studies 24, no. 94 (April 1990): 64–82 at 68. In fact, the first serious discussion within the Department of State concerning possible multilateral security arrangements in the Asia-Pacific contemplated the inclusion of Britain, France, the Netherlands, and Canada as well (McIntyre, Background to the Anzus Pact, 265–66). This history conflicts with Peter Katzenstein’s contention that “after 1945 the United States enshrined the principle of bilateralism in its dealing with Japan and other Asian states” and Miles Kahler’s suggestion (1994, 20) that the United States resisted multilateral security schemes desired by its allies in Asia. See Katzenstein, “Regionalism,” p. 143, and Miles Kahler, “Institution-building in the Asia-Pacific,” in Mack and Ravenhill, eds., Pacific Cooperation, pp. 16–39 at 20.

30. Also rather problematic from a global perspective is the fact the United States did not simply impose its policy preferences for a multilateral arrangement on the states within its sphere of influence, much as the Soviet Union did in Europe. To explain such variations in superpower behavior requires acknowledging the existence of important sources of state interests that are not merely derivative of the material structure of the international system, an analytical move that is certainly inconsistent with the tenets of neorealism.

32. Such factors play a role in balance of threat theory (Walt, Origins of Alliances) and offense-defense theory, see Stephen Van Evera, “Offense, Defense, and the Causes of War,” International Security 22, no. 4 (Spring 1988): 5–43. These approaches, however, depart from the original tenets of neorealism by including variables that are not strictly structural in nature. By contrast, geography is often neglected in purely structural realist analyses of world politics. See in particular Waltz, Theory of International Politics.

33. See, for example, Mabon, “Elusive Agreements,” p. 149; Melvyn Leffler, A Preponderance of Power: National Security, the Truman Administration, and the Cold War (Stanford, CA: Stanford University Press, 1992), p. 394; and McIntyre, Background to the Anzus Pact.

34. Ireland, Creating the Entangling Alliance.

35. See, for example, McIntyre, Background to the Anzus Pact, p. 381.

36. Joseph Grieco has successfully used a similar approach for explaining differences in the degree of regional economic institutionalization (Grieco, “Realism and Regionalism,” esp. pp. 336–40). Nevertheless, Grieco places primary emphasis on differences in German and Japanese preferences, which he in turn explains in terms of U.S. power.

37. In 1965, Japan’s gross domestic product was equal to those of Australia, New Zealand, South Korea, the Philippines, Singapore, Thailand, Malaysia, and Indonesia combined. In 1989, it was more than three times as large. Figures derived from Table 4 in Donald Crone, “Does Hegemony Matter? The Reorganization of the Pacific Political Economy,” World Politics 45, no. 4 (July 1993): 501–25 at 510.

38. For similar reasons, Western-oriented Asian countries were reluctant to establish economic ties with Japan in the 1950s. See Grieco, “Realism and Regionalism,” p. 339.

39. In fact, the principal military commitments of Australia and New Zealand in the early postwar years lay in the Middle East. See McIntyre, Background to the Anzus Pact, p. 304.


45. Similarly, Peter Katzenstein (“Regionalism”) has identified differences in domestic structures, especially the character of state institutions, as an important determinant of differences in the forms of regionalism pursued in Asia and in Europe.

46. For example, Walt, Origins of Alliances, highlights the role of perceptions of intentions in determining patterns of alliance formation. Randall Schweller, “Tripolarity

47. Of course, it is important to recognize the structural and institutional reasons for these different policies. For geographical and economic reasons, Germany was much more dependent upon the goodwill and cooperation of its regional neighbors. In contrast, Japan had to rely primarily on the United States for its economic redevelopment as well as its security. In addition, the FRG began its life deprived of many of the traditional perquisites of sovereignty, not least of which was the right to make its own foreign policy. Thus it still had to overcome the mistrust of its neighbors before it could be fully rehabilitated politically.


50. Victor D. Cha, *Alignment Despite Antagonism: The United States-Korea-Japan Security Triangle* (Stanford, CA: Stanford University Press, 1999). Although Japan and South Korea have engaged in a number of practical forms of security cooperation since 1965, they have never concluded a formal alliance.


53. Braibanti, “International Implications,” p. 37; Brands, “From ANZUS to SEATO,” p. 268; and McIntyre, *Background to the Anzus Pact*, p. 383. The inability of the United States to impose its multilateral preferences on the countries of the region sits uncomfortably with Katzenstein’s characterization (“Regionalism,” p. 142) of the period as one of “extreme hegemony.”


60. McIntyre, *Background to the Anzus Pact*, pp. 332–35.

66. Iceland, Denmark, Portugal, and Norway were invited to be charter members primarily because of the strategic importance attached to their North Atlantic territories, including Greenland and the Azores, for ensuring the unimpeded flow of U.S. reinforcements to Europe in the event of a conflict. See Lawrence S. Kaplan, The United States and NATO: The Formative Years (Lexington: University Press of Kentucky, 1984), pp. 82–83.
67. This discussion of institutional path dependence is not meant to deny the importance of realist factors in precipitating the formation of the Western Union and in motivating the conclusion of some form of transatlantic security ties.
70. Likewise, the primary reliance of the United States on bilateral security agreements during the cold war caused Bush administration officials to be suspicious of new multilateral arrangements, which they feared might undermine existing U.S. ties. See Leifer, “ASEAN Regional Forum,” p. 23. It is not clear, however, whether this initial skepticism had any lasting consequences.
75. In this connection, it is also worth mentioning the long-term trend of growing strains in U.S. economic relations with some of its Asian allies, which occasionally spill over into security relations.


80. Aaron Friedberg has cited the lack of a common culture and of a shared identity in the Asia-Pacific, in comparison with the Euro-Atlantic, in “Ripe for Rivalry,” p. 24. The impact of such differences on security institutionalization, however, is relatively difficult to trace.


83. See Cha, Alignment Despite Antagonism, pp. 223–29, for an application of this argument to Japan-Korea relations.

84. See also Friedberg, “Ripe for Rivalry,” p. 23, and Betts, “Wealth, Power, and Instability,” p. 73.


86. See, for example, Christian Tuschhoff, in Haftendorn, Keohane, and Wallander, eds., Imperfect Unions, pp. 140–61.

Constructing communities: the curious case of East Asian regionalism

DAVID MARTIN JONES AND MICHAEL L. R. SMITH*

Abstract. The prevailing scholarly orthodoxy regarding recent diplomatic initiatives in the Asia-Pacific assumes that East Asia is evolving into a distinctive regional community. The orthodoxy attributes this development to the growing influence of the diplomatic practices espoused by the Association of Southeast Asian States (ASEAN) and its related institutions. However, a paradox remains, namely: despite the failure of ASEAN’s distinctive practice to fulfil its rhetorical promise in Southeast Asia both immediately prior to and in the aftermath of the Asian financial crisis in 1997, it is nevertheless considered sufficient to validate the projection of ASEAN defined norms onto a wider Pacific canvas. This study analyses how an academic preference for constructivism has misinterpreted the growth in official rhetoric extolling East Asian regionalism since 1997 in a way that has helped produce and reinforce this paradox. By contrast, we contend that government declarations of a developing East Asian identity actually serve to obscure the continuation of traditional interstate relations and do not herald any wider, let alone inexorable, movement towards an integrated regional community.

Where do correct ideas come from? Do they drop from the skies? No. Are they innate in the mind? No. They come from social practice, and from it alone; they come from three kinds of social practice, the struggle for production, the class struggle and scientific experiment.¹

Mao Tse-tung

In November 2005, an ‘East Asian Community’ was formally inaugurated at an amorphous gathering of states that seeks to integrate in a multilateral forum the ten nations of the Association of South East Asian Nations (ASEAN)² with the three Northeast Asian states: the People’s Republic of China, South Korea and Japan. The product of lengthy and somewhat convoluted diplomacy, the efficient cause of this community gathering may be traced to the Asian financial crisis of 1997 and the perceived economic humiliation of the formerly high performing East and Southeast Asian economies at the hands of unscrupulous hedge funds and implacable international institutions like the International Monetary Fund (IMF). In the wake of the crisis, ASEAN initiated regular annual formal or informal dialogue sessions with the

* The authors extend their grateful thanks to the two anonymous reviewers and the editors of the Journal for their helpful comments and observations.
2 The ASEAN 10 include the original five members: Malaysia, Philippines, Indonesia, Singapore and Thailand; Brunei which joined in 1986 and Vietnam, Laos, Myanmar and Cambodia which acceded to ASEAN’s Treaty of Amity and Cooperation and joined the organization between 1995 and 1997.
three Northeast Asian states in an arrangement termed accurately, if unimaginately, ASEAN+3 to discuss shared economic and security problems. From the outset the ASEAN way, a set of non-Western norms and processes, purportedly guided this emergent regional grouping.

Consequently, for the vast majority of academic, media and political commentators, the formation of the East Asian Community will be the visible expression of the inward and invisible effectiveness of ASEAN’s distinctive multilateral practice. Thus, for former Singapore Premier, Lee Kuan Yew, a wider regionalism, under ASEAN auspices, was ‘an idea that would not go away’. Regional scholarship has since the millennium reinforced Lee’s perception. In 2000, Peter Katzenstein pronounced, ex cathedra, that East Asian regional integration was ‘an idea whose time has come’, whilst in 2002 Richard Stubbs considered ASEAN+3 ‘an evolving and rapidly developing process’.

More precisely, for Nikolas Busse a regional identity had emerged from the ‘social practice and political interaction’ of ASEAN and its interlocutors. In Busse’s constructivist interpretation, ASEAN’s ‘political culture’ and its character as a distinct social actor had evolved in the process of addressing the Indo-Chinese crisis between 1978 and 1991. Subsequently, the process of engagement with an emerging and potentially revisionist China after 1993 both reinforced and extended ASEAN’s procedural norms for constructing a regional order. Following what he considered Busse’s ‘carefully researched case studies’, but abandoning a ‘parsimonious constructivism’ in favour of an all embracing analytic eclecticism, Katzenstein also considered ASEAN ‘processes of trust building . . . to be well under way’ across the Asia Pacific.

Yet, while Katzenstein warned that the construction of a regional identity might be a work of decades rather than years, and wisely neglected to specify which states the region might eventually include, other analysts were both more prescriptive and more exclusive. These ASEAN scholars, influenced by but less eclectic in their understanding than Katzenstein, imagined the grouping, over time, evolving from an already established diplomatic community into a nascent security community. For, Amitav Acharya, the ASEAN process demonstrated ‘how under certain conditions, weaker states can offer normative leadership in building an institution whose membership includes all the great powers of the current international system’.

Similarly, Muthiah Alagappa considered ASEAN’s ‘emphasis on principles and...
norms as well as its conception of comprehensive security' emerging 'from the weakness of the ASEAN states in power endowment'.

Paradoxically, this weakness had by no means limited ASEAN’s capacity to engineer a normative regional order. Analysts sought to explain the paradox, arguing that regional leaders had ‘frequently asserted that their non-legalistic and consensus-oriented ASEAN way is a distinctive and workable alternative to a European-style multilateralism’. Thus, they had, through their discourse and practice, effectively forged an ideational alternative, thereby inducing a sense of ‘we-ness’.

In a similar vein of mutually reinforcing norms, Dirk Nabers, again employing a ‘social constructivist variant of international relations’, demonstrated that ASEAN after the Asian financial crisis of 1997–98 had through ‘social communication, reciprocal speech acts and changing attitudes identities and interests of the states cooperating with each other’ created ‘the identity of an East Asian community’. Similarly, for Alastair Iain Johnston, the ASEAN way was a mythic ‘story about path dependence and mutual constitution’. The elements of this myth ‘allowed states to converge on an agreement that established an extremely low level of institutionalization’ which in turn ‘created a process of social interaction’. By 2005, therefore, the orthodox interpretation of international relations in the Asia Pacific assumed, as Anthony Smith maintained, that ASEAN was well on the way ‘to socializing the [East Asian] region with the same norms and values that have proved successful in Southeast Asia’. The current wave of scholarly enthusiasm for ASEAN’s practice and its apparent determination of a process of East Asian regional integration induces an eerie feeling of familiarity. Prior to the Asian financial crisis there was an analogous surge of scholarly and diplomatic fervour for the utility of ASEAN’s distinctive multilateral approach to managing security, this time applied to the much narrower regional context of Southeast Asia. As early as 1990, a characteristically laudatory Australian study of ASEAN considered it ‘the most successful regional organization of its kind in the third world’. Its distinctive process of conflict management since its inception in 1967 had transformed ‘intra-ASEAN security relations from enmity, fear, and rivalry to amity, trust, and cooperation.’ Between 1990 and 1996, the scholarly

12 Acharya, ‘Regional Institutions’, p. 211.
norm on ASEAN already assumed that ASEAN was a ‘weighty and influential player in the international system.’

Significantly, some ASEAN commentators speculated, before the financial crisis, that ASEAN’s consensus-driven approach ‘might have relevance for other non-ASEAN states’ in the region. Those impressed by ASEAN’s unique diplomatic evolution between 1990 and 1997, considered that it would eventually fashion a wider East Asian order. Commentators argued that the ‘activism of the ASEAN members’ had already been ‘amply demonstrated in their domestic, regional, and international initiatives, and their unwillingness to leave it to others to construct the Asian or international order for them.’ Helen Nesadurai believed that their spectacular economic growth had ‘given the East Asian states a degree of confidence’ that had ‘led a number of their leaders to question the validity and suitability of US norms in the economic as well as the social and political spheres.’

The claim that the ASEAN way in multilateral security possessed wider relevance had received institutional expression in the shape of the ASEAN Regional Forum (ARF) in the early 1990s. After 1993, this forum sought to project the virtues of ASEAN’s non-confrontational diplomacy into the wider Pacific arena, thereby initiating diplomatic links between Northeast and Southeast Asia. The formation of the ARF thus gave institutional credence to the view that ASEAN would become the cornerstone of a new Asia-Pacific-wide regional management process in which the Association would form the ‘hub of confidence-building activities and preventive diplomacy’ and constitute the ‘key building block for a new global community.’

By 1997, however, two factors seemed destined to undermine this premonitory snuffling of ASEAN guided regionalism. Firstly, the emergence of China as an increasingly influential regional actor and its aggressive conduct over the disputed ownership of the Spratly Islands in the South China Sea between 1995 and 1997, demonstrated severe limitations to the ARF process. Secondly, 1997, the year which saw the peak of the first wave of scholarly enthusiasm for the ASEAN way, also witnessed an unprecedented financial crisis that devastated the tiger economies of Southeast Asia. During the crisis, rather than bonding, ASEAN leaders engaged in unseemly mutual recriminations. The Association itself stood impotent in the face of both financial meltdown and the growing internal political discord in its member states that accompanied it. Therefore, one might have thought that the ineffectiveness of the ARF between 1993 and 1997 and the absence of a coordinated regional economic response to the 1997 financial crisis would have destroyed the credibility of the ASEAN way and its Southeast Asian, let alone wider East Asian, application.

Curiously, this was not the case. In the post-crisis era, evidence of political and economic failure that empirically undermined assertions of the grouping’s wider relevance, was reinterpreted in such a way that supported the notion that ASEAN’s norms formed the ideational basis for an integrated East Asian region. Former

Singapore Prime Minister Goh Chok Tong claimed in 1998, that the ‘regional crisis does not spell the end of Asia’s progress . . . the reforms now being adopted in most countries will lay the foundations for a stronger and leaner Asia.’ Regional analysis, as we have indicated, echoed this assumption. Summatng the revised orthodoxy, James Ferguson contended that, ‘the dynamics of the crisis . . . rather than debilitating ASEAN’ could reinvigorate regional organisations.

How is it possible to proceed from the proposition that ASEAN, pre-1997, represented a successful model of economic and political development that merited the expansion of its institutional framework into the broader East Asian region, to the premise that its economic and political failure post-1997 equally vindicated the projection of its diplomatic formulas into the wider region? This study investigates this discrepancy. It will show not merely that the claims advanced for ASEAN’s relevance pre- and post-crisis are incompatible, but also how and why ASEAN scholarship’s latest methodological fashion, constructivism, enables both academic and diplomatic accounts of the regional process to move from proposition to contradiction unencumbered by critical reflection. The absence of critical introspection in this field, we shall contend, means that regional myths are not easily refuted even when confronted by empirical evidence to the contrary.

Discourse and its discontents: the 1997 economic crisis

The obvious place to begin tracing the inconsistencies in regionalist discourse is with an assessment of the political reactions to the 1997 economic crisis. This event represented a critical discontinuity in recent Asia-Pacific international relations. Moving from the boundless optimism of the Pacific Century to fiscal disaster within the space of a few months shook regional self-confidence. The fact that the financial contagion had spread from Southeast Asia to Northeast Asia, most notably South Korea, evoked feelings of collective Asian shame. Embarrassingly, the once high-performing economies of Thailand, Indonesia and South Korea required the assistance of the IMF, and had to submit to externally imposed fiscal constraints in return for financial aid.

It was from the perception of collective humiliation by essentially ‘Western’ institutions like the IMF and World Bank that the felt need for greater regional solidarity emerged. Initially, this took the form of blaming the IMF for aggravating the crisis by its demands for economic restructuring and financial reform. The IMF, it was claimed, was insensitive to local feelings. In Indonesia, the Southeast Asian economic disaster area par excellence, ‘Western financial institutions’ misunderstood

27 Although as James Cotton has pointed out, it could be argued that ASEAN’s internal failure as a multilateral organisation had already been exposed by its failure to address its home-grown problem of the ‘haze’ crisis of 1997-98. James Cotton, “The “Haze” Over Southeast Asia: Challenging the ASEAN Mode of Regional Engagement,” Pacific Affairs, 72 (1999), pp. 331-51.
Indonesian culture. According to Katzenstein: ‘The IMF’s approach helped push General Suharto to tap into a deep strain of Javanese nationalism. The result were deadly anti-Chinese pogroms and the downfall of the regime.’ Evidently, it was culturally insensitive to expect Indonesian leaders either to acknowledge their economic shortcomings or respond pragmatically to pressure exerted by international institutions.

Whilst academic and media critics in both western and East Asian universities, NGOs and think tanks blamed the IMF for its insensitivity toward ASEAN styles of governance, the evolving regional narrative ascribed the cause of the crisis to US-dominated global funds that ruthlessly shifted ‘hot’ money in and out of Asia. In 1998 former Malaysian Prime Minister Mahathir Mohamad identified a cabal of primarily Jewish hedge-fund managers and derivative traders in New York, Chicago and London who manipulated Asian currency markets in order to profit from their wild fluctuations. A variant of this thesis found its way into academic commentary. Jeffrey Sachs and Joseph Stiglitz considered the financial crisis a result of unregulated global financial markets rather than the economic shortcomings of Southeast Asian finance ministers. Elsewhere, Ferguson considered the crisis primarily the fault of the US government that had permitted ‘an unregulated release of financial capitalism’ in the early 1990s. Subsequently the US cynically manipulated the IMF, endeavouring ‘both . . . to limit the scale of the bailing out and demanding a strongly interventionist role in return for aid.’

Casting blame for the crisis on actors outside the region, therefore, found a hidden Western/Jewish hand undermining Asia’s economic growth and reputation. Unsubstantiated claims about the indifference of both the IMF and the US government to Asian sensibilities, coupled with angst about the pace and shape of global capitalism, cumulatively supported the theory of a carefully orchestrated conspiracy against the region. Shifting responsibility westward also enabled largely unaccountable East Asian political elites to evade their own long-term causal role in the crisis. Before the crisis, ASEAN politicians and scholar-bureaucrats proclaimed the virtue of a non-liberal Asian way of managing political and economic development. Yet, it was this atypically Asian synergy between government and business that permitted the cronyism and lack of accountability that initially precipitated financial uncertainty about the region. At the same time, the ASEAN states had actively utilised the open and increasingly globalised financial and trading arrangements which emerged at the end of the Cold War, to attract the foreign direct investment that drove double-digit economic growth in the years prior to 1997. Only governments inured to uncritical support would assume that international financial institutions would agree that the remedy to the region’s ills lay in the more forceful application of tried, and failed, Asian economic values.

29 Ibid., p. 19.
32 Ferguson, ‘East Asian Regionalism’.
The growing belief that the outside world had neglected Asia in its hour of need fed a burgeoning sense of resentment and incited the idea of East Asian regionalism. Regionalism offered the promise of Asian solutions for Asian problems. It would engender growing interdependence and secure the region against future, externally induced, shocks. As Deputy Prime Minister of Thailand, Supachai Panitchpakdi explained in 2000: "We cannot rely on the World Bank, Asian Development Bank, or International Monetary Fund ... we must rely [instead] on regional cooperation."34

In the months following the economic crisis, ASEAN sought to establish a dialogue partnership with Northeast Asia through the new mechanism of an East Asian Summit (EAS). At the first summit, held in Kuala Lumpur in December 1997, the leaders of ASEAN discussed regional possibilities with their peers from China, Japan and South Korea. At the 6th ASEAN summit in Hanoi in December 1998 they agreed to formalise these meetings into the arrangement now known as 'ASEAN+3'. This would "move ASEAN onto a higher plane of regional cooperation in order to strengthen ASEAN's effectiveness in dealing with the challenges of growing interdependence within ASEAN and of its integration into the global economy."35

In order to achieve greater cohesion, the South Korean President Kim Dae-Jung proposed an 'East Asia Vision Group' that would report on ideas to deepen long-term cooperation among members of the ASEAN+3 grouping.36 This took the initial form of suggestions for trade liberalisation, tariff reductions and strengthening the ASEAN Free Trade Area (AFTA).37 Japan proposed an Asian Monetary Fund calibrated, unlike the IMF, to regional sensitivities. Japanese Prime Minister Junichiro Koizumi endorsed this sentiment in Singapore in January 2002, asseverating that East Asia should evolve into a 'community' that 'acts together and advances together'. Such an integrated East Asian 'whole', Koizumi maintained, would 'be greater than the sum of its parts', adding that while 'our pasts may be varied and divergent ... our futures can be united and supportive.'38 Koizumi's speech considered Southeast Asia's political destiny linked to that of Northeast Asia, arguing further that ASEAN+3 constituted the institutional framework for forging a common East Asian destiny. The promotion of East Asian integration thus became the principal justification for subsequent ASEAN+3 summits and constituted the most important regional political reaction to the financial crisis, becoming the 'embryo of an East Asian regional organization'.39

The most distinctive feature of ASEAN+3 was that it expressed a restricted understanding of regionalism. Unlike inclusive trans-Pacific groupings like the ARF, ASEAN+3 was exclusive, effectively drawing the boundaries of 'East Asia' in a way that ruled out those countries on its periphery, most notably, the 'Western' liberal democracies – the United States, Australia and New Zealand. In this respect, the new arrangement bore a family resemblance to the East Asian Economic Caucus (EACE).

34 The Nation (Bangkok), 10 June 2000.
a putative caucus without Caucasians, comprising the ASEAN states along with a number of Northeast Asian states like Japan, South Korea, Taiwan and Hong Kong, and proposed by Malaysian Prime Minister Mahathir in 1992 to act as a counter-weight to US influence in the A sia Pacific Economic Cooperation (APEC) forum. The EAEC never achieved institutional form, but it nevertheless foreshadowed an inchoate regional sentiment that, for both regional officials and analysts alike, constituted the procrustean framework for constructing the East Asian region.

Constructing a community

East Asia's indigenous scholarship naturally welcomed the wider regionalist thinking that dominated diplomatic conversation between East Asia's capitals after 1998. The various regional centres for strategic and international studies were from the mid-1990s complicit in promoting and formulating the norms that constituted the ASEAN process. In this endeavour, they were fortuitously supported by an emerging methodological fashion in international relations that both explained and endorsed this new momentum. Social constructivism, a theory of knowledge that achieved growing prominence in United States and United Kingdom university departments from the late 1990s, maintained that discursive activity constructs our understanding of reality. Applied to international relations, constructivism emphasised the primacy of ideational factors in the construction of state interests. This premise was not, of itself, particularly original. Philosophy post-Bishop Berkeley and Gilbert Ryle, psychoanalysis after Freud and sociological inquiry since Herbert Mead had all attempted, at various times, to analyse, reveal or deconstruct the factors that compose identities and create languages for self-understanding and self-disclosure. In a late developing Anglo-Saxon international relations theory, though, its moment arrived on the scholarly scene via the influential studies Alexander Wendt and others published from the early 1990s.

According to Wendt, constructivism investigated 'how knowledgeable practices constitute subjects'. It sought to demonstrate, further, that it was the process of inter-activity with other agents in a social system that determined the understanding of the structure of that system. In Social Theory of International Politics (1999) Wendt showed that anarchy in the international system was a consequence of social processes and, therefore, not given by fixed, material conditions. From this it follows that the study of norms in global politics are central as they construct the social identities of agents in the international system, and this helps define perceptions of the state and its interests.


42 Wendt, ‘Anarchy is What States Make of It’, p. 394.
Constructivism’s appeal for many contemporary social scientists lies in the possibility of a transformative international politics that the theory intimates. For the central tenet of constructivism holds that the continuing process of socialisation can reconstitute identities and interests. As Wendt explains, ‘. . . the process by which egoists learn to cooperate is at the same time a process of reconstructing their interests in terms of shared commitments to social norms. Over time, this will tend to transform a positive interdependence of outcomes into a positive interdependence of utilities or collective interest organized around the norms question.’ Thus, the ‘process of cooperating’ will assist in ‘reconstituting identities and interests in terms of new inter-subjective understandings and commitments’.44

What Wendt means is that through the process of interactive communication and exchange, actors in the international system can free themselves from the debilitating burden of self-interested, competitive state relations. A felt need for interdependence and a common destiny can eventually transcend egotistical state identities and forge a group identity that will, in turn, fashion new norms that establish an alternative pattern of interests, displacing older, more restrictive identities. Central to constructivist understandings is that, once formed, norms can assume their own dynamic, even if the actors that first voiced them intended something otherwise. Ultimately, norms can redefine interests in a way that may eventually subsume individual state identities within wider collectivities. Unsurprisingly, the geopolitical discourse of medium powers and NGOs, which seeks to shape distinctive regions from nations and states, yields easily to the constructivist perspective.

Much criticism of Wendt’s thesis focused upon the lack of hard data to support his theory.45 It was serendipitous, therefore, that the evolving debate over East Asian regionalism occurred when constructivism’s recruits in International Relations schools sought to apply the latest methodology to actual cases in the field of international relations. From the late 1990s onward, a proliferation of constructivist studies analysing the developmental norms shaping the Asia-Pacific region appeared in the leading journals in the field. Examining the ‘speech acts’ of Asian leaders and picking over the ‘interpretive schemes’ that emerged from regional colloquies, enabled analysts to validate methodologically that ‘East Asia and Southeast Asia are beginning to emerge, through debates and controversies’. ASEAN, of course, played a crucial role in the process of ‘region-wide community building and the formation of a collective identity’.46 This socialisation process demonstrated that ‘the East Asian region is so closely connected in political, economic, social and ecological terms that it is impossible to consider one state’s fate independently from another’.47

Defining a region

Despite the confidence with which regional analysts endorse developments in the Asia-Pacific, a number of theoretical and practical challenges present themselves.

47 Ibid., p. 132.
Critics have noted, for example, that constructivism may entail a logical absurdity. If constitutive processes are all, all phenomena collapse back into language. This robs constructivism itself of any meaning. As Dale Copeland observes, if human agents were merely ‘puppets of the ideational environment in which they find themselves’ then ‘each would exist simply as a socially conditioned “M e”, without the free-willed “I” capable of resisting the socialization process’. Such over-determining conditioning would undermine any prospect of transforming the structure of the international system through rhetorical interaction – the very thing that constructivists often want to show is possible.

Constructivist attempts at theory testing have thus been critiqued as superficial, often bearing an uncomfortable resemblance to Jorge Luis Borges’ fiction *Tlön, Uqbar, Orbis Tertius*. For Borges, a keen student of Berkeleyan idealism, the people of *Tlön* constructed a world that is not a concurrence of objects in space, but a heterogeneous series of independent acts. Interestingly, the metaphysicians of *Tlön*, endlessly fascinated by system building, find truth or its approximation devoid of interest. Instead, they pursue a ‘kind of amazement’. Rather than the fantastic systems of *Tlön*, the constructivist metaphysicians of East Asian international relations pursue ‘positive norms’. This endeavour assumes that the transformation of identities promotes cooperation and is thus an innately benevolent process.

Consequently, Alagappa argues that, ‘The ASEAN approach emphasises principles, norms and rules as the key to regulate international interaction’, and privileges multilateral institutions designed ‘to reduce the role of power’. Such a preference tends to ignore negative norms that may equally well explain or influence international behaviour. Furthermore, as other critics have suggested, cooperative behaviour between some actors inevitably generates competitive behaviour against others. Yet, those who apply a constructivist ontology to international relations often overlook any disconcerting effects of normative processes, evident, for example, in the exclusive character of the ASEAN +3 process.

Such limitations notwithstanding, what we can dispute is not whether identities are capable of changing over time – an idea which most social scientists would probably accept – but whether, beyond the discursive level of speech acts and rhetorical exhortation to regional unity, constructivism explains the actual conduct of Asia-Pacific international relations and whether, as it further contends, genuine transformation has occurred via the ASEAN process in that conduct. Does discursive practice in international relations in this respect accurately forecast political change, or does it rather produce the strategically useful illusion of transformation?

52 Alagappa, ‘Constructing’, p. 77.
It is a question that has obvious importance for the Asia-Pacific given that Southeast Asian regionalism in the post-Cold War period from 1990 to 1997, manifestly failed to fulfil its rhetorical promise. This failure provides both an empirical and discursive framework to assess current claims about the direction and character of East Asian regionalisation. For it is evident that between 1990 and 1997 ASEAN’s assertion of regional harmony, concord, consensus and stability served only to obscure the reality of a loose collection of insecure post-colonial states, briefly united for a few decades by their self-denying ordinance of non-interference in their internal affairs and a shared opposition to communism, leaving them ill-prepared for the conditions of durable international disorder that would confront them after 1997.55 The economic crisis, in fact, revealed how little of substance there was to these rhetorical claims of cooperation as each of the major states in ASEAN looked abroad or to its own resources to survive the financial crisis.

A value-neutral political scientist would, therefore, find in the ASEAN case between 1990 and 1997 evidence to demonstrate the failure of a normatively driven regional project. Aware of the causes of that failure, our putative scientist might be inclined to exercise a degree of caution when presented with new claims by the proponents of the previous failure that they have engineered a bigger, bolder and better arrangement. Instead, the current literature on East Asian regionalism endorses and supports, on a broader East Asian arena, the claims first made by Southeast Asian autocracies and semi-democracies and their scholar-bureaucracies in the 1990s, accepting as fact rhetorical statements that East Asian community-building has positively transformed the international relations of the Asia Pacific. Acharya, for instance, maintains that ‘Asia is moving along the same trajectory of greater interdependence, institutionalisation and political transformation as Europe did in the past centuries, and there can be reasonable hope that their pathways will converge more fully in the long-term future’.56

If we probe deeper into the international relations of the Asia-Pacific, however, we can discern that this understanding of East Asian transformation into a coherent region is dangerously misconceived. Events between 1994 and 2004 – including the disputes between China and almost all the ASEAN states over the South China Seas, which remain unresolved, to the very different post-meltdown political and economic experiences of North and Southeast Asian states – suggests that the current ‘trajectory’, far from propelling Asia towards European style integration, is travelling along a rather different ‘pathway’.

In particular, the very notion of ‘East Asia’, let alone an East Asian community, presents acute definitional problems. If regions are essentially discursive creations formed by the interplay of language and politics, which in due course conditions the thinking of governing elites and a wider public over time, then what constitutes East Asia remains imprecise. Thus, while the idea of a ‘Southeast Asia’ emerged from the formation of a British theatre of operations in World War II – South East Asia Command – and is currently framed by membership of ASEAN, no such boundary markers frame East Asia. Indeed ‘Asia’ has always been something of a movable

feast. The term, together with its sub-variants: ‘East Asia’; ‘Southeast Asia’; and ‘Northeast Asia’, not to mention ‘Farther India’ and ‘Indochina’, arose not from the states integral to that ‘region’, but from political actors external to it, most notably during the period of European colonial expansion from the seventeenth century onwards. ‘Asia’ was an essentially European construct that gave rise to misleadingly monolithic images of the Orient that still persist.

Because of Asia’s historically nebulous character, it is necessary to exercise caution when interpreting signs of its evolution into a coherent ‘East Asian’ regional form. As John Ravenhill observes: ‘Statements by East Asian political leaders at regional forums affirming such an identity and a new commonality of interests have to be read in the particular context in which they were made and not assumed to translate automatically into new collaborative outcomes’. Further, not only are declarations of regional solidarity frequently made for political effect, they also conceal very different understandings of what the putative region entails. Hence, Japanese Prime Minister Koizumi’s call for an East Asian community envisaged the ASEAN+3 framework broadening to embrace countries like Australia and New Zealand and a wider free trade area. This contrasts with Malaysia’s push, initially supported by China, for a more segregated understanding of the region. In the latter view, as Rafidah Aziz, the Malaysian trade minister explained, non-Asian countries like Australia and New Zealand ‘are [not part] of the region’.

Uncertainty over who or what constitutes this East Asian entity raises an additional question: can any arrangement so broadly and ambivalently conceived address the diverse economic and security problems confronting the Asia-Pacific? As we have seen, the main impetus for regional expansion sprang from the 1997 financial crisis which inspired visions of pan-Asian cooperation strengthening regional economic resilience, and prompted plans for an Asian monetary fund, the reduction of tariff barriers and regional free trade. Scrutiny of trans-Pacific economic and trade cooperation reveals, however, that progress in this area has been negligible. The regional monetary fund rapidly shrunk into a fiscally limited swap arrangement, whilst there are entrenched differences over what form regional economic cooperation should take. Political entities like Hong Kong and Singapore favour trade liberalisation, while others, like Malaysia, prefer mutual technical and economic assistance aimed more at developing an economically defensible ‘fortress Asia’.

Efforts within the AFTA and APEC frameworks to reduce tariff barriers remain commitments largely in theory. Whilst AFTA ostensibly sought to reduce tariffs to zero by 2010, in practice numerous commodities are placed on a Temporary Exclusion List, a General Exception List or a Sensitive List (excluded permanently from any liberalisation). Indonesia, Malaysia and Thailand continuously renegotiate trade ‘sensitive’ items while extending their protection of key industrial and agricultural sectors well beyond the next decade. The inconsistent approach to

58 Low, ‘Wanted: An East Asian “Community”’.
61 Soesastro, ‘Whither ASEAN +3?’, pp. 3-6.
62 Paul Bowles, ‘ASEAN, AFTA and the “New Regionalism”’, Pacific Affairs, 70 (1997). As Bowles observes, the central motivation behind AFTA seems not to have been to enhance ASEAN integration but to make the region more attractive to foreign direct investment, p. 229.
inter-Asian trade deepening was exposed in 2001 when arch pan-Asianist Prime Minister Mahathir warned of the danger to Southeast Asian investment and economic growth posed by the increasing flow of imported goods from, and foreign direct investment into, China.\textsuperscript{63}

A SEA N’s poor record of trade integration, in fact, ‘has been punctuated by some member states flouting even its modest demands’ and provides ‘little reason for confidence that rapid progress will be made’ across the broader Asia-Pacific.\textsuperscript{64} A recent exercise in ASEAN bonding, the ‘Bali Concord 11’, declared at the ninth ASEAN summit in October 2003, demonstrated the difficulty. The Concord envisaged an ASEAN ‘community’ built on the pillars of political, security, economic and socio-cultural cooperation.\textsuperscript{65} Yet, the Concord essentially updated the Treaty of Amity and Cooperation (TAC) of 1976, which enshrines the principle of non-interference in the affairs of member states, that had failed to integrate the region in the past. The reinforced community, despite its fashionably constructivist phraseology, remains tied to a principle of non-interference, whilst its economic integration continues to be consensus– rather than rule– driven. Consequently, the Concord does not foresee an integrated economic community emerging anytime before 2020.

Economic integration, to the extent that it has taken place, occurs through bilateral free trade agreements between states both within and outside the putative community/region. The US, Australia, China, Japan, Singapore and Thailand are all actively pursuing bilateral trade agreements. Singapore signalled its frustration with the pace of trade liberalisation in the ASEAN economic community by concluding a bilateral free trade agreement with New Zealand in January 2001, and Australia in 2003, which contradicted its ostensible commitment to regional solidarity.\textsuperscript{66} China is actively negotiating free trade agreements with both the ASEAN grouping and Australia.

A community of ambivalence

If the attempt to deepen and extend inter-Asian trade possesses only rhetorical rather than real economic transactional integration, how will a wider regional bloc cope with the even more difficult problems that afflict the security order in the Asia-Pacific? ASEAN has been unable to resolve underlying grievances and intramural tensions amongst its own membership. Nevertheless, the presumption persists that the organisation’s machinery, its inculcation of norms of good regional behaviour and diplomatic style can address the protracted security issues that trouble Northeast Asia. However, the regional security architecture evinces little capacity to address complex problems that include inter alia: deep-seated Sino-Japanese cultural, economic and territorial rivalry; China’s claims to Taiwan and the suzerainty of the South China Seas; North Korea and its dangerously unstable nuclear programme; as well

\textsuperscript{63} Ravenhill, ‘A Three Bloc World?’, p. 182.
\textsuperscript{64} Ibid., p. 182.
\textsuperscript{65} For the Declaration of ASEAN Concord 11 (Bali Concord 11) see (http://www.aseansec.org/15159.htm).
\textsuperscript{66} Ibid., p. 181.
as sensitive ‘internal’ matters concerning human rights, good governance, environmental degradation, domestic instability, crime and terrorism. Many of these internal problems like pollution from forest fires, terrorism and crime have transnational ramifications.

A SEAN’s attempt to demonstrate its security effectiveness via the ARF assumed that the success of the organisation’s conflict-avoidance mechanisms could be transferred across East Asia. In practice, the ARF simply reflected ASEAN’s preferred strategy of consensus diplomacy, which manages problems rather than solves them. In fact, a variety of ARF-inspired workshops and ministerial dialogue sessions have made little impact on the security issues that they have considered. This has been evident since the ARF’s earliest efforts to manage the evolving dispute over oil and gas reserves beneath the South China Seas. Given that a number of ASEAN states claim parts of the seas, while China claims the lot, it would appear to be a conflict amenable to both ASEAN-style management and also an opportunity to induct China into the regional norms of responsible behaviour that the ARF seeks to extend northwards.

The results have been disappointing. China has studiously avoided attempts to follow an ASEAN-designed multilateral dialogue to deal with the crisis. Somewhat predictably, when China’s occupation of the aptly named Mischief Reef in March 1995 disturbed regional sensibilities, ASEAN members could not formulate a consensus amongst themselves as a basis for any agreed approach to the disputed islands. Instead, to the extent China negotiates at all, it is on a bilateral basis, whilst at no time relinquishing its historic claim to treat the South China Sea as a greater Chinese lake. Although China’s treatment of the dispute moderated after 1997 and in 2002 China signed an ASEAN-negotiated Declaration on the Conduct of Parties in the South China Seas, which committed it to resolve ‘territorial and jurisdictional disputes by peaceful means’, it has by no means tempered its claim. Nor, as shall be indicated below, does this evolving Chinese interest in the ARF process indicate a new-found comfort with ASEAN-style consensus and multilateralism.

The, at best ambivalent, performance of the ARF, like the failure of ASEAN regionalism in the wake of the 1997 economic crisis, should have been sufficient to query expectations that a broader multilateral arrangement would have the capacity to address the wider region’s security problems. Even so, the view persists that the involvement of a triumvirate of regional powers, China, Japan and South Korea guided by ASEAN diplomatic processes, will constitute a framework capable of regulating the region’s affairs.

Central to ASEAN’s regional vision, dating from the 1971 Declaration of a Zone of Peace Freedom and Neutrality (ZOPFAN), has been the aspiration to enhance regional integration free from great-power interference. Nonetheless, this aspiration ignores the further and critical strategic question of how this prospective community can operate without the active participation of the United States. Given that the US

is the major power in the Pacific, any long term effort to reduce the influence of ‘outside’ powers must mean excluding the U.S. Here another difficulty appears because a majority of the ASEAN states welcome, to various extents, the presence of a benign U.S. hegemony across the Asia-Pacific, both to mitigate the numerous inter-Asian security dilemmas and specifically to balance the potentially destabilising rivalries of the region’s major powers, namely Japan and an increasingly assertive China. Indeed, as Buszynski observed, China adopted a more conciliatory attitude towards the Spratly dispute, not as a result of its acclimatisation to ASEAN norms but because it feared pushing a number of ASEAN states ‘militarily closer to the U.S’. ASEAN’s practical dependence upon the U.S. security umbrella, whilst rhetorically committing itself to schemes for enhanced internal regional resilience that imply a diminution in U.S. regional power, only creates ambivalence. Yet at no time since ASEAN assumed the character of a U.S. proxy in the wake of the Guam doctrine (1969) have Southeast Asian politicians or scholars sought to address or question this constituting ambivalence.

Moreover, extending this ambivalence to ASEAN+3, and exacerbating it by excluding the U.S. from the broader Asian security ‘community’, risks disrupting the delicately calibrated understanding of balance in the Asia-Pacific. In the past, only Mahathir Mohamad in conjunction with the odd Japanese ultra-nationalist like Shintaro Ishihara, was associated (outside China) with promoting anti-Americanism as a basis for a pan-Asian identity. Post-meltdown and post-September 11, however, this viewpoint has received growing scholarly endorsement, notably from a Singapore School of constructivist security analysis. Blending a Wendtian concern for multilateral norms with post-financial crisis resentment, this emerging school has promoted the thesis that it is the U.S. hegemon that threatens the construction of a new and purposeful East Asian regional identity. Thus, Kwa and Tan represent the ‘mood in East Asia’ as one which increasingly resents American ‘arrogance’ and the ‘evangelistic zeal of U.S. foreign policymakers to remake East Asia into an annex of Americana, or, failing that an authoritarian Other’. Likewise, Goh’s constructivist analysis of the impact of American foreign policy upon Asia implies, somewhat confusingly, that the U.S. is responsible for causing the war on terrorism that now confronts it. Meanwhile, Acharya considers that one of the major ‘challenges’ ASEAN faces is that of ‘American unilateralism’. Precisely why ‘American unilateralism’ poses a ‘challenge’ to ASEAN and East Asian regionalism is never explained. The implication, though, is that ASEAN should collaborate with the rising regional power, China, to constrain U.S. influence. Such a radical reversal of ASEAN’s traditional perception of China seems immediately feasible only in the imagined community of Southeast Asian academe. Such officially-endorsed regional scholarly orthodoxy only adds the Pelion of constructivist methodology to the Ossa of regional incoherence. For, ultimately, the

only constructive role ASEAN+3 can play in the increasingly complex security dilemma that faces the Asia-Pacific region is not to co-opt China into an anti-US crusade, but to constrain its regionally assertive proclivities through diplomatic engagement. At most, ASEAN+3 can extend the ASEAN way involving ‘a commitment to carry on with consultations without any specific formula or modality for achieving a desired outcome’,75 to the wider Asia Pacific. The fulfilment of even this modest goal seems unlikely given the ARF’s ineffectual management of the Spratly dispute and China’s inflexible approach towards other problems, like Taiwan, that it regards as matters of non-negotiable sovereignty. Again one might suppose all this would induce a habit of scepticism amongst scholars when any loose alliance of states riven by ethnic differences, historic jealousies, territorial disputes and a litany of mutual antipathies, claims, but fails to manifest, a capacity to resolve the problems that confront them.

Instead, we find a pattern of uncritical scholarship reinforcing failed multilateral initiatives repeating itself. Central to this pattern is the mistake of confusing process with progress. Analysts discover in the latest ASEAN-inspired ministerial meeting, declaration of concord, or adoption of unenforceable commitments to realise forms of low-level cooperation, proof of the transformative socialisation processes that ‘identify a compelling imperative for further institutionalisation’.76 In other words, an interesting convergence of a highly questionable, but scholarly-appealing, method combines with the official ideology of regional elites to sustain an illusion of regional integration.

However, if, as we have demonstrated, the construction of a wider East Asian community is essentially rhetorical, what we may ask sustains the apparent desire amongst the ASEAN+3 states to indulge in whimsical declarations of regional unity? From an academic perspective, it is possible to demonstrate how methodological fashion sustains a scholarship devoted to regionalisation. This is a bureaucratic process which continues despite events that ought to induce a reality-check. But what do the states of the Asia-Pacific actually gain by inflating the rhetorical balloon of East Asian regionalism? It is to the resolution of this question that we shall next proceed.

**A short international relations thought experiment**

On the surface, it seems strange that economically more powerful and politically influential state actors in Northeast Asia consider it necessary to support an institution like ASEAN+3. Why should three major Asian powers wish to associate themselves with a grouping of weak states like ASEAN whose collective sum is much less than their constitutive parts? If there was any prospect that China, Japan and South Korea could form a concert of powers to manage economic and security relations in Northeast Asia, why would these countries require ASEAN’s help?

To investigate this conundrum, let us, constructively, engage in a short international relations thought experiment. Imagine that a group of weak states in the

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Mediterranean - Spain, Portugal, Italy and Greece - had during the Cold War constituted an ineffectual Association of South European Nations for economic and security purposes. Then consider Germany, France and the United Kingdom desperately trying to join such a union in the post-Cold War era. It sounds unpromising, yet this is exactly how the Northeast Asian states, according to the orthodoxy, currently conduct themselves in relation to ASEAN. In Acharya’s view, ASEAN has seen ‘many suitors knocking on its door’. China, Japan and India are all queuing up to sign free-trade agreements with the Association, and even Australia after denouncing ASEAN’s outmoded mindset in early 2005, wants to sign its Treaty of Amity and Cooperation. ‘Why’, Acharya asks, is there ‘so much wooing of an allegedly sunset organisation’?

Two answers may be given. The first is that the price of the commitment to regional solidarity is insignificant. Forging trade agreements, or signing the Treaty of Amity and Cooperation, is a cost-free exercise. The governing principle of non-interference embodied in the TAC is particularly appealing to Asia’s variety of authoritarian governments and semi-democracies and thus has little difficulty attracting adherents who resent any external scrutiny of their internal affairs. Adhering to the precepts of the TAC, therefore, incurs an obligation only to mind one’s own business, something with which a number of the states in the Asia-Pacific, from China to Myanmar, Laos and Vietnam, are only too happy to concur.

A second, and more compelling answer that helps unravel the dynamic of state self-interest in the evolving East Asian enterprise appears if we reverse the dialectic. ASEAN scholarship is by habit and training ASEAN-centric. It assumes that much East Asian diplomacy occurs through ASEAN’s, somewhat rudimentary, institutional machinery. Hence the presumption that because ASEAN has ‘so many suitors’ this indicates its continuing centrality to the affairs of the Asia-Pacific. In fact, the reverse is true. ASEAN +3, should really be viewed as ‘Three Plus ASEAN’. ASEAN has, since its meltdown in 1997, little economic relevance for Northeast Asia. By contrast, the economic development and international relations of Northeast Asia possess mounting significance for Southeast Asia.

For the states of Southeast Asia, the putative utility of exporting ASEAN way diplomatic initiatives through the ARF or ASEAN +3 resides in restricting the growing power differential between them and the states of Northeast Asia. In practice, far from preventing Chinese and Japanese expansionism, ASEAN +3 provides an attractive vehicle for Northeast Asians to compete for influence in Southeast Asia. ASEAN can easily be manoeuvred by external powers who, like Japan and China, use the rhetoric of regionalist solidarity to pursue their self-interested competition for regional hegemony.

Such an understanding, moreover, fits with the Cold War genealogy of ASEAN. As the late Michael Leifer demonstrated, ASEAN functioned in the Cold War as a proxy for US and Chinese interests. This was most evident in the resolution of the Cambodian crisis in the early 1990s. In this Cold War context, Japan too, from the late 1970s, consciously sought to increase its influence in Southeast Asia via ASEAN.

78 For such an influential organisation its secretariat is confined to an undistinguished suite of offices on Jalan Sisingamangaraja, Jakarta. It employs less than 150 personnel and the role of its Secretary General is essentially bureaucratic.
In 1977, the then Japanese Prime Minister’s eponymous ‘Fukuda doctrine’ declared a commitment to ‘cooperate in the development of Southeast Asia, under the ideal of equal partnership’. The reality, of course, was that the partnership was far from equal, as Japanese foreign direct investment poured into the fledgling economies of ASEAN. Furthermore, as trade friction developed between Japan and the US during the 1980s, the Japanese Ministry for Foreign Affairs and Defense Agency steadily expanded the Fukuda doctrine, seeking to diversify its foreign policy by increasing multilateral cooperation with the states of Southeast Asia, especially through trade and investment links, and subsequently after 1992 extending collaboration in the broader diplomatic and security fields through the A R F.

It is possible to interpret the emphasis on dialogue diplomacy with ASEAN as Japan attempting to position itself as a potential counterweight to American influence in the Pacific, seeking to improve its image in Asia by diluting the impression that it was a US dependant in the Pacific. Nevertheless, the US–Japan alliance remains the cornerstone of Japan’s security. Greater involvement in Southeast Asian multilateralism could be seen as assuaging growing Japanese nationalism at home while advancing its internationalist credentials abroad, without ever seriously imperilling its crucial bilateral relationship with America. So, whether Japanese diplomacy after 1990 sought de facto leadership in the Asia-Pacific or a more subtle repositioning, the power-political outcome was the same. Thus, Japanese diplomacy has not elevated ASEAN with the aim of building a broader East Asian identity, rather ASEAN serves the ends of Japanese foreign policy.

At the same time that Japan redefined its role with regard to ASEAN in the post-Cold War era, so too did China. After 1990, Southeast Asia became the playing field for Northeast Asian power politics. It was the post-financial crisis period, though, that sharpened Sino-Japanese rivalry over Southeast Asia. The crisis damaged Japan’s credibility in Southeast Asia. Japanese financial institutions were quick to flee the region when the currency turmoil struck, and slow to return. These circumstances offered China an opportunity to ‘strengthen its influence over ASEAN members in order to challenge Japan’s leadership in the region’. China’s refusal to devalue its currency, which might have further exacerbated the financial meltdown, gave it regional credibility and indicated China’s responsible regional citizenship. China’s subsequent commitment to resolving its difficulties with ASEAN states involved in the Spratly dispute via peaceful means only reinforced its growing regional influence. Arguably, it also demonstrated an enduring characteristic of Chinese statecraft since the warring states period (400 BC). As Sun Zi classically observed, ‘generally in the execution of an artful strategy, to act on an entire organization is ideal, to break an organization is inferior’.

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82 East Asian Strategic Review, p. 209.
Miyazawa Initiative in 1998 to provide large-scale financial assistance to facilitate economic recovery and improve Japan’s standing in ASEAN.  

It is, therefore, through the lens of this evolving Sino-Japanese competition for influence in Southeast Asia that the ASEAN + 3 and East Asian community project must be viewed. It is a forum where the major powers of Northeast Asia compete for the economic, and accordingly political, leadership of Southeast Asia. Japanese policymakers have few illusions about this. They maintain that, without the participation of the United States and Australia, ASEAN + 3 presents China with an ideal framework within which it can exercise its influence, making it easier for China to play a leading role in forming a free-trade area in East Asia.86 Japan, in other words, does not consider China’s participation in ASEAN + 3, and its current negotiation of a regional free trade agreement with ASEAN, as cementing an East Asian identity, but rather as a threat to Japanese influence in Southeast Asia. This, in turn, compels Japan to ‘cooperate with ASEAN members’ on investment, technology, human resources and security strategies because ‘through such measures, Japan can match the growing influence of China in that region’.87

It is in this context of evolving competition between East Asia’s historic great powers, that statements like the Koizumi doctrine must be read. Prime Minister Koizumi envisages an expanded East Asian community not as some idealistic vision, but in order to balance China’s bid for regional ascendency. As official Japanese publications, like the East Asian Strategic Review, observe: ‘Using ASEAN as their stage, it appears that Japan and China are jockeying for a leadership role in East Asia’.88

Faith and discourse

If ASEAN + 3 is thus exposed as a multilateral front concealing conventional forms of inter-state diplomacy, then we can move closer to resolving the final question: why have many analysts abandoned an empirical assessment of regional reality in favour of upholding the notion of East Asian transformation into an attractively multilateral, norm governed enterprise?

The recent study of contemporary East Asia reflects an enthusiasm for a constructivist explanation of regional relations. This is because despite its failure to say much that is insightful about the region, it places the official view of Southeast Asian political elites in a satisfyingly self-fulfilling methodological framework. For the notion that ideational factors modify perceptions of material self-interest and sustain an open-ended transformative process is, ultimately, unfalsifiable.89 Wendt maintains that the ‘transformation of identity and interest’ is ‘incremental and


87 Ibid., p. 213.

88 Ibid., p. 213.

Consequently, speech-acts, declarations, ministerial meetings and any other foreign policy initiative can all be treated as evidence of inexorable transition. Constructivist commentators on Asian regionalism, like Acharya, pace Wendt, also perceive the process of international change in terms of ‘incremental interactions and socialization’. By a selective use of data, this approach further identifies a global ‘trend towards intrusive regionalism’ resulting in the ‘development and mutual observance’ of universalised norms that in East Asia’s case facilitates ‘greater interdependence, institutionalism and political transformation’. Similarly, Stuart Harris finds that the ‘contribution of multilateralism in the Asia-Pacific has been to alter the environment within which interactions take place’, encouraging ‘cognitive learning about the way the world works [can there be any other form of learning?] to change or reinforce how Asian states want to pursue their interest and reshape their national objectives’.

So, impediments like terrorism, war, or economic crisis that occasion purely self-interested national responses and repudiate the constructivist case are dismissed as mere details delaying, but by no means tearing up, the timetable of transformation. Indeed, ASEAN scholars treat evidence of the continued pursuit of state interest as a temporary aberration soon to be overcome. Eventually, interstate rivalries will mutate into an appreciation of interdependent regional interests. Given these historicist assumptions, constructivism – at least in its East Asian regionalist guise – considers itself released from the need to falsify its hypotheses. Hence, the scientific requirement to question ruling assumptions is replaced by a constant accumulation of data on procedures that demonstrate the ‘institutionalisation of the ASEAN+3 process’ to sustain belief in an emerging East Asian region.

A predetermined teleology of the unfolding international order, therefore, distorts regional understanding. Interestingly, many accounts of the modernisation process often carry a value-laden baggage that sees history as an inexorable movement towards a capitalist, democratic and thymotically self-regarding end of history. In international relations this baggage further entails a liberal/internationalist predilection for the desirability of transcending the state as the primary unit in the international system. Regionalisation, from this perspective, appears to be the first stage in the process towards a properly ‘international’ or global system. Foreign policy must facilitate the transformation because regionalism, as Acharya claims, is

93 Acharya, quoted in Lim, ‘Long and Bumpy Road’.
96 ‘Regions in Transition’, The inaugural Asia-Europe Roundtable jointly organised by the Asia-Europe Foundation (Singapore), the Friedrich Ebert Siftung and the Singapore Institute of International Affairs, 29–31 August 2000, p. 2.
an important tool for promoting a range of positive values’ throughout the international system.97

Ultimately, this orthodoxy is, itself, a normative construct and an example of what Michael Oakeshott would have considered ‘the politics of faith’.98 In Oakeshott’s view, the politics of faith sustains an intellectual scheme resistant to scepticism. Therefore, when regionalisation falters in Southeast Asia as a result of ASEAN’s failure to fulfil its promise, the object of affection is not subject to critical scrutiny, but instead projected onto a broader East Asian arena in order to sustain the faith. Consequently, much of what passes for analysis of contemporary East Asian affairs is not value-neutral but faith-affirming. ASEAN commentators passionately assert that regional interdependency in the Asia-Pacific represents a ‘basic truth’, and that it ‘is not in doubt that the process will foster the identity of an East Asian community.’99 Future resolve supports the belief structure. Thus, in order to consolidate Asia-Pacific regionalism, ‘new visions of regional governance will need to be developed to bypass blockages in solving trans-boundary problems, in moving towards effective preventive diplomacy, and in moderating triangular patterns of “great power” competition’.100 For proof that the regional vision is being progressively revealed, we need look no further than the most recent ‘regional multilateral dialogues’ which have ‘probably led to learning’ in the economic and security fields, and give ‘grounds for believing it has made important contributions in both directions’.101

Piling assertion upon affirmation, regional commentary avoids confronting internal dissonance, and never pauses to question whether ASEAN’s flawed Southeast Asian project renders its wider applicability suspect. Faith coupled with discourse enables commentators to overlook the manner in which the 1997 crisis undermined ASEAN’s regionalist pretensions. Instead, it is maintained that, ‘ASEAN is not as weak as it may seem’ because, despite the consequences of economic crisis, it ‘demonstrated a high degree of commitment to its institutional principles’.102 The problem is that the only ‘institutional principle’ to which ASEAN adheres is that of non-interference. Its much vaunted norms are, indeed, what states make of them. Accordingly, the only fundamental norm it has reinforced is a realist commitment, not to the region, but to the sovereign inviolability of the nation-state.

There may, though, be a further level of understanding that reconciles the idealistic, faith-based character of scholarship on East Asian regionalism with the essentially realist practice of interstate diplomacy that actually regulates regional relations. If we examine the history of the Asia-Pacific over the duration of the twentieth century, it becomes evident that the rhetoric of East Asian regionalism has presented itself in several guises over the decades. Arguably, imperial Japan’s attempt to impose its notion of an East Asian Co-Prosperity Sphere in the 1930s and 1940s constituted the first coherent regionalist enterprise. Later regionalist schemes revealed themselves in the Association of Southeast Asia (1961–67), Maphilindo (1963)

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100 Ferguson, ‘East Asian Regionalism’, p. 19.
102 Ferguson, ‘East Asian Regionalism’, p. 15.
and then in ASEAN’s attempts to establish regional neutrality through ZOPFAN in the 1970s. In the 1980s and 1990s, economic cooperation seemed the catalyst of a dynamic regionalism, with APEC depicted as the harbinger of an East Asian community. ASEAN entered the post-Cold War era bilateral and trilateral growth areas in Northeast and Southeast Asia proliferated, together with the assertion of shared ‘Asian values’ constituting a cultural commonality across the Pacific. The formation of the ARF intimated the culmination of the ‘ASEAN way’. Now, in the post-economic crisis environment, we have ASEAN+3 and promises of future East Asian integration. All these initiatives, however, have ultimately foundered on the rock of power politics and national interest. The Japanese imperium was crushed in the crucible of war against the other major powers in the international system while ASEAN’s various schemes to promote regional resilience, consensus and harmony have failed to resolve intense bilateral antipathies, often of an ethno-religious nature, or intramural disputes. The absence of any deepening of inter-Asian trade relations, and after 1997, evidence of economic mismanagement, rendered the ASEAN way illusive.

What we have, then, is the continual re-imagining of the regionalist project in ever more capricious forms, but - Japan’s failed attempt forcibly to incorporate an East Asian sphere during World War II notwithstanding - nothing concrete ever appears. Yet, rather than ponder why this might be the case, regional commentary instead is transfixed by the latest discursive avatar into which ‘Asia’ has metamorphosed. The supportive rhetoric emanating from the regional scholar-bureaucracy and their adherents in European, American and Australian universities, reflects an anxious need to sustain the regional fiction that often guarantees official patronage. Consequently, predictive success is not the criterion by which regional scholarship judges itself. Whether East Asia ever attains the status of a fully integrated ‘community’ is perhaps almost beside the point. In constructivism, proponents of East Asian regionalism have a methodology they can manipulate to evade empirically evaluating, testing and justifying fundamental assumptions. In the final analysis, what has changed in the regional geopolitics is not the underlying tectonics, but the discourse by which regional analysts have sought to maintain their faith in the transformation of the Asia-Pacific into a seductive, but ultimately, we would argue, illusory East Asian community.

Regional Leadership Dynamics and the Evolution of East Asian Regionalism

Jinsoo Park

This study argues that the concept of a regional leader is particularly promising for explaining the development of East Asian regionalism, albeit not the sole determining factor. It shows that regional leadership dynamics in East Asia have shifted from the absence of regional leaders to Sino–Japanese cooperative competition to their conflictive competition, which has been determined not only by the material power structure but also by social interactions. It argues that this shifting dynamics has proved crucial for the evolution of East Asian regionalism, determining its fate and degree. The last argument is that the nature of regional leadership dynamics has served as an important determining factor for the strategy and the influence of the USA towards East Asia. This study not only helps us understand the evolution of East Asian regionalism but also provides profound implications for its future trajectory.

Key words: regional leaders, regional powers, East Asia, regionalism, Sino–Japanese competition, US influence.

The development of regionalism in East Asia – in terms of idea and institutionalization – has been much slower than in other regions. East Asia did not join the ranks of the first wave of regionalism in the 1950s and 1960s. When regions and regionalism regained a new salience around the world in the late 1980s and the early 1990s, a prevailing regional concept was not “East Asia” but rather “Asia-Pacific” embedded in APEC. However, for the last decade, we have been witnessing East Asia emerge as the prevailing concept of the region at the expense of Asia–Pacific; however its definition is contested.

This study seeks to understand this evolution of East Asian regionalism, examining its relationship with regional leadership dynamics. The main assumption of this study is that the regional leader concept is particularly promising for explaining the development of East Asian regionalism, albeit not the sole determining factor. The study shows that regional leadership dynamics in East Asia have shifted from the absence of regional leaders to Sino–Japanese cooperative competition to
their conflictive competition, which has been determined not only by the material power structure but also by social interactions. It assumes that this shifting dynamic has proved crucial for the evolution of East Asian regionalism, determining its fate and degree. The last assumption is that the nature of regional leadership dynamics has served as an important determining factor for the strategy and the influence of the USA towards East Asia. If these assumptions are proved, this study not only helps us understand the evolution of East Asian regionalism but also provides profound implications for its future trajectory.

The paper starts by elaborating on the concept of a regional leader and considering its relationship with regionalism. After controlling the variable of the US hegemonic influence over East Asian regionalism, it explores the relationship between regional leadership dynamics and East Asian regionalism.

The Concept of a Regional Leader and Its Relationship with Regionalism

Why a Regional Leader?

It is increasingly accepted that regions are sociopolitically constructed rather than defined by distinct geographical boundaries.¹ This understanding raises critical questions: who makes regions and who determine their shapes?² The mainstream approaches emphasize the influence and role of a global hegemonic state. For rationalists, particularly realists, a hegemonic state can play either a constraining³ or an enabling⁴ role in constructing regions by using its material preponderance in a coercive way. Even those who try to move beyond the limitations of rationalists through analytic eclecticism tend to acknowledge the dominant role of a global hegemonic state in making and shaping regions.⁵

Not all subscribe to this claim. Acharya⁶ argues: “Power matters, but local responses to power may matter even more in the construction of regional orders

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Regions are constructed more from within than from without." The emerging literature emphasizes and seeks to examine the leading roles of regional powers in shaping their corresponding regional orders. Regional powers “are assumed to strongly influence the interactions taking place at the regional level, thereby contributing in a significant way to shaping the regional order, or, in other terms, the degree of cooperation or conflict or the level of institutionalization in their regions.”

It is widely assumed in this literature that regional powers are equated with regional leaders. However, all regional powers are not regional leaders. According to Destradi, the uncontested connotations of regional powers are states: belonging to the region considered; displaying superiority in terms of power capabilities; and exercising some sort of influence on the region. She differentiates three major strategies that regional powers can choose to influence other states in the region: an imperial strategy, a hegemonic strategy and a leadership strategy.

This indicates that all regional powers do not necessarily seek to shape regional orders in a cooperative and multilateral way. In addition, regions and regionalism build upon “regional awareness, the shared perceptions of belonging to a particular community,” whereas regional powers employing an imperial or a hegemonic strategy do not always bring about changes in others’ ideational orientations. Therefore, the existence of regional powers does not always facilitate the development of regionalism. On the other hand, regional leaders tend to shape regional

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9. Ibid.
11. Sandra Destradi, op. cit.; It is worth noting that the neo-Gramscian concept of hegemony involves changes in subordinate states’ normative orientations. Destradi tries to differentiate between (soft) hegemonic states and leaders, arguing that the former seek for their private interests, whereas the latter for common interests. However, her argument is less tenable to constructivists who argue that interests are constructed through social interactions rather than naturally given. For this study, as Nabers argues, the connection between leadership and ideational hegemony is co-constitutive; see Robert Cox, “Gramsci, Hegemony and International Relations: An Essay in Method,” Millennium Journal of International Studies, 12-2 (1983), pp. 162–75; Alexander Wendt, “Anarchy is What States Make of It: The Social Construction of Power Politics,” International Organization, 46-2 (1992), pp. 391–425; Dirk Nabers, “Power, Leadership, and Hegemony in International Politics: The Case of East Asia,” Review of International Studies, 36-4 (2010), pp. 931–49.
orders in a cooperative way, seeking to change others’ ideational orientations. In this sense, the regional leader concept is more appropriate in explaining the development of regionalism than that of a regional power.

**Conceptualization and Determinants**

Despite their failure in differentiating between regional leaders and regional powers, the recent studies on regional powers provide profound implications for the conceptualization of a regional leader. Following the perspective of hegemonic stability theory (HST), a regional leader has tended to be merely conceptualized as a state possessing preponderant material capabilities in a region. The new studies on regional powers provide an alternative understanding of a regional leader, combining its material aspects with its social status. Flemes argues that the regional leader status “is not least a social category and depends on the acceptance of this status and the associated hierarchy by others.” Nevertheless, “inclusion in this social category also presupposes the corresponding material resources.”

This understanding identifies three important criteria for a regional leader: claim to regional leadership; the acceptance of its claim by other states in the region; and the ability to transform its power resources to political leverages. The first is concerned with the self-identification of a regional power as a regional leader. This implies that a regional leader should be willing to assume the role of a stabilizer in regional security and of a rule maker in regional economies. Although some may take it for granted that a materially preponderant state in a region has ambitions to be a leader, it has often been witnessed that the former does not want to play a leading role in regional affairs, even when expected by others in the region to do so. Therefore, the self-pretension of a leading position is an important criterion for a regional leader.

Then, why do regional powers often seek to become a leader in promoting regionalism even though binding themselves to regional institutions may limit their free exercise of power and empower weaker states? Pedersen suggests the four advantages regional powers can get by promoting regional institutionalization: scale, stability, inclusion and diffusion. Regional institutionalization is a useful instrument of power aggregation, which is particularly important to regional

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powers aspiring to a global role (Advantages of scale). Based on regions, regional powers often seek to project power in world affairs. Regional powers may promote regionalism to prevent intra-regional counterbalancing and/or alliances between neighboring states and external powers against themselves (Advantages of stability). Regionalism is also seen as a means of soft balancing against a global hegemonic power. Inclusion in regional processes enables regional powers to secure access to scarce raw materials (Advantages of inclusion). Lastly, regional institutions can serve as conduits through which regional powers’ ideas, norms and visions are diffused (Advantages of diffusion).

Regional powers may also promote regionalism as a response to external challenges. The dissipated ideas of a global hegemonic state and subsequent normative dissent with it may cause regional powers to pursue regional formation. Regional powers often consider regionalism as providing a “significant complementary layer of governance.” Through it, they seek to address the negative effects of globalization that otherwise would bring about “troubles in their backyard” or damage their own abilities to generate economic growth and ensure domestic political stabilities. They also seek to socialize emerging powers in the region through regional governance institutions.

However, a regional power cannot secure the regional leader status only by articulating self-pretension. Its neighboring states should accept it as a leader, which is the second criterion. On the other hand, extra-regional acceptance is perhaps a necessary condition, but not sufficient. The study of leadership has thus paid attention to understanding “followership” or why followers follow the leading role of a regional power and under what conditions. Recent studies argue that a regional leader can cultivate regional followership by incorporating potential followers’ interests and/or ideas into its leadership projects. Follower-initiated leadership is also noted. The leading role of a regional power is often asked by willing followers,

17. Daniel Felems and Adam Habib, op. cit.
or, smaller states in need of a leader, which cannot solve their problems and achieve their common goals in the face of internal and/or external challenges.

Lastly, the rise of a regional leader depends not simply on possessing power resources but also on its ability to transform them into political leverages. According to HST, a regional leader needs to possess material resources necessary for playing a stabilizing role. However, more important is its ability to use its material power both directly and indirectly to secure followership. In addition, ideational resources—such as ideas, legitimacy, moral authority and soft powers—enable a regional power to “project norms and values that include the ideational beliefs of the potential followers in order to gain their acceptance of its leadership.”

Nabers argues that discursive hegemony is the most critical condition for regional leadership. Although his argument tends to discount, if not ignore, the importance of material resources, it reminds us that ideational resources can be a key determining factor for a regional leader. Given that leadership emerges out of competition among potential leaders which have to appeal to the motives of potential followers, it can be assumed that the relative abilities of potential regional leaders to use their power resources effectively to cultivate regional followership are of key importance in determining the configuration of regional leaders.

A regional leader is thus defined as a state which is not only willing to play a leading role in regional affairs, but also able to use its material and ideational resources effectively so as to secure regional followership to its leadership projects.

Impact on Regionalism

There is general consensus on the impact of the existence of regional leaders on the development of regionalism. Regional leaders are considered as “the key players, often creators, of regional governance institutions.” They can facilitate the creation of regional arrangements, using their material resources to provide collective goods and resolve collective action problems. If regions are sociopolitically constructed, regional leaders are assumed to influence in a significant way “the geopolitical delimitation and the political-ideational construction of the region”, defining and articulating “a regional identity and project.” They are also expected to champion and represent the interests of regional community in the wider global community.

However, there is no consensus on the implications of the existence of multiple regional leaders in a region. Mattli,31 inspired by HST, assumed that multiple potential leaders in a region would incur a coordination problem which would become an obstacle to regional integration. On the other hand, neo-liberals implied that multiple regional powers could exercise leadership collectively provided that sufficient mutual interests, or at least compatible interests, would exist.32 Others argue that Franco–Germany collective leadership in European integration processes has built upon sociocultural factors, such as institutionalized social networks and shared norms between the two governments.33 This implies that the impact of the existence of multiple regional leaders on regional formation is an open empirical question and this article should be an empirical enterprise.

**Regions, Regional Leaders and a Global Hegemonic State**

Another point we need to consider is the relationship among regions, regional leaders and a global hegemonic state. A global hegemonic state can serve as an outside power, influencing regional power dynamics and orders indirectly. As Flemes and Wojczewski34 highlight, it takes a strategy of deterring the rise of a regional leader, helping a regional power become a regional leader or *laissez-faire*, which leads to different impacts on the regional power dynamics. Or a global hegemonic power may act as an internal player within a region, seeking to shape the regional order more overtly.

While we accept that a global hegemonic power can influence the activities of regional actors to promote regionalism, “the precise way regional actors may respond to hegemonic pressures and geopolitical circumstances is not predetermined or inevitable, but dependent on the actions of regional players themselves.”35 In other words, the influence and the strategy of a global hegemonic power with regard to regional orders vary “according to the strength of the regional power [leader].”36 It is therefore important in the study of regions and regionalism to examine how the nature and the configuration of regional leaders affect the influence and the strategy of a global hegemonic state towards regions.

34. Daniel Flemes and Thorsten Wojczewski, *op. cit.*
From this review, we can identify several important questions in examining the relationship between regional leadership dynamics and East Asian regionalism:

- What is the nature of regional leadership dynamics in East Asia? What determines it?
- How does it relate to the fate and the degree of East Asian regionalism?
- To what extent does it affect the determination of the US strategy and influence towards East Asia?

Accordingly, these questions will be applied in the analysis of the four stages of evolution in East Asian regionalism. Before doing this, however, it is necessary to control the variable of the US hegemonic influence over East Asian regionalism.

**US Hegemonic Influence and East Asian Regionalism**

**US Role and Policy toward East Asian Regionalism**

For most of the second half of the 20th century, the USA had constituted and maintained the regional order in East Asia, making it subject to the US overarching goals for the world order. In the Cold War context, the USA established the anti-communist post-war order in the region that was predicated on the bilateral relationship between it and its key regional allies, or a hub-and-spokes system. As a consequence, the region was divided into two opposing ideological camps, which had made it more problematic to secure enhanced regional cooperation in East Asia.

After the Cold War ended, the USA began to promote the idea of an Asia-Pacific region, establishing a “new regionalism” manifested in APEC, characterized by an open, inclusive institutional form. It considered the Asia-Pacific region as a pivotal arena for the neoliberal economic world order. It expected APEC to become an important vehicle for achieving its wider global imperatives (promoting further openness in the global trading regimes; and deterring the world being divided by three exclusive regional trading groupings) as well as its regional goals (assuring its greater access to regional market; extending its preferred value system; and preventing the domination of the region by other powers). On the other hand, as seen in its opposition to the East Asian Economic Group (EAEG) in the early 1990s and Japan’s Asian Monetary Fund (AMF) proposal in 1997, the USA had consistently opposed or blocked any initiatives to develop East Asian regional arrangements that would exclude it and were deemed detrimental to its influence and interest in the region.

Since the late 1990s, however, fundamental shifts, which can constrain the US role in East Asia, have been underway. The US hegemonic influence over the

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region has been challenged by the increasingly momentous East Asian regional projects and institutions. Then, have US policies changed? Quite clearly, the USA reoriented its foreign policy agenda from the neoliberal economic one to the security-driven one after the 9/11. However, the two reports the US government announced in 2006 revealed that US strategic visions for East Asia remained shaped by the five fundamental objectives that had guided its strategies towards the region for decades.38 These were: securing access to East Asian market for US exports; maintaining a permanent US military presence; preventing the domination of the region by other powers; maintaining military base through the mutual security alliances; and promoting democracy.39 Despite the consistent attitudes of the USA toward the region, how could East Asian regionalism that might undermine the US role in the region emerge? To answer this question, it is necessary to investigate whether there have been any changes in the key elements of the US hegemonic influence over the region.

The Downfall of the US Hegemonic Influence and East Asian Regionalism

During the Cold War, US preponderant military and economic resources offered material grounds for US hegemonic influence in shaping the regional order. The USA offered Asian states not only security guarantees but also economic incentives, such as a great deal of economic aid and privileged access to its domestic market, the biggest market in the world. This induced states in the region to follow the regional order based on the US-centered hub-and-spokes system.

This is not the case in contemporary East Asia. Various economic indicators prove that the US material preponderance has gradually dissipated.40 In the mid-1970s, US gross domestic product (GDP) exceeded the combined East Asian GDP

39. These objectives have also been emphasized by the Obama administration. In her speech in January 2010 that stressed US involvement in Asia, Clinton made clear that the US foreign policy objectives in Asia included enhancing security and stability, expanding economic growth, and fostering democracy and human rights. A report announced by the Department of Defense in January 2012 also stressed the maintenance of peace, stability, the free flow of commerce, and of US influence in the region. Concerning China’s emergence as a regional power, in particular, the report emphasized that the USA should secure regional access and the ability to operate freely through the network of strategic alliances and partnerships. Hillary R. Clinton, “Remarks on Regional Architecture in Asia: Principles and Priorities” (12 January 2010), at <http://www.state.gov/secretary/rm/2010/01/135090.htm> (searched date: 21 May 2011); Department of Defense, USA, “Sustaining U.S. Global Leadership: Priorities for 21st Century Defense” (5 January 2012), at <http://www.defense.gov/news/Defense_Strategic_Guidance.pdf> (searched date: 21 May 2011).
by more than 40 percent, but the former accounted for only 80 percent of the latter in the early 21st century. The US role as the largest absorber of East Asian exports has decreased significantly. Exports from East Asia to the USA declined considerably from 45 percent at the peaks of the mid-1980s to 25 percent in 2003.

This does not mean that the USA is completely losing its economic influence over the region. Despite the rapid rise of the intra-regional trade volume in East Asia, the USA remains the single largest export market of most of the East Asian countries. In addition, the US unipolar power in the security domain has still enabled it to keep exerting political influence over the region. More importantly, the downfall of the US influence does not take place in a day. Rather it has been gradual, over more than 2 decades; and yet a genuine East Asian grouping has more recently appeared. The timing of East Asian regionalism remains puzzling.

Some may point to the decline of the US ideational power in the region in the aftermath of the 1997–1998 Asian financial crisis and, as its repercussion, the emergence of “We-ness” among East Asian states. The neo-liberal reforms the USA imposed on the crisis-hit countries in the region generated resentment against, and distrust of, the USA. These perceptions led to the downfall of the US influence in the region.

However, this is partially true. The neo-liberal reforms imposed by the USA provided the groundwork for the growth of neo-liberal groups in East Asian states, who would be likely to embrace the US model. In addition, the ideational friction between the USA and East Asian states did not emerge for the first time in the late 1990s. The conflict between the US-supported neo-liberal capital model and the East Asian developmental state model came to the fore throughout the 1990s. Even the East Asian developmental state model was more appreciated than the US model. Nonetheless, East Asian regionalism had not gained momentum until the late 1990s.

Overall, the US hegemonic influence has been relatively undermined. It is not as crucial as before. The declining US hegemonic influence may offer a good opportunity for East Asian regionalism, but it does not guarantee the successful emergence of East Asian regionalism. The USA still has a measure of influence over regional processes. In particular, it can exercise veto power against any regional initiatives that run counter to its perceived interests in the region. This

requires us to consider how the development of East Asian regionalism has related to the activities of regional actors.

**Regional Leadership Dynamics and East Asian Regionalism**

*The Absence of Regional Leaders and the Underdevelopment of East Asian Regionalism*

All regions do not have their regional leaders. This was the case in East Asia for decades. The underdevelopment of East Asian regionalism had derived to a considerable extent from a deficiency of regional leaders.

**The Cold War period**

When the first wave of regionalism rose high around the world in the 1950s, there were no regional leaders in East Asia to promote a regional grouping. Both China as a newly emerging state and Japan as a war-defeated nation had devoted most of their resources to cope with domestic imperatives, such as political stabilities and economic reconstruction. This made it difficult for them to play leading roles in shaping the regional order in Asia.

Another cause came from the low degree of regional acceptance of China’s and/or Japan’s leading roles. China was not considered by some smaller neighbors as an acceptable regional leader mainly due to its role as a forefront of communist revolution from 1949 to the mid-1970s. The legacy of Japan’s atrocities committed during World War II and its occupation of many Asian nations allowed it to exercise only “leadership from behind” rather than more overt leadership. According to Terada, although Japan had greater interests in promoting an East Asian region than an Asia–Pacific region in the 1970s and 1980s, it promoted the latter because it wanted to avoid potential criticism from its Asian neighbors that it was attempting to create a second version of the Greater East Asian Co-prosperity Sphere of the Second World War. Although both China and Japan must be the key countries of the region that should be included in a genuine East Asian organization, they were seen as the impediments to the construction of an East Asian region.

The absence of regional leaders caused the emergence and perpetuation of the US hegemonic influence in the region. For the USA, China was not a cooperative partner but rather a target of its containment policy. Given its punctured legitimacy in the region, Japan appeared to be inappropriate as a core cooperative partner of the USA in shaping a multilateral regional order in Asia. In this context, the USA

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decided to constitute and maintain directly the regional order in East Asia, establishing a US-centered anti-communist post-war order. This in turn deterred China from emerging as a regional leader, making the relationships between China and its neighbors defined by the sort of containment policy.

The Post-Cold-War period

Although interests in regionalism re-emerged around the world in the post-Cold-War era, East Asia still lacked regional leaders. China did not articulate the self-presence of the leading position in the region, opting for bilateral relations with its neighbors. Following Deng Xiaoping’s 24 Words Strategy to create a peaceful regional and global environment conducive to domestic economic development, China’s leaders had not sought regional leadership, taking a rather passive and minimalist attitude in shaping the regional order. China had been reluctant even to participate in regional multilateral arrangements until the late 1990s because China’s leaders considered them as representing Western, particularly US interests.47

It was perhaps not China but Japan which had the most significant leadership capacity in East Asia. ASEAN countries, particularly Malaysia, asked Japan repeatedly to play a leading role in promoting the EAEG. In other words, there were some willing followers for Japan’s leadership. But at this time, Japan was an uncommitted leader. Instead, it was the proponent of the Asia–Pacific region and played a crucial role in promoting APEC.

Behind this were several reasons. First, Japan considered the creation of an East Asian grouping as exacerbating possible divisions in the global economy and thus risking the possibility of losing its most important markets in North America and Europe. Second, in the face of suspicions of its identity as a legitimate Asian actor, Japan had imposed on itself a bridging role between Asian and Pacific nations as its international identity.48 Last and most importantly, Japan had given the first priority of its foreign policy to maintaining the strong bilateral relationship with the USA. It did not want to jeopardize its relations with the USA by supporting the EAEG proposal. Japan failed to take “major independent foreign economic policy when it [had] the power and national incentives to do so.”49 While Japan could become the second largest economic power in the world in the 1980s and 1990s, this was achieved at the expense of its own regional leadership ambitions. As such, in the early 1990s, while the idea for creating a regional organization embodying

the idea of East Asia was brewing in the region, regional leaders to move forward with it were lacking.

The regional order in Asia was instead shaped by the continuing US hegemonic influence. As noted above, given that its material and ideational resources began to dissipate in the post-Cold-War era, the US hegemonic influence was not guaranteed. However, the lack of regional leaders and the support of Japan, the strongest candidate for a regional leader, in part allowed the USA to keep exercising its hegemonic influence in developing the Asia–Pacific region and deterring an East Asian grouping.

**Sino–Japanese Cooperative Competition and the ASEAN plus Three**

From the late 1990s, China and Japan started to reveal their aspirations for regional leadership. There were several motivations for China’s engagement in East Asian regionalism. First, China’s leaders considered regional arrangements as useful instruments through which they could disseminate China’s self-created identity as a “responsible” great power and secure its neighboring states’ acceptance of the identity. Since the late 1990s, China has sought to establish itself as a responsible great power with both offensive and defensive causes. With China’s rapid economic growth, there has been a move within China that emphasizes its new responsibility for stabilizing the region and shaping the regional orders, rectifying its past humiliations at the hands of external powers.50 Others argue that China’s leaders needed to reinvent their country’s regional and international images, which would help to assuage its neighbors’ perceptions of a China threat that, left unchecked, “would wreak havoc on domestic stability in China.”51 Whatever the cause is, the attempt to change China’s image has been pursued through active engagement with the region.

Second, China has sought to get the advantages of stability. China’s grand strategy aims to “engineer China’s rise to great power status within the constraints of a unipolar international system that the United States dominates,”52 “without upsetting the United States.”53 At the same time, China needed to reduce the level of potential threat the USA might pose to it through soft balancing and to prevent the USA and its neighbors from creating an alliance against it.54 For China’s

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leaders, the best strategy to achieve these goals is “eventually to make China a locomotive for regional growth by serving as a market for regional states and a provider of investment and technology for the region.”

Third, external catalysts, such as regional crisis and the declining US legitimacy, encouraged China to assert regional activism. Unwise US regional policies during the Asian financial crisis created a leadership vacuum into which China had adroitly stepped. Wang Jisi mentioned: “so long as the United State’s image remains tainted, China will have greater leverage in multilateral settings.” China’s regional activism was also an attempt to mitigate the negative effects of globalization, particularly regional financial crisis. China’s leaders learned from the crisis that the wave of globalization became irreversible; that China’s economic destiny interlocked with the wider regional economy; and that creating regional governance institutions to secure its economic security would be in the national interests.

Japan’s assertion for regional leadership was to respond to external challenges that it could not address with the old role identities, such as the reluctant regional leader, the US stalker and the proponent for an Asia–Pacific region. First, as the ideational dissent between Japan and the USA on the economic models peaked after the Asian financial crisis, the former needed to “resuscitate the model of East Asian developmentalism and sustain over the long term Japan’s economic and political presence in the region.” To do so, Japan should reposition itself politically and psychologically as “East Asian”, taking a more overt leadership approach toward the region.

Second, Japan needed to reshape the regional economic structure to cope with the negative effects of globalization in the interests of its own economy and that of the region as a whole. The Asian financial crisis revealed clearly that a regional crisis could directly and indirectly affect the Japanese economy that closely connected those of its neighbors. In this context, the Japanese government needed to develop regional governance mechanisms that would stabilize regional financial system and to bridge the gap in the region’s development and facilitate regional capacity building, including human resource development and infrastructure. This required the Japanese government to play greater and more overt leadership roles.

Third, the Japanese government facilitated the development of regional arrangements in part to socialize China. According to a former Japanese ambassador to the

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59. Ibid.
UN, Hishashi Owada, Japan saw the ASEAN plus Three (APT) as “an extremely important format for engaging emerging China in the regional and global system of governance.”

As a result, for the first time in its life, East Asia came to have two regional powers which were willing to play leading roles in promoting regional governance mechanisms. The existence of multiple potential regional leaders did not serve as a stumbling block but rather as a building block for the development of East Asian regionalism. This was possible in part because both China and Japan saw utilities in regional cooperation. First, the directions of Japan and China in the steering of their regional policies overlapped in the promotion of an East Asian grouping and its regional governance mechanisms. Second, the urgent need to cope with the significant economic challenge, the Asian financial crisis, encouraged Japan and China to attach greater importance to economic pragmatism than geostrategic considerations.

However, utility consideration did not always lead to Sino–Japanese cooperation. For example, China’s opposition to Japan’s ambitious leadership initiative of the AMF in 1997 revealed that their relationship was influenced by their competition for regional leadership. Another important cause that encouraged the two competing regional powers to cooperate was willing followership by other members in the region. As East Asian countries, most of which eventually withdrew their initial support for Japan’s AMF proposal in 1997 in the face of US strong opposition, came to resent the US roles during the Asian financial crisis, they began to appreciate and ask Japan’s leading role in stabilizing regional economies and establishing regional financial governance mechanisms. This caused China to decide strategically to cooperate for the promotion of the Chiang Mai Initiative (CMI). Korea and ASEAN countries also asked Japan and China not only to agree to the regularization of APT, but also to play crucial roles in promoting an East Asian grouping. This willing followership encouraged the two contending regional powers to engage in cooperative competition, in which they cooperated for regional projects to compete for regional leadership.

Sino–Japanese cooperative competition acted as centripetal forces for developing APT as a core regional institutional framework. It contributed to expanding APT from initial summit meetings to include ministerial ones. In response to Japan’s initiative in regional financial cooperation, China initiated APT Finance and Central Bank Deputies’ meetings and APT Finance Ministers’ meetings. Japan also proposed APT Foreign Ministers’ meetings. They also contributed to lifting APT up to the prime regional institutional framework. Japanese Prime Minister, Yoshiro Mori, advocated in 2000 the Three Principles for Enhancing Open regional


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Cooperation in East Asia: building partnership in the context of APT; enhancing APT as a framework of open regional cooperation; and developing APT cooperation including political-security field. Chinese Premier Zhu Rongji also stressed in 2000 that APT should serve as a main channel for regional cooperation and integration. With their support, APT was successfully established as the first exclusive East Asian institutional framework.

Both Japan and China played crucial roles in identifying and implementing ideas that an East Asian regional grouping might pursue. Japan identified regional financial cooperation as one of the core regional agendas through a series of policy initiatives from an AMF to the New Miyazawa Initiative to the CMI. China ignited regional interests in trade liberalization and regional trade arrangements with its proposal for the ASEAN–China Free Trade Agreement.

The successful establishment of APT and the promotion of its subordinate regional cooperation projects contributed to entrenching the idea of East Asia as the prevailing concept of the region at the expense of that of the Asia–Pacific. The membership of the region was also clearly delineated as including China, Japan, South Korea and the ten members of ASEAN.

Sino–Japanese cooperative competition enabled East Asian regionalism to gain momentum in the late 1990s “despite, rather than because of, American Policy.” Although the USA might be inattentive to emerging East Asian regionalism, it remained less tolerant of the establishment of regional financial governance systems such as the CMI. However, the leading roles of China and Japan, which were well accepted and even encouraged by other East Asian states, forced the USA to sit back and watch the development of regional arrangements that included the major economies in the region but excluded it.

Sino–Japanese Conflictive Competition and Mixed Impacts on East Asian Regionalism

At the turn of the century, the nature of regional leadership in East Asia shifted from Sino–Japanese cooperative competition to their conflictive competition in which they competed for regional leadership with conflicting initiatives for

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64. However, as revealed in the following section, the approaches of China and Japan towards APT became divided regarding the establishment of EAS. Since EAS was established in 2005, Chinese leaders, including Premier Wen Jiabao have insisted that APT should guide the future of East Asian integration, whereas Japanese Prime Minister Koizumi and his successors have stressed the centrality of EAS in the future community-building in the region.
65. Mark Beeson, op. cit., p. 970.

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regional projects. Strategic considerations as to who would lead prevailed over economic pragmatism as the region overcame the Asian financial crisis and China’s regional influence increased significantly. China began to actively engage itself with Southeast Asian states in the early 2000s with high-profile policies in the trade and security fields. Japan sensed that “China’s ASEAN strategy outmaneuvers Japan.” In this context, the Japanese government sought to “remind the region that China isn’t East Asia’s only great power;” which incurred China’s competitive reactions. Sino–Japanese deteriorating relationship during the premiership of Junichiro Koizumi (2001–2006) reinforced their competition for regional leadership.

In addition, as challenges posed by the Asian financial crisis were overcome, willing followership to China’s and/or Japan’s leading roles decreased. Rather, ASEAN countries became concerned that regional cooperative processes would be dominated by the regional powers. In this context, China and Japan began to compete to appeal to other smaller East Asian states, depending on different power resources.

The competition peaked around establishing the East Asia Summit (EAS) in 2005, with China championing an APT-based EAS and Japan supporting an APT+3 (Australia, New Zealand and India)-based EAS. The compromise by the ASEAN countries to create the EAS as a non-exclusive regional institutional framework separate from APT revealed that both of these organizations secured a certain degree of regional followership but neither of them had its majority. With regard to establishing EAS, for example, Malaysia and Vietnam supported China, whereas Indonesia and Singapore followed Japan. Then, how have China and Japan been able to appeal to the ASEAN countries?

Some find the source of China’s influence in its ideational appeals, such as the “Beijing Consensus,” as an alternative economic model to “Western” neoliberalism and shared Confucian values among the East Asian countries that may make them more comfortable with the idea of a Sino-centric hierarchical regional order. However, Breslin is quite right to argue that “the extent to which regional rise is based on the promotion of a new ideational position rather than ‘harder’ sources of power and influence is questionable.”

China’s regional role is reinforced by the substantial and expected influence of its material resources. China’s role as an export market for other East Asian states has become more significant than Japan’s. Figure 1 measures the ratio of China’s and Japan’s GDP to the combined GDP of other East Asian states in purchasing power parity terms. China’s GDP was slightly smaller than the combined GDP of other East Asian states in 1986, but the former now exceeds the latter by more than 110 percent in purchasing power parity terms. At the same time, it began to exceed Japan’s GDP from 2001 and is now more than double.

China’s growing market role is attested by the actual export records of other East Asian states. As seen in Table 1, China is now the largest destination of South Korea’s exports, with the share growing from 7 percent in 1995 to 22.6 percent in 2009. China now accounts for 9.9 percent of ASEAN’s total exports, which was only 2.7 percent in 1995. As seen in its conclusion for the ASEAN–China FTA in

**Figure 1. China’s and Japan’s GDP as share of the combined other East Asian states (Korea and the ASEAN states)**

![Graph showing the ratio of China’s and Japan’s GDP to the combined GDP of other East Asian states in purchasing power parity terms from 1986 to 2009.](image)


**Table 1. Direction of Export**

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</tr>
</thead>
<tbody>
<tr>
<td><strong>Korean</strong></td>
<td>7.0</td>
<td>10.2</td>
<td>21.8</td>
<td>22.6</td>
<td>13.0</td>
<td>11.3</td>
<td>8.5</td>
<td>5.7</td>
<td>13.3</td>
<td>20.9</td>
<td>15.4</td>
<td>9.9</td>
</tr>
<tr>
<td><strong>ASEAN</strong></td>
<td>2.7</td>
<td>3.7</td>
<td>8.4</td>
<td>9.9</td>
<td>13.9</td>
<td>12.6</td>
<td>11.3</td>
<td>9.4</td>
<td>14.7</td>
<td>18.2</td>
<td>13.2</td>
<td>9.9</td>
</tr>
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</table>

2001, China has increased its political presence in the region through the strategic use of trade initiatives at bilateral and multilateral levels. Of course, China’s hard power is not complete for regional leadership. China’s rise tends to threaten the export competitiveness of its neighbors. Table 2 shows that there exists a high level of direct export competition between China and the four ASEAN countries. It should also be stressed that the Chinese market has been so far serving as an assembling base for intermediate goods in the region before re-exporting to markets in other regions, rather than the final destination for goods made in neighbors. Despite its considerable foreign exchange reserves and its growing strength as an investor abroad, China’s role as a source of investment for the region is yet trivial compared to Japan’s role. As shown in Table 3, Japan invested more than $30bn in Southeast Asia from 2002 to 2006, which accounted for 18 percent of the total of ASEAN foreign direct investment net inflow. During the same period, China offered only $2bn to Southeast Asian states.

However, China’s contemporary weaknesses are complemented by the expectation for its “bright future.” “[S]ome in the region (and beyond) base their relations with China today on the (well-founded) expectation of continued growth and on what they expect China to become in the future” and this “imagined” power in the minds of others has constituted “a key source of China’s ‘non-hard’ power” to get others to acquiesce in China’s regional interests in considering the regional architecture in East Asia. However, a widespread concern on the challenges posed by China’s rise has persisted, considering Japan’s economic stagnation since the 1990s, there is expectation in the region that China should be the locomotive for

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Table 2. Export Competition Intensity between East Asian Economies and China in US Market (2003)*

<table>
<thead>
<tr>
<th>Economies</th>
<th>Competition intensity vs China’s exports</th>
</tr>
</thead>
<tbody>
<tr>
<td>Japan</td>
<td>21.9%</td>
</tr>
<tr>
<td>South Korea</td>
<td>40.9%</td>
</tr>
<tr>
<td>Taiwan</td>
<td>68.8%</td>
</tr>
<tr>
<td>Singapore</td>
<td>40.1%</td>
</tr>
<tr>
<td>Indonesia</td>
<td>66.8%</td>
</tr>
<tr>
<td>Malaysia</td>
<td>65.0%</td>
</tr>
<tr>
<td>The Philippines</td>
<td>60.7%</td>
</tr>
<tr>
<td>Thailand</td>
<td>69.8%</td>
</tr>
</tbody>
</table>

*The higher the ratio, the more intense competition vs China’s exports to the US market.


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71. Ibid., p. 835.
generating regional economic growth. For example, Singapore’s influential former Prime Minister, Lee Kuan Yew, mentioned: “it has become the norm in Southeast Asia for China to take the lead and Japan to tag along.”

In contrast to China, Japan’s regional influence has been based mainly on its ideational appeals. Japan remains as another key economic force in the region. It is the principal regional actor in the foreign direct investment dimension (see Table 3). It had been a bigger export market for the ASEAN countries than China until the mid 2000s (see Table 1) and there exists a high level of complement in the economic structures between Japan and the ASEAN countries. However, it seems clear that Japan’s economic influence over the region would be outweighed by China’s remarkable economic growth. In this context, Japan has attempted to and been able to maintain its regional leadership by expanding its ideational influence over the region.

Since the early 2000s, the Japanese government has tried to provide “intellectual leadership” for the future community-building efforts. As a response to China’s proposal for the ASEAN–China FTA, the Japanese government revealed Japan’s vision for an East Asian community (EAC) through Koizumi’s speech in Singapore in 2002. In his speech, Koizumi proposed establishing an EAC, including Australia and New Zealand as well as APT members. In December 2003, Japan invited the heads of all ASEAN members to Tokyo to assure them of its vision for an EAC. The Tokyo Declaration signed by ASEAN and Japan at the summit claimed that Japan and ASEAN would play a central role in the creation of an EAC and that they would seek to “build an East Asian community which is outward

<table>
<thead>
<tr>
<th>Partner country/region</th>
<th>Value ($ million)</th>
<th>Share to total net inflow (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>ASEAN</td>
<td>2,804</td>
<td>3,765</td>
</tr>
<tr>
<td>USA</td>
<td>5,232</td>
<td>3,011</td>
</tr>
<tr>
<td>Japan</td>
<td>5,732</td>
<td>7,235</td>
</tr>
<tr>
<td>EU</td>
<td>10,046</td>
<td>11,140</td>
</tr>
<tr>
<td>China</td>
<td>732</td>
<td>502</td>
</tr>
<tr>
<td>South Korea</td>
<td>806</td>
<td>578</td>
</tr>
<tr>
<td>Australia</td>
<td>567</td>
<td>196</td>
</tr>
<tr>
<td>Others</td>
<td>9,198</td>
<td>14,642</td>
</tr>
<tr>
<td>Total</td>
<td>35,117</td>
<td>41,068</td>
</tr>
</tbody>
</table>


looking.” When establishing an EAS was lifted by China and Malaysia as the main regional agenda in 2004, Japan attempted to lead the discussion on the structure and substance of EAS, presenting its own ideas through the so-called Issue Paper. ASEAN officially appreciated the value of the paper. In particular, Indonesia emphasized some of its ideas — such as juxtaposing APT with EAS and the expanded membership — in internal discussions within ASEAN to determine the modalities and substance of EAS.

Japan’s ideational promotion of an expanded EAC included the wants and the needs of potential followers. Given that most East Asian states had export-oriented economic structures, Japan’s advocacy of an expanded membership of EAS under the spirits of inclusiveness and openness was more acceptable to other East Asian states than China’s advocacy of an exclusive membership. Indonesia and Singapore, for example, believed that it would be beneficial for the East Asian region to strengthen relations with Australia, New Zealand and India that had huge economic potential and were in the region’s adjacent neighborhood.

In addition, by defining ASEAN as the core partner for the EAC construction, the Japanese government satisfied some Southeast Asian states’ strong ambitions to be in the driver’s seat in regional processes. In opposing China’s proposal for hosting the first EAS, for example, Indonesian foreign ministry official Makarim Wibisono expressed: “[i]f we don’t insist on being in the driver’s seat, ASEAN countries will only be the tools of big countries to advance their agenda.”

Sino–Japanese competition has mixed impacts on the development of East Asian regionalism. Although the politics of Sino–Japanese rivalry has delayed, if not obstructed, the development of the CMI as a regional governance framework independent of the International Monetary Fund, its impact is not necessarily pessimistic. China’s efforts to catch up with Japan in the leadership competition have also had positive effects on the development of regional financial governance mechanisms. For example, in implementing the Chiang Mai Initiative Multilateralization (CMIM) in 2009, the keen competition between China and Japan to be the largest contributor to it facilitated the increase in its size from $80bn to $120bn, which helped the region respond relatively effectively to the global economic and financial crisis in 2008. China was also instrumental in establishing the Credit

Guarantee and Investment Mechanism (CGIM) with an initial capital of $500m under the Asian Bond Markets Initiative (ABMI) in 2009, contributing $200m.

Similarly, the politics of Sino–Japanese rivalry has led to the emergence of two competing ideas of regional institutions and regional architecture – China’s championship of the APT-based EAC versus Japan’s championship of the EAS-based one, which makes it difficult to define the nature and demarcations of “East Asia.” But at the same time, their efforts to make their own ideas more acceptable to other members have led to the development of a number of regional cooperative projects under the idea (although not well-defined) of East Asia. With China’s championship, APT has made tangible progress in promoting regional cooperation in the areas of trade, finance, food security, disease prevention, disaster management, environment (including climate change), information and education for human resource development.79 There has been tangible progress in EAS cooperation, especially in the five priority areas of finance, education, energy, disaster management and avian flu prevention80 and this has been encouraged by Japan’s leading roles.

The rises of China and Japan as regional leaders in the late 1990s and their cooperative competition forced the USA to act as an external player. The emergence of Sino–Japanese conflictive competition expanded the scope of the US strategic options with regard to East Asian regionalism. Succeeding in establishing EAS as an open and inclusive regional framework, Japan had made continuous efforts to have the USA engage in EAS and the EAC construction in order to counterbalance China’s rise. The USA could thus engage in regional process at any time.

However, by 2008, the USA had taken a wait-and-see strategy. Behind this were several strategic considerations. First, the USA was less willing to sign the Treaty of Amity and Cooperation (TAC) which was a criterion for EAS membership. The USA was concerned that signing the TAC would restrict the free movement of US forces, especially the navy in the region and might prevent it from imposing human rights and other conditions on ASEAN member states, such as Myanmar. Second, the USA was not eager for EAS to become the prime institutional framework at the expense of APEC. For the US government, it was more rational to concentrate on revitalizing US-led APEC than to join EAS in which the USA might be relegated to a potential leader competing with Japan and possibly China for leadership. Lastly, without the EAS membership, the USA could exercise influence over regional affairs so long as EAS was an open and inclusive process and its faithful allies, such as Japan and Australia, could lead EAS. A former US deputy assistant secretary of defense Peter Brooks suggested that despite its exclusion, the USA

would cast a long shadow at EAS in that there were many countries involved in the summit that shared the USA’s values and vision for the Pacific. For these reasons, the USA had decided to remain as an external player, enjoying the intense rivalry between Japan and China.

With the inauguration of President Barak Obama in 2009, however, the USA has shifted its policy to reengage with Asia. It signed the TAC in 2009, subsequently joined EAS in 2011 and has raised several significant regional agenda. This shift, together with recent important changes in both Japan’s and China’s regional leadership credentials, can have a significant impact on the nature of regional leadership dynamics and consequently East Asian regionalism, which will be considered in the following conclusion.

Conclusion: Shift to Sino–US Competition for Leadership?

The experience of East Asia presented in this study has demonstrated that the regional leader concept is significant in understanding the evolution of regionalism. The lack of regional leaders in East Asia had been one of the most important causes for the underdevelopment of East Asian regionalism. The rises of China and Japan as regional leaders and their cooperative competition in the late 1990s served as the centripetal force for the successful establishment of APT as the first East Asian regional framework. Sino–Japanese conflictive competition, emerging from the early 2000s, has made the idea of East Asia contested, providing the two competing concepts of East Asia based on APT and EAS. But at the same time, it has contributed to the substantial progresses of a number of regional cooperative projects under the name of East Asia, lifting the idea of East Asia up to the prevailing concept of the region at the expense of the idea of the Asia–Pacific.

This finding asks those interested in East Asia to keep an eye on the possible shift in the nature of regional leadership dynamics which will prove crucial for the future trajectory of East Asian regionalism. In the last few years, there have been three significant changes that may have significant impacts on the nature of regional leadership dynamics: Japan’s declining leadership credentials; China’s continuing rise and its assertiveness; and the USA’s reengagement with Asia.

First, the repercussions of two recent events have decreased the credentials of Japanese regional leadership. Japan’s humiliation in the maritime dispute with China in the South China Sea in October 2010 demonstrated to other members in the region Japan’s impotence vis-à-vis China’s growing strength. After the earthquake in March 2011, Japan has devoted all resources to recovering its huge damage, which makes the Japanese government less able to assert its leading role in the determination of the regional architecture. More importantly, the Japanese
government’s inappropriate management of nuclear power plants damaged by the earthquake has torn down the credibility of Japan’s leadership among its neighbors.

Another cause for a possible change in regional leadership dynamics has come from China’s continuing rise and its recent assertiveness. China has increasingly stood as an absolute powerhouse in the region based on its continuing rapid rise. It outweighs Japan and is now the second largest economic power in the world. Its rapid economic growth has led East Asia’s fast growth, with a very strong pull effect on regional economies. These confirm the expectations of other members that the influence of China’s growing hard power resources would be more significant, and it would take center stage in the region at the expense of its regional rival, Japan.

But at the same time, China’s recent assertiveness, in particular, towards the territorial issues in the South China Sea, has increased concerns among its neighbors about its unchecked power. China’s territorial disputes with its maritime neighbors and its assertive approach have forced some regional political elites to expect the USA to play a greater role in regional affairs.

Third, and related to the previous points, it is necessary to highlight US reengagement with Asia. This study has shown that the rises of China and Japan as regional leaders had caused in part the USA to (decide to) play an outside player for the last decade, influencing the regional order indirectly. With the inauguration of the Obama administration, the USA shifted its regional strategy towards East Asian regionalism from the wait-and-see strategy to greater and more productive engagement with Asia. The Obama administration appears to take a two-track approach to the shape of regional order in Asia based on the possible division of labor between the Trans Pacific Partnership (TPP)/APEC (economy) and EAS (security). At the Honolulu APEC meeting in November 2011, the USA made clear that it was aiming for a TPP deal within the next 12 month and this made China worry that it would be left out and risk being marginalized. The USA also added security cooperation for ocean, disaster management and non-proliferation to the agenda of EAS at the EAS meeting in November 2011. In particular, the USA made clear its intention to counterbalance China’s forceful claims over the South China Sea by asserting that the territorial disputes over the area should be settled by the international law.

These changes signal that the leadership competition between China and Japan may move to that between China and the USA. However, US reengagement with Asia means neither “the return of the king” to the region nor the inevitable diminishment of China’s influence in the region.

The US self-reassertion for its leading position in Asia does not guarantee US leadership in the region, which requires regional acceptance. While all ASEAN countries but Cambodia and Myanmar welcomed the US initiative for regional oceanic cooperation, they are worrying that regional processes in which they have been in the driver’s seat would be dominated by the USA.
In addition, as an internal player in the region, the USA should compete with China and possibly Japan for regional leadership to shape the regional order. For example, in the face of US promotion of TPP, China and Japan proposed at the APT summit in November 2011 a joint proposal to establish three new working groups for trade and investment liberalization under the East Asian FTA and the Comprehensive Economic Partnership in East Asia and gained support from their neighbors.

It has been demonstrated in this study that the nature of regional leadership dynamics is determined by the interactions among the self-identifications of regional powers as regional leaders, regional followership to them and regional powers’ abilities to cultivate such regional acceptance. Accordingly, the future nature of regional leadership dynamics, which will in turn determine the nature and degree of East Asian regionalism, is dependent on the relative abilities of the USA, China and Japan to secure regional followership to their leadership projects. East Asian regionalism is now at a crossroads and its future will be determined by the possible shift in regional leadership dynamics.

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ASEAN's leadership in East Asian region-building: strength in weakness

Richard Stubbs

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ASEAN’s leadership in East Asian region-building: strength in weakness

Richard Stubbs

Abstract Despite none of its members being a major economic or military power, the Association of Southeast Asian Nations (ASEAN) has played a leading role in building East Asia’s regional institutions. In exploring this apparent puzzle, the analysis reviews the literature on state leadership at the regional and international level, asks why the region’s major powers ceded leadership on the question of regional institution building to ASEAN, and assesses the consequences for East Asia’s regional architecture of ASEAN’s leadership role in institution-building. The conclusion is that leadership at the state level entails a state, or a group of states, proposing, executing and getting others to agree on a course of action to deal with a specific problem or challenge. The analysis also underscores the point that, while ASEAN has been the leader in East Asian institution-building, the Association and its members should not automatically be expected to play a leadership role on all issues preoccupying the region.

Keywords ASEAN; leadership; region-building; East Asia.

Introduction

The development of East Asian regionalism presents students of international relations with an intriguing puzzle. In each of the major regional groupings outside of East Asia, the regionalism project has been promoted and shaped by the region’s major powers. In Western Europe, both European Economic Community (EEC) and European Union (EU) regional integration were, from the beginning, driven by Germany and France. Indeed, Germany and France remain the central players as the EU attempts to manage its current crisis. In North America, the key player championing regional cooperation under the North American Free Trade Agreement (NAFTA) was the United States. And in Latin America, the region’s two largest economies – Brazil and Argentina – advanced
regional cooperation through the development of Mercosur. However, in East Asia, despite the presence of two major powers in the region, Japan and China, as well as the continuing influence of the United States, it has been the members of ASEAN that have led the way in building East Asian regional cooperation (cf. Kim 2012).

None of the ASEAN members can be considered a major economic or military power, yet through ASEAN they have been at the heart of the key advances in East Asian regionalism. For example, ASEAN successfully launched the ASEAN Regional Forum (ARF) in 1994, established the Asia–Europe Meetings (ASEM) in 1996, brought together the ASEAN Plus Three (APT) (China, Japan and South Korea) for the first time in 1997, created the East Asian Summit in 2005 and set up the ASEAN Defence Ministers Meeting Plus (ADMM Plus) in 2010. Moreover, from its inception in 1989, ASEAN was central to the development of the Asia–Pacific Economic Cooperation (APEC) forum.

This analysis explores the reasons for ASEAN’s leadership role in East Asian regionalism. The analysis is divided into three parts. The first part examines the literature on leadership, and especially state leadership in the international system and develops a framework which emphasizes the relationship between leaders and followers. The second part of the analysis addresses why major regional powers ceded leadership on region-building to ASEAN. The third part assesses the consequences for East Asia’s regional architecture of having ASEAN in the leadership role and answers the question of why East Asian regionalism is different from regionalism in other parts of the world where regional organizations are the product of the activities of the region’s major power or powers? The argument advanced is threefold: first, leadership at the state level entails one state, or a group of states, proposing, executing and getting others to agree on a course of action to deal with a specific problem or challenge; second, in East Asia, ASEAN has been the leader in regional institution-building; and third, ASEAN should not automatically be expected to play a leadership role on all issues preoccupying the region.

Theories of leadership

Since the end of World War II, the way in which leadership in the international system of states has been understood has gone through a number of stages. During the 1950s and into the 1960s, leadership was thought of in terms of the economic and military capacity of the major powers and was tied to the dominant realist approach’s preoccupation with the mobilization and distribution of power capabilities among states. Leadership was seen as being exercised by those states that had the requisite level of military and economic power (e.g. Kennedy 1987). From the late-1970s onwards, stress was placed on the ability of a leader to mobilize resources so as to determine the behaviour of other states and, hence, shape the
international system. The assumptions underlying this theoretical turn highlighted the realist argument that powerful states that acted as leaders were needed to keep the state system in line. Essentially, this approach underpinned the concept of hegemony. As Gilpin (1981: 29) asserts, hegemony is the circumstance in which ‘a single powerful state controls or dominates the lesser states in the system’. Much of the literature on leadership and hegemony, then, revolved around the different ways that a leader can manipulate the behaviour of others.

However, the approach to leadership in the international system soon began to shift with scholars re-focusing the idea of hegemony. Keohane and Nye (1977: 44) argued that hegemony is a situation in which ‘one state is powerful enough to maintain the essential rules governing interstate relations, and willing to do so’. Importantly, Keohane (1984: 137) suggested an interactive conceptualization of leadership noting that hegemonic leadership ‘does not begin with a tabula rasa, but rather builds on the interests of states’ and observing that ‘the hegemon seeks to persuade others to conform to its vision of world order and to defer to its leadership’. To some extent, this approach reflected the emergence of the Gramscian perspective during this period (Cox 1983, 1987). Yet, despite these references to the role of lesser powers, the preoccupation of students of international relations tended to centre on the exercise of power by the powerful (e.g. Ikenberry and Kupchan 1990; Rapkin 1990b) and especially in how the USA could maintain its leadership position in the world (Bergner 2003; Feketekuty and Stoke 1998; Nye 1991).

During this period, some important corrective analyses that examined leadership at the level of regional and international state relations emphasized the role of followers (e.g. Cooper, Higgott and Nossal 1991; Stubbs 1991). The key point that emerged was that ‘leadership is conferred by followers’ (Gardner 2000: 232) and so is very much an interactive process that involves both a leader and followers. Having the capability and willingness to act does not automatically mean that a state is exercising leadership. Certainly, assessments of potential cases of leadership require more than the normal leader-centred analyses that assume a relatively passive set of followers. Moreover, it is crucial to distinguish between hegemony and leadership. While hegemony refers to a general position of control or dominance across all issues — economic, military, political and social — leadership can, and often does, refer to a role played by a particular state, or group of states on a specific issue.

The emphasis on leadership as an interactive process in which followers have a major role to play is underscored by the diverse literature on leadership over the last few decades. Overviews of the literature on leadership argue that a leader ‘retains his status to the extent that he meets the expectations of other active group members’ (Gibb 1969: 202) and that leadership is ‘essentially a collective enterprise’ (Rosenbach and Taylor 1989: xiv; see also Boehm and Staples 2005; Lührmann and Eberl 2007). Political scientists,
such as Burns, (1978: 19) stress the need for the ‘motives and goals of political leaders and their followers to be congruent’. Similarly, Richard Rose argues that ‘the leader must conform to the already established expectations of his followers’ (1962: 265). These points apply equally to the leadership of states or groups of states at the regional and international levels.

A further point that arises out of the literature is that leadership is contextual; in other words, the context or situation has a direct bearing on the nature of interactions between leader and followers (Bagheri and Pihie 2011: 448–449; Kempster and Cope 2010; Stogdill 1974: 167–169). Hence, in terms of leadership at the regional and international levels, as the international situation evolves and the needs and concerns of follower states change, so they may turn to different leaders to help them solve specific new problems. This feature of leadership explains why some states are ignored as possible leaders at some times and on some issues but sought out as leaders at other times and on other issues. To appreciate fully the leadership role being filled by a particular state at any level in the international system, the views of the follower states and the issues that preoccupy them must be taken into account. Most especially, the question needs to be asked whether there are other states willing to actively sign on to the initiative put forward by the potential leader.

Finally, Oran R. Young posits three types of leadership, two of which are particularly helpful in understanding ASEAN’s leadership role in East Asia. First is structural leadership, which is tied to ‘power based on the possession of material resources’ (Young 1991: 287–288). Given ASEAN’s lack of material power, this form of leadership is not really applicable here. Second is entrepreneurial leadership, which entails bringing ‘willing parties together . . . for the benefit of all’; and third is intellectual leadership, which makes use of ‘the power of ideas to shape the way participants . . . understand the issues at stake and to orient their thinking about options available’ to deal with the problems at hand (Young 1991: 288). These last two forms of leadership provide a very useful way of exploring ASEAN’s role in East Asian relations.

Relatively few analyses of leadership in the East Asian region have been undertaken to date. As Dent (2012: 274) observes, ‘Regional leadership remains a new and emerging field of study’. However, there were some analyses of Japan’s role as a regional leader with some making use of a leader–follower framework (e.g. Beeson 2001; Stubbs 1991; Terada 2001). More recently, analysts have turned to the potential for China, Japan or ASEAN to take on a leadership role in the East Asian region (e.g. Beeson 2013; Dent 2012; Jones 2010). Generally, the search is for a state or, as in the case of ASEAN, a group of states that will lead on all fronts. ASEAN’s weaknesses, especially on the security side, are invariably highlighted. Those from the realist school are especially critical (e.g. Jones and Smith 2007). There is also a tendency for analysts to set up a straw man arguing that ASEAN should do more than simply be ‘ineffecctual’ (Jones 2010: 95).
In contrast, this analysis builds on Alice Ba’s approach to emphasize how ASEAN has exercised intellectual and entrepreneurial leadership by advocating a particular set of norms that should govern regional inter-state relations and at the same time increasing the quality and density of the process for examining ways of solving, or at least better managing, regional problems (Ba 2009, 2010).

For the purposes of this analysis of the building of East Asia’s regional institutions, leadership, as opposed to hegemony, will be taken to mean a process in which one state or group of states in the international system facilitates problem-solving through proposing and helping to execute a course of action in accord with the interests and expectations of a number of other states in the system. In order to assume a leadership role, a state must have the capability, in terms of the necessary resources, to take the initiative in solving problems; the willingness to shoulder the leadership role; and the cooperation of follower states in the actions that are taken. The focus of analysis, therefore, will not only be on the leader but also on the follower states and the interaction between them.

**Regional leadership in East Asia**

*Leadership vacuum*

In the decade after the end of the Cold War leadership in East Asia was a scarce commodity (Jones 2010: 98). No state in the region felt able or was willing to step forward and provide leadership. East Asia was increasingly being knit together by the economic linkages of region-wide production networks created by Japanese firms relocating throughout the region and by the expansion of ethnic-Chinese business networks. However, the major economic powers of the region, Japan and China, were unable to fill the regional leadership void. Neither Japan nor China belonged to ASEAN. APEC was too large and covered too much territory outside the region for either Japanese or Chinese governments to be able to use it as a vehicle for regional economic leadership.

Within the region, Japan was thought by some, including most particularly Malaysia, to be a candidate for regional leadership (Stubbs 1991). Japan clearly had the resources. As the second largest economy in the world, after the USA, Japan was seen by many in East Asia as the main engine of growth. By the late 1980s, Japan provided over 60% of all the bilateral Official Development Assistance received by the countries of Southeast Asia (Rix 1989/1990). In 1989, ASEAN members received US$4.6 billion in Japanese foreign direct investment (FDI), and by 1994 the amount of FDI going into ASEAN was over US$5.3 billion (ASEAN Centre 1997). Moreover, Japan was importing a rapidly increasing amount of manufactured goods from East Asia. It was, therefore, not unreasonable for governments of the region to see Japan’s growing economic capability and to look to it for a
greater measure of regional leadership. Indeed, it was this assessment of Japan’s increasing capacity to take on a leadership role in the region that led Dr Mahathir, the Malaysian prime minister, to propose the establishment of an East Asian Economic Caucus (EAEC) led by Japan.

However, within Japan there was no real appetite for regional leadership. There were a number of reasons for this reticence. First, the Japanese government feared that taking a leading role in a new East Asian regional arrangement would put at risk the strong links with the USA it had been built up since the World War II. Second, the Japanese government was concerned that support for a regional economic association might jeopardize its global markets by encouraging Europe and North America to become more restrictive in their trade policies. Third, senior Japanese officials and politicians were aware of the hostility in the East Asian region towards Japan created by the legacy of colonialism and militarism during the first half of the twentieth century. Finally, there were also doubts expressed that the consensus politics practised by the Japanese could allow the necessary decisive initiatives needed to make Japan a regional leader. In other words, although Japan may have had the capacity to be a regional leader, it lacked both the will and Young’s entrepreneurial and intellectual leadership inclinations (Higgott and Stubbs 1995; Preston 1995; Rapkin 1990a; Stubbs 1991; Young 1991). And while some countries in East Asia were prepared to support a leadership role for Japan, others feared a resurgence of Japanese militarism or felt that Japan had not sufficiently atoned for past atrocities. They were not, therefore, willing to cooperate actively with Japan in any leadership role.

The other major power in East Asia, China, had neither the capability, nor the willingness, to take on the role of regional leader. The Chinese economy only began to take off in the mid-1990s, spurred on by becoming the largest developing-country recipient of FDI and by the 1994 devaluation of the renminbi. Its economic situation during the 1990s meant that China did not really have the economic capacity to develop region-wide initiatives that might command support from other East Asian countries. Moreover, during this period the Chinese government was not particularly interested in taking the lead in the East Asian regional economy. It was too preoccupied with its application to the newly established World Trade Organization, and managing its uneasy but developing relationship with the USA.

Just as importantly, few governments in the region were enthusiastic about following any lead that the Chinese might provide. This lack of enthusiasm made it difficult for China to exercise entrepreneurial leadership even had it wanted to. China was still perceived as a potential threat, in both military and economic terms. On the military front, China had increased its military spending, especially on new weapon systems and its naval capability. Just as significant for the countries of Southeast Asia was China’s claim of sovereignty over the South China Sea and the clashes that took place throughout the early 1990s over who should control particular
parts of the Spratly Island archipelago. In addition, of course, the prospect of a confrontation between the USA and China over Taiwan posed a potential problem for all countries in the region. The economic threat was viewed as even more of a concern. With the economic reforms taking hold and China moving out of the 1990–1991 recession, the Chinese economy started to become a formidable competitor for the labour-intensive export manufacturers in such Southeast Asian countries as Thailand, Malaysia, Indonesia and the Philippines. On top of this, the ASEAN economies were clearly losing the battle with China to attract FDI.

The only other possible regional leader was the USA. It clearly had the capability to exercise leadership on a number of economic and security issues but there was also a series of drawbacks. The USA was obviously outside the region and there was a growing sense that the region itself should deal with its own problems. In the immediate post-Cold War period, US interest in Southeast Asia appeared to wane. This was prompted partly by US withdrawal from its two major bases in the Philippines under pressure from nationalists in 1991–1992 and by its increasing focus on Northeast Asia. However, while this attention was welcomed by its longstanding allies, Japan and South Korea, China and the communist states of Southeast Asia remained extremely wary of US post-Cold War intentions. It was not clear, therefore, that the USA could command the sort of acceptance by East Asian states necessary to rally support for its leadership in solving specific problems.

This assessment of regional relations in East Asia directly after the end of the Cold War in 1989 suggests that ASEAN stepped into a leadership role in the region essentially to fill a void. Yet ASEAN did not attempt to provide leadership across the board. Rather it provided entrepreneurial and intellectual leadership on the very specific issue of developing regional forums for getting East Asian states together to seek out ways of managing some of the region’s most pressing economic and security challenges.

**ASEAN’s strengths**

What is it that ASEAN brought to regional institution-building that made it so pivotal to the process? Indeed, what was it about ASEAN that allowed it to be considered a legitimate leader by others in terms of regional institution-building? Certainly ASEAN did not have the conventional capabilities that are usually associated with leadership. None of its members could be considered major military or economic powers. Yet ASEAN did have the ability to bring ‘willing parties together ... for the benefit of all’ and to use ‘the power of ideas to shape the way participants ... understand the issues at stake and to orient their thinking about options available’ particularly in terms of the process to be followed to find ways of managing problems and the factors to be considered in determining solutions (Young 1991).
First, by the 1990s ASEAN was very much an ‘entrepreneurial’ leader. It had developed the valuable capacity to organize successful regional consultations. From its inception in 1967 to the first heads of government meeting in 1976, ASEAN slowly emerged as an effective regional organization. It provided a framework for negotiations over regional conflicts; it allowed for the coordination of bargaining positions at international forums such as the General Agreement on Tariffs and Trade (GATT), as well as negotiations with the EEC, Japan and Australia over trade and aid issues; and it was the forum in which member states agreed to attempt to dissuade the major powers from involving non-communist Southeast Asia as proxies in the Cold War. From 1976 to the end of the Cold War in 1989, ASEAN consolidated its role in the region and started to develop regular links to major powers around the world. Notably, after Vietnam invaded Cambodia in December 1978, ASEAN coordinated efforts to isolate the Hanoi government in the United Nations and to make it impossible for Vietnam to gain access to international capital and aid from key donors and international agencies. By its actions in the face of the Cambodian crisis, ASEAN gained a stature in the wider international community which served its members well. Collectively, the members of ASEAN were increasingly viewed as a group that carried weight in debates in international forums.

ASEAN’s organizational capacity on a wider regional stage was further honed with the establishment of the APEC forum. Formed at a ministerial meeting in Canberra, Australia, in 1989, APEC brought together economies from around the Pacific Rim, including the United States and Japan as well as countries such as Australia, Canada and New Zealand. In advance of the inaugural meeting, a number of ASEAN governments had expressed concern that APEC might overshadow ASEAN. As a consequence, and in order to ensure that the ASEAN members joined APEC, it was agreed that the next meeting of APEC would be held in Singapore in 1990 and that an ASEAN member would host APEC every second year. With APEC’s agenda driven each year by the host country, this arrangement has given the ASEAN members considerable experience in successfully running major international conferences.

Hence, it was to ASEAN that any promoters of an idea for a new regional institution turned. ASEAN members had the political will to act, a process in place for consultation, and the legitimacy to gain widespread acceptance for any new initiative. For example, the ARF was the product of suggestions made by Australia, Canada and Japan, but was essentially an outgrowth of ASEAN’s annual consultation with its dialogue partners. Similarly, ASEM was put forward by Singapore and France and built on ASEAN’s reputation as the organization representing a strategic and economically vibrant part of the world. And the APT grouping grew out of the need for the Asian representatives at the first ASEM in Bangkok in 1996 to develop a common position to present to the European states and Malaysia’s initiative, during the months prior to the Kuala Lumpur
ASEAN Summit of 1997. Developing a common position entailed in asking the leaders of China, Japan and South Korea to attend on an informal basis (Camroux and Lechervy 1996; Stubbs 2002; Yuzawa 2012). More recently, the ADMM and the ADMM Plus were ASEAN’s regional responses to the London-based International Institute for Strategic Studies’ successful Shangri-La Dialogue held annually in Singapore (Capie and Taylor 2010: 371–372). Overall, then, ASEAN has been central to the creation of new regional institutions.

At the same time, ASEAN members have overseen a ‘thickening’ of regional institutions (Amin and Thrift 1994) through the propagation of meetings, committees, councils, working groups, panels, projects and programmes. For example, the number of ASEAN-sponsored meetings grew from around 300 in 2000 to over 700 in 2007 (Stubbs 2009: 242) This bracing and buttressing of the various regional institutions, as well as the creation of ever increasing linkages among them (Krasner 2009:96), has enabled East Asia’s regional institutions, while limited in European terms, to bring members of the region together to solve their problems. Achieving this process density (Ba 2010) has another benefit. Certainly, in Putnam’s (1995) terms, regional social capital has been generated as East Asian politicians, officials, business people, think tankers and members of NGOs golf, dine and participate in karaoke together. These personal contacts have been crucial to managing tensions and seeking solutions to regional problems. Creating the institutional infrastructure within which these personal networks can be developed has been one of ASEAN’s major achievements.

Second, ASEAN has acted as an intellectual leader. Crucially, the Association has developed a set of norms about the way in which states should treat one another in regional relations. These norms, which served to define and regulate appropriate inter-state relations among ASEAN members, had a long lineage. They were rooted in the colonial experience and the perception of regional governments that they had been pawns of the major powers during the Cold War years. The product of a series of conferences around Asia in the late 1940s and throughout the 1950s, especially the Bandung Conference of 1955, these norms were formalized in the Treaty of Amity and Cooperation (TAC), signed at the first ASEAN summit in Bali in 1976. The TAC sets out principles by which countries that accede to the Treaty deal with one another. These principles are as follows: respect for the independence, sovereignty, territorial integrity and national identity of all nations; the right of states to be free from external interference; non-interference in the affairs of one another; the renunciation of the threat of force; and the peaceful settlement of disputes (see Acharya 2005; Mackie 2005; Stubbs 2008).

In addition to this formal code of conduct, ASEAN members developed an informal code that tends to govern regional meetings and negotiations more generally. This informal code involves ‘a high degree of discreteness, informality, pragmatism, expediency, consensus-building and non-
confrontational bargaining styles’ (Acharya 1997: 329). Emphasis was also placed on consultation, and compromise with negotiations being undertaken in a discrete manner (Severino 2006: 34–37).

Allied to the TAC norms of respect for sovereignty, territorial integrity and national identity of all nations, and the right of all states to be free of external interference is the importance of state autonomy. Although Emmers (2003: 6) is correct that ‘analysts should not underestimate the persistence of realist beliefs among political leaders’ in the region, the quest for autonomy has encouraged ASEAN members to think of power not in terms of the ability to dominate or control others but in terms of ensuring that they are not themselves the object of domination, coercion or pressure (Eaton and Stubbs 2006). Developing regional organizations that encourage common action on issues is one way of achieving this goal. Indeed, as Terada (2012: 364; see also Severino 2006) has pointed out, the APT alone covers 20 policy areas from transportation to infectious diseases to the environment, and of course the ARF and the ADMM Plus also cover a series of regional security issues.

The norms espoused by ASEAN have resonated with other states in East Asia. China, for example, as a result of its modern history as a semi-colonized country and a target of US containment policy during the Cold War, was extremely sympathetic to ASEAN’s approach to regional interstate relations and negotiations. As a former Secretary General of ASEAN, Severino (2006: 279), observes the Association’s norms for interstate conduct ‘dovetailed with the Five Principles of Peaceful Coexistence formulated by China in the 1950s’. They were also the basis of the 10 principles found in the final communiqué of the 1955 Bandung Conference, in which the Chinese Premier Zhou Enlai was a principal player, and were lauded by Premier (Wen 2004: 364) in a speech in 2004 commemorating their 50th anniversary (Thomas 2009: 120–123). China was also the first major power to sign onto the TAC. Other Asian states, such as India, Japan and South Korea, quickly followed suit. For China signing onto an ASEAN-led approach to regional institution-building that emphasised a common set of norms was eminently reasonable.

Significantly, the East Asian regional institutions that have been developed by ASEAN have allowed members to keep in check any bilateral leverage that China or Japan may have over them. As Alice Ba (2009: 240) puts it, ASEAN has been able ‘to nest collective ASEAN’s bilateral relations with China [and Japan] within a wider regional framework’. In other words, the norms propagated by ASEAN have encouraged China and Japan – as well as the USA, which has also signed the TAC – to recognize a significant degree of autonomy for its members while at the same time bringing the two major powers into East Asian institutions and promoting regional cooperation.

Third, and counter-intuitively in terms of leadership, one of ASEAN’s clear strengths is its structural weakness compared to its powerful
neighbours, China and Japan as well as compared to the USA. Within ASEAN there is not one member who might be considered a regional hegemon or major power. Indonesia, the largest country in the region by population and land mass and sometimes viewed as the dominant regional power, also has the lowest per capita income of ASEAN’s original members and a limited military capability to operate much beyond its borders. Singapore has the highest per capita income and the most technologically sophisticated military of the original members of ASEAN, but is also the smallest in terms of population and land mass (Emmerson 1987). Hence, ASEAN, even collectively, poses no threat to any of its neighbours. In many ways ASEAN is seen as neutral territory on which China and Japan — and when appropriate India, the USA and in some circumstances North Korea — can meet and negotiate. While none of the major powers trust any of the others, they can all trust ASEAN, both because of the norms it espouses and because its members cannot, either singularly or collectively, dominate any other state in the region.

Supplementing the above three arguments that emerge from making use of Young’s (1991) examination of leadership, are two further propositions about ASEAN’s internal and external relations. First, despite the diversity of its membership, in terms of UN General Assembly voting patterns ‘ASEAN presents a remarkably coherent face to the other regions of the world where global issues are concerned’ (Ferdinand 2013a: 11). This coherence helps to reinforce its role as a leader in East Asian region-building. As a former ASEAN Secretary General has noted, ASEAN’s ‘solidarity has magnified [its] influence in the world to an extent that would not be possible for each individual member acting alone’ (Severino 2006: 36). Moreover, ASEAN members’ voting patterns at the UN General Assembly are very close to those of China suggesting that the relationship is becoming important for ASEAN’s pivotal role in regional institution-building (Ferdinand 2013b: 15; see also Chin and Stubbs 2011). Second and relatedly, ASEAN’s leadership in regional development has also been accepted by China and Japan. Their acceptance is in good part because both need the ASEAN members as followers in terms of regional initiatives with regard to finance and trade. Similarly, China and Japan need followers if they ever want to be considered global leaders. Both the Chinese and Japanese governments reiterate the point that it is ASEAN which is ‘in the driver’s seat’ when it comes to deciding the pace and direction of East Asian regionalism (Wain 2011; see also Jones 2010; fn. 4).

The argument is that ASEAN has brought to the leadership process a willingness to explore options in terms of regional institution-building, and a capacity to develop the infrastructure needed to hold the many meetings that this process required. The ‘followers’ were prepared for ASEAN to take on the role of regional leader in regional institution-building because of its capacity and success in past endeavours as well as its norms of non-confrontational, informal negotiations and respect for the sovereignty of
individual countries. Moreover, neither ASEAN nor its members threatened those who allowed ASEAN to take the lead in developing regional organizations. ASEAN essentially met the expectations of the follower states in promoting regional cooperation to manage regional problems.

**Consequences of ASEAN leadership in regional institution-building**

In practical terms, ASEAN’s ‘driving’ the institution-building process in the development of East Asian regionalism has a number of important consequences. First, as a result of ASEAN’s strong commitment to the norms of sovereignty, territorial integrity and non-interference, what has emerged is closer to the cooperation end than the integration end of the cooperation–integration continuum. Certainly, ASEAN norms mean that there is relatively little pooling of sovereignty compared to the European Union. Moreover, in this ‘soft regionalism’ (Vogel 2010), there is only a very limited role for a central secretariat. Some analysts, of course, see this as a major problem (e.g. Jones and Smith 2007; Jones 2010), but it is a characteristic that has clearly appealed to many of the states that have followed ASEAN’s lead and joined the various East Asian organizations. A more regimented, public, legalistic approach to regional problem-solving might well have frightened a number of states away. Its emphasis on the widely shared East Asian norms of informal and non-confrontational negotiations, and respect for sovereignty and non-interference, helps to account for ASEAN’s successful leadership in terms of regional institution-building.

Second, ASEAN’s leadership on the issue of regional institution-building is very much part of a larger regional enterprise in which leadership is exercised on an issue-by-issue basis. Because ASEAN sets up the framework for consultation in the region does not mean that it is automatically responsible for solving, or even attempting to manage, all the region’s problems. Certainly, ASEAN’s member states do not appear to think this way. For example, during the Asian Economic Crisis, several Southeast Asian governments believed that Japan, with all its vast financial resources, had the capacity to help them manage their economic problems. Indeed, with its proposal for a US$100 billion Asian Monetary Fund (AMF), Japan initially appeared to be assuming a leadership role in the crisis. But, in December 1997, after sharp criticism from the US government as well as from China and some European governments, Japan abandoned its initiative. The failure of will on the part of the Japanese government was severely criticised by regional governments. As Christopher W. Hughes (2000: 246) notes, at the APEC summit in Kuala Lumpur in December 1998, ‘the East Asian states continued to chastise Japan publicly for its reluctance to use its economic power to rescue the region economically’.

Third, ASEAN’s provision of regional institutional forums in which issues can be discussed and solutions to problems sought has helped to persuade major powers such as Japan and China to take on more prominent
roles in terms of specific regional concerns. The recognition that Northeast and Southeast Asia were inextricably linked was underscored by the Asian Financial Crisis of 1997–1998 and forced Japan and China to re-evaluate their reluctance to take on regional leadership roles. Moreover, China’s rapid economic growth gave Beijing the resources to undertake a more prominent regional role and forced Japan to respond in kind so as to ensure that China did not become the regional leader by default. As a result, on financial issues Japan led the way in the post-Financial Crisis period in terms of promoting the Chiang Mai Initiative (CMI). The CMI provided a safety net in case of future economic crises in Southeast Asia. And as the CMI was converted into the CMI Multilateralization (CMIM), China took on an equal role along with Japan in providing leadership on this central regional financial issue which had preoccupied ASEAN’s members in the wake of the Asian Financial Crisis (AMRO 2012; Ciorciari 2011; Grimes 2011).

On the issue of trade agreements, China led the way as far as ASEAN was concerned. The ASEAN–China Free Trade Agreement was signed in 2002 and the ASEAN–China Free Trade Area (ACFTA) came into effect in 2010. The process of negotiating the ACFTA prompted a series of preferential trade agreements between various East Asian states. However, as the Chinese economy has provided the most rapidly expanding market for all regional states especially the ASEAN members, most states in the region have welcomed Beijing’s leadership role (Chin and Stubbs 2011; Thomas 2012). Moreover, China also led the way in pulling the region out of the Global Financial Crisis of 2008–2010. The effects of China’s November 2008 massive stimulus package and the Chinese government’s general approach to riding out the Great Recession had a substantial economic impact around East Asia. Malaysia’s Deputy Finance Minister, Chor Chee Heng, stated that China had become a major destination for ‘Malaysia’s exports which greatly helps in lifting Asia’s economy in times of crisis’ and that China’s stimulus package had ‘created more demand and opportunities for ASEAN businessmen’ (People’s Daily Online 2009; see also EIU 2009). And with Chinese imports rising to US$767 billion in 2009, up by over 47% from a year earlier (Xinhua English News 2010), the economies of East Asia were clearly pulled out of the Great Depression by the Chinese economic locomotive. This process continued into 2010 with a further substantial increase in China–ASEAN trade (Financial Times 2010).

More broadly, China, supported by the ASEAN states, has recently promoted the Regional Comprehensive Economic Partnership (RCEP). Its potential members are the APT states as well as Australia, India and New Zealand. RCEP is essentially an East Asian-centred set of negotiations that emphasize tariff reductions but which also focuses on a more flexible, measured and less domestically intrusive free trade agreement than the competing set of negotiations around the US-led Trans-Pacific Partnership (Armstrong 2013; Stubbs and Mustapha 2014).
On security issues, the question of leadership is more difficult to delin-

eate clearly. Some ASEAN states still look to the USA to provide leader-

ship and Washington has taken up positions that ASEAN members find 

helpful on a number of key issues such as the recent clashes over the South 

China Sea and the Senkaku/Diaoyu Islands. However, ASEAN members 

are not completely wedded to the idea of giving the USA unqualified sup-

port. Long-standing norms around limiting the role of major powers in 

Southeast Asia mean that USA is welcome to help keep regional order but 

not to impose its will on regional governments. Nor, of course, can China’s 

increasing military strength be discounted. The Chinese government is 

clearly determined to play a strong role in East Asia’s security. Yet, it 

remains to be seen how many ASEAN members are willing to follow 

China’s lead on regional security issues.

With no obvious regional leader on security issues emerging, almost by 

default ASEAN has stepped into this role. The Association achieves this 

position by maintaining the infrastructure for discussion and negotiation. It 

also does it by promoting norms, such as the need for the peaceful settle-

ment of disputes and respect for territorial integrity, that are intended to 


ASEAN is allowed to lead the other regional states because they distrust 

everyone else. With the exception of a few very minor incidents, ASEAN’s 

approach has to date been largely successful (Kivimäki 2011). However, 

without structural power ASEAN’s ability to provide regional leadership 

in dealing with security challenges, in the sense of proposing a course of 

action, executing it and have others agree to a course of action, could be 

limited. ASEAN’s leadership in developing regional institutions does not 

automatically mean that in the future it will be able to solve regional secu-

rity problems.

Conclusion

Three concluding points can be made. First, in examining ASEAN’s lead-

ership role in East Asian regional institution-building, it is crucial to set 

out a clear understanding of what is meant by leadership. This analysis has 

emphasized the extent to which leadership is a process that is bound up 

with followership and the expectations of followers about managing, or 

finding solutions to, common challenges. Moreover, leadership has to be 

distinguished from hegemony. Hegemony is the general preponderance, 

either by force or persuasion, of one state over others either globally or 

regionally, while leadership is thought of as a process in which one state or 

group of states in the international system facilitates problem-solving by 

proposing and helping to execute a course of action in accord with the 

interests and expectations of a number of other states in the system. There 

is, then, no hegemon in East Asia. On the other hand, leadership is
exercised on an issue-by-issue basis. Leadership in the region is a collective enterprise in which problems or challenges are addressed by all with one state or group of states taking a lead depending on the issue at hand. For ASEAN members collectively, in East Asia, the issue is regional institution-building.

Second, ASEAN, through entrepreneurial and intellectual leadership, has established the infrastructure and ideational basis for regional consultation and decision-making. Under ASEAN’s leadership, the density of regional institutions has grown appreciably as the number of meetings, committees, working groups and other mechanisms of interaction have increased. In other words, the opportunities for briefings, discussion and debate have meant that key regional issues can be aired in the informal, non-confrontational manner that the members of the East Asian region appreciate. Just as significantly, the linkages between institutions have grown, creating further opportunities for consultation and the management of issues.

Finally, while it is certainly true that ASEAN has gained influence over specific policies by sponsoring the array of East Asian regional institutions, this should not be confused with leadership on all substantive issues with which East Asian states currently grapple. Having regional institutions operate according to ASEAN norms has clearly ensured that ASEAN is able to shape the way issues are discussed and ensure that the outcomes are not against ASEAN members’ interests. Furthermore, ASEAN has set up the regional institutions so that its members invariably act as the host for the major meetings, meaning they set the agenda. Of course, ASEAN members take care of agenda-setting through consultations, often with the major players such as China and Japan. However, in the end, member states can influence what is discussed. Hence, ASEAN does have influence on specific issues, such as economic challenges, but it certainly does not exercise leadership on all these issues.

Analysts who discuss leadership in East Asia without acknowledging the crucial role played by ASEAN in region-building miss an important dimension of what is happening in the region (e.g. Dent 2012). Similarly, those analysts who expect ASEAN to play a leadership role in terms of managing or solving major security and economic problems just because ASEAN is at the heart of the institution-building process expect too much (e.g. Jones 2010). It is important to give ASEAN credit for what it has done and not blame it for failing to achieve what others, whether they are practitioners or analysts, want it to do.

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**References**


Over the last quarter-century, relations among Asian states have become increasingly institutionalized. Driven by the end of the Cold War, which stripped away the old, predictable way international affairs were conducted, governments were forced to re-evaluate their relationships not just with the major powers but also with their immediate neighbors. Compounding this turn of events were the emerging forces of globalization, which created a whole series of relatively novel economic and political challenges for governments and nongovernmental actors. The result was a set of new Asian regional institutions that gradually gained in importance as they took on the tasks required to address emerging problems (see in particular the chapter by Ba in this volume). Most important were a number of supranational, multipurpose organizations that developed alongside a remarkable increase in Asia-based preferential trade agreements (PTAs) and other regional economic organizations designed to bolster regional economic growth (see the chapter by Aggarwal and Koo in this volume).

As governments and other groups began to develop regional economic organizations, ideas about how to build regional institutions were increasingly debated. In Asia generally, but especially the Asia-Pacific, regionalism—the “body of ideas that promote an identified geographical social space as a regional project” (Hveen 2006, 296)—became caught up in the clash of post–Cold War visions of how Asia and its various subregions should evolve. Certainly, Asia-Pacific economic regionalism was confounded “by residual Cold War divisions, by memories of war and occupation, by vastly different levels of development among component member states, by radically different indigenous models of political economy, by the ambitions of competing regional powers, and by the strategic ambitions of the United States” (Breslin, Higgott, and Rosamond 2002, 10). The consequence was that as these regional economic institutions
proliferated across Asia, they sometimes worked at cross purposes. Indeed, referring to the “profusion of Free Trade Agreements” in the region, Richard Baldwin (2004, 10) echoed Jagdish Bhagwati’s (1995) notion of the “spaghetti bowl effect” by labeling it the “noodle bowl problem.” The term refers to the different tariff regimes, rules of origin, and so forth that govern FTAs and which create criss-crossing linkages that look like noodles in a bowl. The seemingly negative aspects of this development raise two important questions. First, can this “noodle bowl” of economic linkages be disentangled and placed into a more systematic form, and, second, can the formal economic institutions of Asia and its subregions provide a coherent basis for sustained regional economic growth?

In this chapter we first review the literature on international and regional institutions, focusing in particular on the historical institutionalist approach. We then look at how a number of Asian economic institutions—whether region-wide or bilateral—are characterized by tensions between two broad approaches—one, we characterize as a “developmentalist” approach, the other a market-led approach, and how these alternative conceptions continue to shape the trajectories of these institutions.

35.2. Institutions, Ideas, and Institutionalization

There is a substantial empirical and theoretical literature on international and regional institutions. International relations scholars have explored the nature and significance of international regional institutions and their consequences for the development of international relations generally and regional relations in particular (see, e.g., Acharya and Johnston 2007; Aggarwal 1998; Checkel 2007; Keohane 1988; Koremenos, Lipson, and Snidal 2001; Solingen 2005). Similarly, comparative politics scholars have developed various theoretical approaches to institutionalism as well as having examined regional institutions from an institutionalist perspective (e.g., Calder and Ye 2004; Hall and Taylor 1996; Mahoney and Thelen 2010, Pierson 1996). The analysis in this chapter departs from the normal use of institutionalism in studies of international relations in general and in Asia’s subregions in particular by relying more on the comparative politics literature regarding institutions than has previously been the case. Building on the definitions of Hall and Taylor (Hall and Taylor 1996, 938; see also Campbell 1998, 379; Hall 1986, 19), we define institutions as formal and informal rules and regulations combined with regularized procedures, practices, and norms that structure relations between individuals and groups in and across the economy and society, either within countries or between countries. The regional economic institutions that are the concern of this chapter, therefore, are formal structures that in one way or another shape economic exchanges.

Three key aspects of the literature on institutions will be called upon to aid in the analysis. First, ideas animate actions. As ideas are discussed, debated, and dissected,
and as they interact with material factors, ideas can lead to the establishment and development of an institution. Necessarily then, as Daniel Béland and Robert Henry Cox (2011, 8–9) point out, “ideas are the foundation of institutions” and are “embedded in the design of institutions.” The founding ideas tend to be reinforced and reproduced as the institution begins to serve the purpose for which it was established. However, the ideas driving institutions may have differing levels of coherence. If the ideas are less coherent, there may be room for continuing debate, within certain parameters, as the institution develops. Moreover, once an institution is up and running, a clash of ideas may emerge as new members join or as original members of the institution change their approach to the issues at hand. Yet whatever happens to the institution, ideas remain at its core.

Second, once established, institutions are relatively stable. Indeed, what gives institutions their salience is that they are usually slow to change. This is often referred to as “institutional stickiness” (Pierson 2000b). Important here is the notion of path dependency, which emphasizes that an institution is set on a particular trajectory from its inception. This trajectory or path is reinforced by a series of factors including an internal socialization or organizational culture that perpetuates norms around the institution’s goals and procedures; a feedback loop where the institution creates benefits for those who support it, thereby strengthening its role; and self-reinforcement, which means that actions are undertaken that promote complementary institutions that help to maintain the path of the original institution (Krasner 1988, 83; Page 2006; Pierson 2000a). Moreover, formal organizations become increasingly institutionalized as they are honeycombed with substructures such as departments, secretariats, working groups, task forces, committees, and meetings that act to brace, buttress, and stabilize them. This increased “thickness” (Amin and Thrift 1995) of institutions further strengthens them and is an additional reason for their durability.

A third aspect of the literature underscores the point that institutions can both constrain and empower those who participate in them. Institutions constrain those involved by limiting the range of possible choices regarding institutional development and the policy options available for solving problems (Hall and Taylor 1996; Pierson 2000a). But institutions can also empower or facilitate action rather than simply constrain institutional members. By combining with others within an institutional setting, individuals, groups, and, in the case of regional institutions, states can make it more likely that their goals can be achieved. Ideas are an important ingredient in this process. As John Campbell (1998, 381) argues, “ideas facilitate policy-making actions not just by serving as road maps, but also by providing symbols and other discursive schema that actors can use to make these maps appealing, convincing and legitimate” and to construct frames that serve to legitimize policy proposals and actions (Campbell 1998, 398).

Using these features of the historical institutionalist literature it is possible to assess the trajectories of Asia’s, and especially the Asia-Pacific’s, regional economic institutions. They provide a way of assessing the extent to which complex economic
institutional linkages may be unraveled and a coherent approach to regional economic development can be advanced.

### 35.3. Multipurpose Regional Institutions

Asia’s key regional organizations serve multiple purposes, including promoting regional economic integration and economic development. Each of these organizations emerged out of a specific set of circumstances and was driven by a particular set of ideas. Significantly, however, there is continuing debate within each institution around the ideas that underpin their economic policies. But, most importantly, the dominant ideas within the Asia Pacific Economic Cooperation (APEC) forum clash with the dominant ideas to be found in the Association of Southeast Asian Nations (ASEAN) and the ASEAN+3—China, Japan, and South Korea (APT)—grouping.

The key idea at the heart of APEC was the emphasis on economic liberalization. Over time the broad consensus that gave the forum its initial impetus began to break down as the difficulties of implementing policies designed to liberalize economies became evident. The original expectation of the Anglo-American member economies was that APEC would mean formally negotiated, legally binding, comprehensive agreements. These agreements would then lead to a total liberalization of the region’s economies and would be systematically implemented over a given period of time. However, this view of the way APEC should operate conflicted with the approach of Asian member economies. They emphasized nonbinding, voluntary commitments to liberalization with a focus on tackling the easiest issues first in a piecemeal manner (Gallant and Stubbs 1997).

In the wake of the stalemate in APEC over proposals for negotiated liberalization in specific sectors (the Early Voluntary Sectoral Liberalization negotiations), Anglo-American member economies recognized that APEC was not the vehicle for the promotion of binding agreements that would create greater regional economic liberalization. Member economies shifted their attention to the two other pillars of APEC: trade facilitation schemes and economic and technical cooperation programs. In addition, APEC summit meetings became valued as an efficient way of conducting diplomacy. Moreover, APEC became more embroiled in security issues with the advent of the George W. Bush administration when after 9/11 Washington began wielding economic relations and agreements in the region as “carrots and sticks to drum up support for the US security agenda under the war on terror” (Mustapha 2011, 496–97). Overall, then, APEC lost the momentum and relative accord of the early years and became less a vehicle for action on economic issues and more of an arena for debate about the general future of the Asia-Pacific region.

The APT grouping is the major regional organization in East Asia that exercises a role in economic development. ASEAN itself did not decisively turn its attention to regional
economic issues until discussions around the possibility of an ASEAN Free Trade Area (AFTA) in 1991 and the signing of an agreement in 1992 (Bowles 1997; Nesadurai 2003; Stubbs 2000). The APT came into existence in the context of the Asia-Europe Meeting in 1996, where ASEAN joined with China, Japan, and Korea (Stubbs 2002).

The economic ideas that animated the APT derived from both the historical experiences of its members and the context of relevant events occurring at the time it came into existence. The developmental state approach to economic development was a significant feature of a majority of the APT members (Woo-Cumings 1999; Stubbs 2012). In this respect a government-guided, rationally planned, export-oriented strategy with some protection for local businesses was to be expected. In addition, the norms governing the conduct of regional political and economic relations for ASEAN and the +3 members had a history dating back to the decade after the end of the Second World War. These norms emphasized respect for territorial integrity and the sovereignty of individual countries as well as the importance of noninterference in each other’s domestic affairs (Acharya 2001; Mustapha 2007). There was a tendency to be suspicious of any new arrangement that might conflict with the guiding principle of noninterference, especially vis-à-vis the inclusion of Western members in East Asian regional arrangements. The extent to which East Asian economies were damaged during the 1997–98 Asian financial crisis (AFC) also served to reinforce concerns about the need for governments to protect local economies from the ravages imposed by the forces of globalization and the perceived predatory nature of US economic interests (Higgott 1998). Hence, as the APT developed it was driven by ideas that were in good part rooted in what can be labeled “developmental regionalism” (Nesadurai 2003).

Yet ideas associated with a more market-led, “open regionalism” were also embedded within APT from its very inception. Helen Nesadurai (2003, 21) has argued that AFTA encompassed both developmental and open regionalism due to the competing political influences of domestic capital pushing for developmental regionalism on the one hand, and foreign capital pushing for open regionalism on the other. These competing ideas remained within the APT as it developed, and were systematically entrenched as the grouping became increasingly institutionalized. One indicator of this institutionalization was that the number of ASEAN and APT-sponsored meetings quickly rose from around three hundred in 2000 to over seven hundred in 2007 (Ravenhill 2001, 219; Stubbs 2009, 242). Moreover, as of 2010 the APT had a leaders’ summit, regular meetings of fourteen different sets of ministers, nineteen regular meetings of senior officials with a variety of responsibilities, as well as a range of meetings on technical issues. In short, APT has established itself as the preeminent regional organization in East Asia (Terada 2012a, 364; Thomas 2012, 141).

The tension that exists within the APT members between market-led regionalism on the one hand and developmental regionalism on the other can be found in the development of the Chiang Mai Initiative (CMI). The CMI/CMIM came out of a series of compromises (see Grimes in this volume). The idea of a swap agreement and a fund that could aid governments facing future financial and economic crises was very much in the realm of the developmental or neomercantilist approach to economic development.
Yet the CMI/CMI also incorporated a few elements of the market-led approach to regionalism. Crucial in this respect is the fact that only a small percentage of funds could be released without IMF approval. Similarly, the establishment of the ASEAN+3 Macroeconomic Research Office (AMRO—see discussion in Grimes, chapter 15 of this volume) indicates that the requirements for the surveillance of member economies will serve to dilute, to some extent, the norm that respect for sovereignty is sacrosanct. APT’s main accomplishment, therefore, contains what might be thought of as competing regional/developmental and global/market-led ideas about how regional economic institutions should operate. Hence, although developmental ideas tend to dominate the APT, there are aspects of the market-led approach that can be found within some of its institutions.

35.4. Preferential Trade Agreements (PTAs)

Since 2000 there has been a massive increase in the number of PTAs around the world with Asian governments as major participants (see Dent, and Aggarwal and Koo in this volume). Like the multipurpose regional institutions, the PTAs embody a variety of ideas about how trade can be liberalized. These ideas arise from, among other factors, the different economic and legal systems to be found around East Asia and the Asia-Pacific, the different power relations among economic interests within countries, and the differing expectations about how the region should develop economically. Of course, some PTAs are motivated by political or strategic factors rather than by economic considerations. Moreover, it is important to note that many PTAs are between countries that are minor trading partners (Leu 2011, 35). Indeed, for some governments it is important to establish good diplomatic relations with particular countries and with particular regions, and PTAs are seen as an effective vehicle for accomplishing this goal (Ravenhill 2008, 96). Hence, based on these considerations alone, there is considerable diversity among Asia’s PTAs.

In addition, those PTAs that have been influenced by the Anglo-American, market-liberal, neoclassical economic approach are very different from those influenced by the developmental approach. Ideas characteristic of the Anglo-American approach can be found in PTAs negotiated by the United States, Australia, and New Zealand. Key points include tariff-free entry for their exports; comprehensive “behind the borders” access to internal markets, some of which—for example, financial services, healthcare, and telecommunications—may be considered sensitive; and stringent intellectual property rights regimes. The US approach invariably includes standardized, complex legal frameworks—covering, for example, rules of origin that vary according to specific products and require intricate tracking techniques—and formal dispute settlement mechanisms (Dent 2006, 233–35; Duina 2010, 98–102).
By contrast, the coverage of the PTAs negotiated by Japan and China, which follow the developmental approach, tends to be focused on trade liberalization, is based much more on mutual recognition of existing standards and legal frameworks, and is generally far less ambitious. The Japanese favor what they call comprehensive or economic “partnership agreements”; this label serves to reassure Japan’s agriculture sector that its products will not be involved in any agreement (Terada 2006, 14). Just as importantly it underscores the point that Japan combines trade liberalization with aid programs that support economic and technical development cooperation. As Christopher Dent (2006, 236) observes, this is a “projection of Japan’s developmental state model onto its trade policy canvas” in that the economic and technical assistance entails “pro-active state involvement in realising transformative development objectives.” In addition, Japan has sought to negotiate PTAs as a way of supporting Japanese FDI practices (Manger 2009; see Solis in this volume).

China negotiates relatively simple PTAs with a limited focus on trade in goods (see Pearson in this volume). Generally any PTA that involves relinquishment of sovereignty or complex legal and technical issues, such as investment and intellectual property rights, is avoided. Unlike Japan, China places considerable weight on liberalizing trade in carefully selected agricultural goods through its “early harvest” program (Chin and Stubbs 2011; Thomas 2012). However, like Japan, China’s PTAs are generally minimalist in terms of any direct impact on participants’ domestic practices and laws, and tend to be limited to mutual recognition of each partners’ standards. Rules of origin tend to be across the board and are based on value content rather than being product-specific. Dispute settlement mechanisms, although they can be formally linked to a permanent body such as the WTO, are in practice more likely to be ad hoc panels or meetings of political leaders. Overall, then, the ideas undergirding the PTAs to which Japan and China are signatories are very different from those ideas that form the basis of the PTAs in which the Anglo-American countries are involved.

PTAs involving the various ASEAN members vary significantly. On the one hand Singapore, as an entrepôt, has long had tariffs at or near zero, grows no agricultural products, and possesses a technically skilled bureaucracy. It is therefore amenable to the more complete and sophisticated PTAs advanced by the United States and Australia. Indeed, Singapore has more PTAs than any other country in Asia, including ones with the United States and Australia (ARIC 2012). Other members of ASEAN take an approach to PTAs that is more similar to that of China, preferring uncomplicated goods-focused PTAs.

Tellingly, however, there is a crucial distinction between how North American and European countries on the one hand, and how Asian countries on the other, generally perceive PTAs. For example, Judith Cherry (2012, 258) in a discussion of the European Union–Korean FTA makes the point that “Whereas Europeans saw legislation and contracts—including the FTA document—as the final word and enforceable by law, for the Koreans they were symbolic, representing the relationship that had been established and constituting a living document, to be amended and corrected in the light of subsequent developments.”
The market-led approach to trade agreements that inspired the original framers of APEC was revived in the Trans Pacific Partnership (TPP). The TPP purports to be high quality in that it seeks to have trade in all goods, including agricultural goods, totally liberalized without exception. And it is “next generation” or “twenty-first century,” in that it is meant to set an example for the future of what a trade agreement should look like (Capling and Ravenhill 2011). As a number of commentators have observed, the TPP is very much the antithesis of trade agreements developed by China. Importantly, Jagdish Bhagwati (2012) argues that the US position in the TPP negotiations appears more concerned with challenging China than promoting trade liberalization across the Pacific.

However, the TPP has already had an impact on East Asian regionalism. It has provided an added incentive for China, Japan, and South Korea to give greater attention to the Trilateral Summit Meetings, which bring the heads of the governments together on an annual basis, and to commence negotiations over a trilateral PTA (Xinhuanet 2012). At the same time the TPP has encouraged ASEAN leaders to seek to maintain the centrality of the Association in Asian trading arrangements by proposing the Regional Comprehensive Economic Partnership (RCEP). The RCEP will include such provisions as flexibility in allowing for differential treatment for ASEAN members depending on their stage of development; being open to new members, including other Asian countries such as China and India; and “pursing a simplified approach to ROOs” (Das 2012).

The first decade of the twenty-first century, then, was an important time in the development of Asia’s PTAs. As the major PTAs—such as the Australian-US agreement or the China-ASEAN agreement—came into force, they became increasingly institutionalized. The Australian and US governments have initiated working groups to promote closer cooperation on agricultural trade, sanitary and phytosanitary issues, and environmental concerns, and established committees to oversee the implementation of the various aspects of the PTA (USTR 2012a). The China-ASEAN Free Trade Area has similarly spawned coordinating committees as well as such initiatives as the annual China-ASEAN Expo, and the development of the Nanning-Singapore Economic Corridor. In addition, many companies have adjusted their strategies to take advantage of the provisions in the various PTAs that have emerged in linking countries around the region (Kawai and Wignaraja 2011). Such developments have consolidated the various PTAs, making it increasingly difficult to disentangle and rationalize the noodle bowl of regional economic institutional linkages.

Beyond PTAs a range of other regional economic institutions can be found across Asia. Obviously not all can be included in this analysis. As a way of illustrating that compromises can be reached in regional economic institutions, despite competing ideas promoting competing policies, this analysis turns to an assessment of the Asian Development Bank (ADB). The ADB was founded in 1966 primarily on the initiative of the Japanese government, although the United States and, to a lesser extent, significant European countries were also involved. From the outset, both Japan and the United States have been influential in the development of the Bank. Japan has been the largest contributor of funds, and the president and some key senior “reserve positions” are always held by Japanese nationals who are usually rotated through from high positions.
in the Japanese economic bureaucracy. But from the inception of the ADB Japan had to accede to a greater weight of extraregional voting being apportioned to the US and European countries than it would have liked (Rathus 2008).

As a consequence of the prominent roles for both Japan and the United States in the ADB, it is perhaps inevitable that there should be clashes over the underlying philosophy driving the Bank’s policies. Ming Wan (1995–96) argues that at different periods in the ADB’s history Japan and the United States have taken turns playing the dominant role. Hence, the tensions that are evident in the other regional economic institutions in East Asia and the Asia-Pacific are also observable in the ADB and have been institutionalized via a series of projects and programs. Significantly, however, while there is a certain level of push and pull that persists, the ADB has had a longer period to find ways to accommodate various competing economic approaches. For example, two of the ADB’s main sectors remain transportation infrastructure and energy, which can satisfy the interests of both those who promoted Japanese developmentalism and those who promote US market-liberal approaches (see ADB 2012).

35.5. Conclusion

What is the future of Asia’s regional economic institutions? Can the noodle bowl of economic linkages be disentangled and can the region’s formal economic institutions provide a basis for positive economic growth? This analysis has raised three crucial points that have to be taken into consideration in answering these questions. First, ideas will continue to be at the core of the region’s economic institutions. Although there are many contending ideas to be found around Asia regarding how economic development should be achieved, two main sets of ideas stand out. On the one hand is the Anglo-American approach, which emphasizes a market-led strategy to promote economic liberalization across the region. On the other hand, there are those ideas associated with a developmental approach to economic regionalism. This approach stresses straightforward, primarily trade-focused, economic agreements with respect for the sovereignty of the participants constituting a key value. This clash of ideas shows every sign of continuing well into the future.

Regional institutions have matured and become increasingly institutionalized as they have expanded their realms of operation and developed structures such as secretariats, committees, working groups, projects, and programs. The original ideas that inspired the creation of the region’s economic institutions remain at their center, and help to shape the way they develop. The emergence of Asian regional economic institutions has constrained some states, most notably the United States, which had hoped to use APEC, for example, as a means of promoting its liberalizing, market-led conception of open regionalism. But the United States was hampered in APEC by the increasing institutionalization of ASEAN’s main norms of sovereignty and the protection of companies serving domestic markets. Indeed, ASEAN
members generally, and increasingly China, have been empowered by the rise of
the region’s economic institutions. Individually, ASEAN members tend to be con-
sidered relatively minor economies, yet as a group they have greatly influenced the
development of Asia-Pacific regional economic institutions. Together, the ASEAN
members have slowed US market-led reforms through APEC and spurred the forma-
tion of APT and the development of the China-ASEAN Free Trade Area (CAFTA).
Moreover, as it sought out new regional and international organizations free of US—
and more generally Western—interests, China also found that regional economic
institutions such as APT, CAFTA, and the Shanghai Cooperation Organization
were valuable vehicles for the promotion of their regional and global interests. This
increased institutionalization will likely make it more difficult for Asia and espe-
cially the Asia-Pacific to develop a coherent set of economic policies and to disen-
tangle the noodle bowl.

Finally, the clash of ideas within Asian regional economic institutions and the extent
to which these tensions have become embedded through increased institutionalization
needs to be noted. There is clearly an argument to be made that the set of ideas associated
with the Anglo-American, market-led, open regionalism dominates APEC’s approach
to regionalism, while the ideas associated with the developmental government-guided
approach that envisages a greater respect for sovereignty and a looser form of coop-
eration dominates APT thinking. Yet, within each organization, elements of both
approaches can be found. Similarly, within the PTAs that traverse the region there are
competing approaches. Of course, institutions can change, but unless transformation is
expedited in response to a major crisis, this will occur relatively slowly.

Because they have become institutionalized, the two approaches outlined in this
analysis will not go away; they will continue to be at the center of negotiations over
economic policy within regional economic institutions. The outcome of this struggle
will depend to an extent on the economic and political strength of their main propo-
nents, the United States and China as well as some of the other significant players, such
as ASEAN and India. Perhaps the most likely possibility—as the example of the ADB’s
history as well as experience with the CMIM suggests—is that a compromise may be
reached between the two approaches over the long term. Certainly, the likelihood
that the noodle bowl of regional economic linkages will be disentangled in the near
or even intermediate future is very small. Yet, although this may mean that Asia’s eco-
nomic development will not be as favorable as many might hope, remarkable economic
growth has been achieved in parts of Asia in the past, even with the clash of economic
philosophies, and will likely continue into the future.

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