REALISM AND REACTIVE REGIONALISM: WHERE IS EAST ASIAN REGIONALISM HEADING?

AUTHOR: YEO LAY HWEE
Singapore Institute of International Affairs

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1. Introduction
Region-building is on the move in East Asia. The past decade has seen lots of initiatives and movements, especially in the economic realm. Yet, to date there is still no blueprint for East Asia to deepen cooperation and integrate into an East Asian community. An embryonic form of East Asian regionalism has emerged with the regular ASEAN+3 meetings between leaders, ministers and senior officials. There also exists a patchwork of cooperation at different levels and in different areas such as in trade and finance. But recent tensions in relations between Japan and China, and Japan and Korea over various issues cast doubts as to how fast and how far East Asian regionalism can go.

The future of East Asian regionalism remains at best fuzzy. There are many different initiatives and ideas afloat but there is no clear overarching vision. To understand where we are now and where we are heading in the future, this paper will first address a conceptual and more theoretical understanding of regionalism. It will then chart the development of regionalism from the post-World War II era to the present, before zooming into the emerging regionalism in East Asia. Did East Asian regionalism follow the same pattern of development or has it developed in a separate way? In addressing these questions, the paper will examine some of the commonly cited reasons for the way East Asian regionalism has emerged and developed into its current state of play. Finally the paper will provide a prognosis on the future of East Asian regionalism.

2. Defining Regionalism
Region is a contested concept and defining regionalism can be as problematic. The idea of region as simply a geographical concept has been increasingly challenged as new definitions emerged taking into consideration developments in global social theory such as social constructivism. For instance, Andrew Hurrell borrowing Benedict Anderson’s description of nations as imagined communities sees region as a social and political construct. Regions are created and recreated in the process of global transformation, or as Hurrell further elaborates, “it is how political actors perceive and interpret the idea of a region and notions of regionness...”

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1 Las opiniones expresadas en estos artículos son propias de sus autores. Estos artículos no reflejan necesariamente la opinión de UNISCI. The views expressed in these articles are those of the authors. These articles do not necessarily reflect the views of UNISCI.
2 Yeo Lay Hwee is Executive Director of the Singapore Institute of International Affairs.
that is critical”. Following therefore from Hurrell’s definition of a region, regionalism is then seen as a process-oriented concept that encompasses different phenomena happening at the various stages of its formation. These include regionalization which is often market-driven, follow by emergence of regional consciousness, and then deliberate regional inter-state cooperation leading to regional integration. Regionalism is therefore not only a geographical concept but a dynamic process encompassing a concentration of economic, political and sociocultural linkages.

3. Old and New Regionalism

Theories on regionalism received a lot of attention in the 1950s and 1960s prompted by the emergence of European regional organizations. Leading the way were such scholars as Karl Deutsch and Ernst Haas. The analysis was typically concerned with measuring the level of integration as theorists sought to explain the creation and evolution of the European community project. The focus then was on the internal functioning of the region and the changing character of intra-regional relations. Intellectual energy was expended on the conditions that were likely to promote or to hinder the movement towards regional integration. It was primarily an inward looking process and reflected the expectations of a progressive development which would move from consultation and coordination to integration.

However as early as 1973, theorists such as Cantori and Spiegel were criticizing such a narrow approach, calling attention to the study of international relations of regions. This first wave of regionalism studies began to lose steam especially in the wake of the crisis of the European community as many of the grandiose projects of the European regional integration showed limited impact.

The second wave of regionalism and a concurrent revival in its study came about in the 1980s. The regionalism of the 1980s was termed “new regionalism” as compared to the old regionalism of the earlier decades. What is “new” about the regionalism that surfaced in the 1980s and became prominent in the 1990s is its outward-looking focus on external links with other regions. Hence in recent years, several scholars have started to examine how such external linkages and inter-regional interactions affect the regions themselves. Indeed responding to the institutions and dynamics of other regional actors in the global order is an important process of regional identity formation.

Another central feature of the new regionalism according to Palmer is its new and enhanced role as a catalytic agent, a kind of middleman between resurgent nationalism and growing internationalism and interdependence. The nature of the modern world is such that ‘nationalism can no longer meet basic human political needs since so many problems now facing humankind are truly global, they cannot be dealt with adequately on a national level’. The problems require an unprecedented degree of international cooperation. But since, in many instances, international cooperation on a ‘macro’ level is difficult, some intervening level of cooperation, probably on a regional nature, may be essential to serve in ‘a role intermediary between a nationalism that is too narrow for problems that cross national boundaries, and an internationalism that is too broad, vague and undeveloped to provide more than a supplement to efforts on national and regional levels’. In short, the argument is that

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Regionalism represents the most viable level to reconcile rising nationalism on the one hand, and the trends towards internationalization on the other. As Mittelman put it, regionalism today is emerging as a potent force in the globalization process - as one important component of globalization: ‘It is not only a chapter of globalization, but can also be seen as a response or challenge to globalization.’

How exactly does globalization act as a stimulus to regionalism? Hurrell explains that globalization creates problems that demand collective management. Globalization weakens the efficacy of national policy instruments. Approaches to problem solving with regard to issues demanding transnational collective management that might impinge on the domestic affairs and sovereign prerogatives of the states are probably easier at the regional level especially if commonality of history, culture and values exist, and political, security and economic interests converge. Region level problem solving seems more politically manageable than at the global level.

Global integration may also act as a powerful stimulus to economic regionalism by altering and intensifying patterns of mercantilist economic competition. On the one hand, globalization means that states are facing powerful pressures towards the homogenization of economic policies in order to attract foreign investments and technology and compete in an ever more closely linked market-place. On the other hand, the nature of competition presses towards the formation of larger units, both for economic efficiency and to ensure the political power necessary to bargain effectively over the rules and institutions that govern the world economy. Within this picture, states cease to be the only important actors. Transnational companies lead the way towards economic regionalization in response to the changes in the international economic structure, and states’ elite will also be forced by such circumstances to promote closer regional cooperation. In short, regional cooperation is needed as a buffer to cushion the harsher effects of globalization and turning them to one’s advantage.

The very wide variation in the level of institutionalization is another feature of the new regionalism according to Fawcett and Hurrell. Looking at the emergence of regionalism in Pacific Asia and other areas, they note that many regional groupings are consciously avoiding the institutional and bureaucratic structures of traditional regional organizations as represented by the EU. Indeed some scholars argue that the lack of formalized, institutionalized mechanism is advantageous to regional arrangements such as APEC.

Regionalism in the 1990s is thus not to be considered as a movement toward territorially based autarkies as it was during the 1930s, nor is it one that necessarily sees integration as the end-goal. Rather it represents concentrations of political and economic power competing in the global economy, with multiple inter-regional and intra-regional flows. The most important characteristics of the new regionalism are its truly worldwide reach, extending to more regions, with greater external linkages in contrast to classical regionalism which has been most advanced in the European world. In comparison to the specific objectives of classical regionalism, the new regionalism is more multifaceted and more comprehensive than the older paradigm.

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This new wave of regionalism already surfaced before the end of the Cold War. The end of the Cold War brought about certain shifts and trends in the international system that provided further impetus to the development of this new regionalism. With the breakdown of the overarching Cold War structure that underpinned and ordered international relations around the world, each state has been forced to re-evaluate its place in the international system. Stripped of the predictability that the Cold War era brought to the conduct of international relations, individual states were seeking new relationships, both with the emerging constellation of major powers and with their immediate neighbours. Many states have begun to appreciate anew how much their own welfare was affected by the stability and economic well being of the region in which they were located. Developments in the international political economy underscored this perception.9

More specifically, according to Andrew Wyatt-Walter, the end of the Cold War had the following consequences important to the development of the regionalism. First, it eroded the common security linkages that helped to underpin post-World War II economic cooperation between Western Europe, US and Japan. Second, the end of the Cold War increased the salience and the visibility of conflict between different forms of capitalism in Europe, East Asia and America. Third, the collapse of the Soviet threat pushed traditional and non-traditional security threats arising from political and economic instability within regions up the global agenda. These included issues such as fair trade, weapons proliferation, mass migration and environmental degradation.10

Louise Fawcett also detected changes in attitudes towards international cooperation in the post-Cold War era. She believes that the collapse of the old bi-polar system and easing of the antagonism provided one of the reasons for the new interest in regional, and indeed in all forms of international cooperation. In a wave of euphoria that swept the world in the early post-Cold war years, optimism abounded on the possibilities of international cooperation.11 The decentralization of the international system had strengthened the case for regionalism. Barry Buzan has noted that the removal of the old overlay patterns of great power influence encouraged multipolarity and contributed to an international system in which regional agreements can be expected to assume greater importance. The new felt independence in the aftermath of the Cold War, particularly among developing countries, brought about bolder initiatives and experimentation on regional cooperation. At the same time, the newly found independence also generated a sense of vulnerability as power vacuum appeared and uncertainties about the new emerging order set in. Regionalism was one way to cope with this.12

Another important overarching factor behind the new wave of regionalism has been the shifting balance of world economic power. According to Wyatt-Walter, the balance of the world economy was shifting away from the US-European axis to the US-Asian axis. In response to its declining economic competitiveness, the EC in the mid-1980s embarked upon a new and vigorous phase of integration which did much to raise both hopes and fears of a trend towards renewed regionalism. At the same time, economic power in America was also seen to be in decline. The other side of the coin of American decline was the rise of Japan and East Asia. The large bilateral trade surpluses that Japan and East Asia enjoyed with American and

10 Wyatt-Walter, Andrew: “Regionalism, Globalization and World Economic Order,” in Fawcett and Hurrell, op. cit., p. 93.
the EC, and the competitive threat that his posed, increased the need for protectionist measures. It was because of such competitive pressures that America retreated from its support of multilateralism to favour unilateralism and bilateralism. The US, no longer concerned with geographical alignment, was prepared to insist on more favourable trading and investment relations, creating special post-Cold War tensions that invited a turn toward regional and bloc approaches. This long heralded retreat from globalism on the part of a declining America could be seen as another fundamental cause of the new regionalism. For many export-oriented countries, under the threat of a breakdown of multilateralism, regionalism constituted a form of minimal insurance policy.\textsuperscript{13}

The experience of regionalism in Europe after the Second World War, according to Rostow, showed that the forces making for regional groupings were at their strongest when three impulses converged. The first was to generate increased strength through greater unity in the face of heightened security threat (from the Soviet Union). The second was to create through cohesion, a position of greater bargaining strength and dignity \textit{vis-a-vis} a large supportive ally (eg. the US) or a disproportionately larger strong member of the regional grouping itself (eg. Germany). The third was to exploit the narrow economic advantages of regional cooperation when these were perceived to be real and substantial. According to Rostow, the role of these three impulses in the waxing and waning of regionalism in Europe could be traced over considerable periods of time; and he believed that similar forces would play a similar role in regionalism in Asia.\textsuperscript{14}

4. Emergent Regionalism in East Asia

Defining and describing the nature of regionalism in East Asia is not easy. By many of the yardstick of the understanding of regionalism, the states in East Asia lack a record of regional consciousness. This relative lack of regionalism is East Asia in the earlier decades immediately following 2\textsuperscript{nd} World War can be explained by the following interlocking factors: the diversity of the region; the different historical backgrounds; the existence of strong extra-regional ties; the different threat perceptions; and political fragility and transition.

The development of East Asian regionalism has to accommodate the diversities, differences and historical antagonisms. The differences within the region make it important to see cooperative development in its historical context and within the existing social and cultural frameworks. Its development would always be constrained by several historical and structural factors that would take a long time to change.

Despite the differences and constraints, what is remarkable is that regional cooperation in East Asia is slowly taking root. Whether it will ultimately flower and flourish is still being hotly debated, but some positive developments have been observed.

First, while it is true that East Asia will not become a fully organized region until the penchant for multilateralism can take hold in both Southeast Asia and Northeast Asia, there are signs that this is taking place. In Northeast Asia where the historical suspicions are strongest, bilateral contacts have been stepped up leading to some sort of rapprochement. As noted by Palmer, though these contacts are mainly bilateral, they provide the basis for a series of multilateral relationships as well. Indeed such bilateral contacts help breakdown many deep-rooted divisions and attitudes and are essential building blocks towards the construction of a form of East Asian regionalism. Palmer strongly believed that the growing web of

\textsuperscript{13} Wyatt-Walter, \textit{op. cit.}, pp. 93-121.

cooperative networks is giving new underpinning to regional cooperation in East Asia.\(^\text{15}\) The most recent call by China’s Zhu Rongji during his meeting with his Japanese and Korean counterparts at the fringe ASEAN+3 summit in Cambodia in November 2002 to form a trilateral free trade area is a significant gesture. Since then, the three Northeast Asian states have made efforts to forge closer trilateral ties through various coordination meetings at different levels.

Second, the smaller ASEAN states have come to recognize the potential of using regionalism as a means to constrain the potentially disruptive effects of unequal power. As Hurrell pointed out, while the existence of a powerful hegemon within a region may undermine efforts to construct inclusive regional arrangements, experience also shows that the existence of a powerful hegemon in the region may act as a powerful stimulus to regionalism, for instance, the creation of the European Community in the effort to restrict Germany.\(^\text{16}\) Hence, in early and mid 1990s before the Asian crisis, we saw an increasingly confident ASEAN taking on new initiatives such as the formation of ARF, the launch of ASEM to engage China in multilateral frameworks. Unfortunately, the economic crisis and the rise of radical political Islam have impacted negatively on ASEAN’s confidence and unity and its capacity to act.

Also just before the Asian crisis, East Asian regionalism for sometime seemed to be served by a new Asian cultural assertiveness, in reaction to the triumphalism of the West. The common ground of opposing Western arrogance and hegemony, and limiting the role of the West, was encouraging a sort of defensive regionalism. The moves towards affirming a regional identity with talks of Asian values can be seen in this light of repudiating Westernisation.\(^\text{17}\)

While the US remains hostile towards the formation of an exclusive East Asian region, there are signs that its view on a more open regionalism in East Asia is softening. This in part has to do with its general acceptance of regionalism as a new trend in international politics and economics. Several Asian-Pacific scholars such as Drysdale, Elek and Soesastro, have argued that regionalism in East Asia and the Pacific would be guided by three important principles: openness, equality and evolution. Openness required non-discrimination and transparency in trade and economic policy, as well as in diplomatic stance. Equality implied that activities needed to be of mutual benefit to all participants and recognized the rapid transformation in the structure of economic and political power taking place in the region. And the evolution of the process of regional cooperation recognized the importance to success of a gradual, step-by-step, pragmatic and sustained approach to economic cooperation based on consensus-building and voluntary participation.\(^\text{18}\)

Finally, in a strange and paradoxical way, the monetary and economic crisis of 1997-1998 had the salutary effect of stimulating new thinking on the part of East Asians with regards to regionalism. The crisis demonstrated clearly the interdependencies in the region. Stuart Harris also noted that the crisis had led to enhanced understanding of the region’s vulnerability to

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\(^{15}\) Palmer, op. cit., pp. 49-53.  
\(^{16}\) Hurrell, op. cit., pp. 49-50.  
forces external to the region, and the realization that existing regional cooperation arrangements were unable to make an effective contribution to solving the problem.  

Higgott, for instance, argued that from initiatives proposed such as the Manila Framework, which called for mutual surveillance of each others’ economies, the crisis appeared to have been a spur towards an increased sense of ‘regionness’ among the East Asians. Noting that such an agreement as the Manila Framework would have been unthinkable prior to the crisis, he further argued that it demonstrated a desire by the East Asians to enhance regional policy-making capabilities and process, and is an ‘exercise in the recognition of the East Asianness of the region’.  

Several other initiatives that surfaced during the crisis such as the idea of launching an Asian Monetary Fund, creating a common Asian currency, currency swap agreements, etc provide evidence that point towards what Higgott called a ‘regionalization of thinking’.

5. Current State of Play

What then is the current state of play with regards to East Asian regionalism?

The Asian financial crisis of 1997 has served as a kind of catalyst for the formation of the ASEAN + 3 process. The first ASEAN + 3 summit was held at the end of 1997 in the heat of the Asian financial crisis. It is now the only forum that unites Northeast Asia and Southeast Asia and has the potential to become the dominant engine for East Asian regionalism.

Currently, the moves to closer regional cooperation in East Asia are concentrated in the macroeconomic and financial areas. This is an extension of what has already taken place since the 1980s – a sort of market-driven economic regionalization. Several forces then contributed also to increasing economic integration in the region – liberalization of trade and investment regimes of many Southeast Asian countries; increasing Japanese FDI into Southeast Asia; strengthening regional economic involvement of Asian NIEs and the opening up of the Chinese economy.

This strong market-driven economic interdependence was fully demonstrated in the contagion effect of the Asian financial crisis. The crisis prompted the regional economies to undertake various initiatives for the institutionalization of such interdependence. While some of the initiatives are defensive responses to the crisis, others are more proactive arising from the increasing dissatisfaction with existing global financial system governed by the IMF. The Asian financial crisis taught an important lesson that there is clear need for effective prevention, management and resolution of financial crises and contagion. The global initiative for the new international financial architecture has been less than satisfactory and the national efforts to strengthen national economic fundamentals take time to bear fruit. Hence, the general sentiment in East Asia has been to establish self-help mechanisms through more systematic macroeconomic and financial cooperation for prevention and better management of possible crises in the future. Such cooperation should include information exchange, policy dialogue, a regional liquidity support arrangement as reflected in the Chiang Mai initiative, and joint policy-making in certain critical areas such as exchange rate coordination.

In the area of trade and investments, the failure of the 1999 WTO meeting in Seattle has led to a flurry of bilateral and subregional initiatives. And in the area of financial cooperation, a series of bilateral currency swap agreements have been concluded under the broad framework of the Chiang Mai initiative. All these have taken place relying upon the networks and connections developed through the ASEAN + 3 process.

Current East Asian regionalism is therefore based on the shared embrace of economic development (market-driven integration) and the shared sense of vulnerability associated with the processes of globalization and regionalization. “Greater regional cooperation is one of the few available instruments with which East Asian states can meet the double challenge of globalization from above and localization from below. Operating in a regional context, the East Asian states can “Asianise” the response to globalization in a politically viable form. This is in part an insurance policy against another Asian financial crisis. Lacking the capacity to manage the challenge of globalization at the level of nation-state, governments have turned to regionalism as a response.”

Despite a degree of impressive progress in developing a truly East Asian regionalism in recent years, the region continues to face several sets of inter-related challenges and obstacles.

The state is still the primary agent driving East Asia’s international politics. East Asian regionalism is still overwhelmingly an elite phenomenon – a matter of interest to officials, academics and journalists acting in a context of massive indifference by the broader public. While the lack of popular support and public indifference does not constitute an insuperable obstacle to regionalism, it does, however, suggest that the constituencies promoting these trends are narrowly based and therefore vulnerable to pressures from those with wider nationalist identifications and loyalties, including the desire to protect fragile national sovereignties. Given the lack of solid ideational and political foundations, East Asian regionalism is particularly vulnerable to state-based veto power.

In his recent book *Northeast Asia’s Stunted Regionalism: Bilateral Distrust in the Shadow of Globalization*, Gilbert Rozman’s analysis of why regionalism has still not taken root in Northeast Asia could very well be broadened to describe the overall situation with regards to East Asian regionalism. In a nutshell, his book argues that the prime culprit in aborted efforts to achieve regionalism is modernization with insufficient globalization. Unbalanced development dating back many decades has left domestic interests in each country unusually resistant to important manifestations of openness and trust to the outside, so essential for the emergence of a regional community. Even when many herald the benefits of regionalism in a context of globalization, pre-occupation with short-term economic or political objectives rooted in how each country rushed ahead in modernization, stands in the way.

Regionalism in East Asia is therefore by no means assumed as inevitable. To date, we still have no blueprint for East Asia to deepen cooperation and integrate further into a strong East Asian community. There is no overarching vision. Indeed there are still a number of competing views about the ultimate goal of the cooperation and the nature and model of the community. The difficulties on agreeing how to proceed are rooted in diverging preferences for what regionalism should be. For instance, Japan’s view of an East Asian community would like to include Australia and New Zealand, but this is not the case for countries like Malaysia and China.

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Within ASEAN, some see China as presenting a huge challenge to Southeast Asia. The feelings among some Southeast Asians, such as the Vietnamese and the Indonesians is that there is need to move quickly to integrate ASEAN so that Southeast Asia will not be completely overshadowed by Northeast Asia. Indeed, there is continued reluctance of several Southeast Asians to fold themselves into a larger East Asia where they might be overshadowed by China or Japan. For both historical reasons and inherent structural disparities, the ASEAN countries would remain a little uneasy with regional arrangements dominated by either Japan or China.

Because there is still no vision and consensus about the content and model of an East Asian community, East Asian cooperation now essentially depends on informal and semi-formal consensus building mechanisms. Institutionalization of deepening economic interdependence is only in its infancy stage. There is still a high degree of reliance on informal modes of cooperation and organization rather than formalized structures and rules. The question is whether such consensus-building is a viable alternative to conventional institution-building. It is still not clear how determined East Asia is in moving beyond informal mechanisms to creating its own formal regional institutions to take the process of East Asian cooperation further.

For those who believe that only with rapprochement and reconciliation between Japan and China and the joint leadership of these two key East Asian powers would East Asian regionalism really take off would be disheartened by the recent rising tensions between these two powers. How fast and how far will East Asian regionalism develop without their leadership. Where is it heading in the short and medium term? Can we conceive of an East Asian regional community without Japan or China? Below are some possible scenarios.

6. Realism and Reaction

From the above discussion on the emerging regionalism in East Asia one sense that this is a process that is primarily reactive – with governments being pushed to react to market forces and the forces of globalization, and to events beyond their control. This includes for instance the reaction to the consolidation of other regional entities such as the European Union and NAFTA and concerns that these markets would become close.

Also the motivations behind several East Asian countries in creating an East Asian community is essentially still based on a realist thinking of balance of power. It is about balance of power between competing regions. The state-centric approach and the staunchly inter-governmental framework of all key meetings with clear reluctance to create any “supranational” body underlie also such realist thinking. The concerns of smaller ASEAN countries within the ASEAN + 3 framework about possible dominance by China or Japan has led to an approach where ASEAN seeks to “play” one big power against the other. Japan’s response to China’s offer to ASEAN of an FTA was to offer a similar Comprehensive Economic Partnership agreement with ASEAN, a typically knee jerk response after several years of dismissing the need for an ASEAN-Japan FTA.

The leading norms within the ASEAN + 3 framework are about autonomy (principle of non-interference in each other’s affairs), security, balance of power and national interests, not of pooled sovereignty, constructing new norms, new institutions and a collective regional identity. While at a rhetorical level, and within some in the policy community, there is a desire to go beyond balance of power to create binding institutions and work towards a collective identity, the road ahead is fraught with obstacles. US presence in the region is one of those obstacles. In his recent visits to various Southeast Asian countries, US Deputy State of
Secretary, Robert Zoellick, openly expressed reservations about an East Asian Summit that is “exclusive”. Former Deputy Secretary of State, Richard Armitage also bluntly told a Japanese newspaper in his interview that it would be a mistake if the East Asia Summit made the US felt totally unwelcome.\(^{25}\)

The discussions over who should be invited to the first East Asian Summit to be held in Kuala Lumpur at the end of this year (2005) highlighted the realities and the reactionary nature of East Asian region building. It also reflected the differences among ASEAN countries with regards to the content and end-goals of region-building. How else could one explain the decision to invite India to the East Asian Summit? India’s dazzling growth in recent years, and projection of its economic rise “qualified” it to become part of “East Asia”. The fact that both China and Japan are now courting India for “strategic” partnerships may be another reason for including India in the East Asian Summit that is supposed to be the first concrete step towards building an integrated East Asian community.

The open divisions among the ASEAN + 3 members with regards to Australia’s participation in the East Asian Summit is another sign of the reactionary nature of the project. Countries close to the US such as Japan, Singapore and Thailand are openly supportive of Australia’s and New Zealand’s participation. Indonesia in the process of mending ties with the US and getting the US to lift the ban on military cooperation is also favourably disposed towards Australia’s and New Zealand’s participation.

The “membership” criteria was finally settled during the April 2005 ASEAN Foreign Ministers’ meeting in Cebu. Any country that is a dialogue partner of ASEAN and has signed the Treaty of Amity and Cooperation (TAC) can qualify.

ASEAN has been put in the driving seat of building an “East Asian community” precisely because there is yet no historical reconciliation between the two biggest powers in this region – Japan and China. The US presence in the region is another factor that is recognized, and in fact welcomed by some. Hence, there is conscious effort not to alienate the US with any signals that East Asia is moving towards an “exclusive” bloc for fear for provoking strong reactions from the US, and also for some, US’ presence is a counter-weight to a growing China. Historical baggage and a certain wariness continued to colour the various bilateral ties within the region.

Economic linkages, however, much they have grown, have yet to overcome problems that are at their root, non-economic in nature. East Asian regionalism will thus continue to be constrained by the lack of historical reconciliation between the two big powers, China and Japan, and other political and strategic obstacles. Deeply established regional norms against formal institutionalization will make pooled sovereignty or a more structured community difficult in the foreseeable future. Also, despite their problems, wider Asia-Pacific institutions such as APEC and ARF remain attractive and useful for many East Asian states. In particular, trans-pacific multilateral institutions will retain their comparative advantage in the area of security.\(^{26}\)

From the observations of the present driving forces and limits of the nascent sense of East Asia, progress towards further East Asian regionalism would be evolutionary rather than revolutionary. Taking a leaf from Gozman’s analysis, some combinations of the following five conditions must be present to achieve regionalism in East Asia:

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• National strategies for modernization that give important weight to the contributions of neighbouring countries, recognizing the growing need for openness and decentralization to diminish the role of borders and allow for a far-reaching division of labour;

• National identities that accept neighbouring countries as partners rather than threats, and orientate one’s own country to trusting relations across civilizational boundaries;

• Recognition that the dominant place of the US does not preclude an evolving balance of powers on a regional level, including the role of other powers in resolving hot spots, allowing for confidence in long-term relations without fear of deepening insecurity;

• Incremental progress in bilateral relations sufficient to put territorial disputes and other problems aside while expanding ties; and

• A vision of regionalism, persuasive to elites and public opinion alike, that shows the way to substantial advantages without posing serious concerns.\footnote{Rozman, \textit{op. cit.}, p. 19.}

Simple realist calculations and purely reactive measures will not lead the East Asians to a strong East Asian community. Without the historical rapprochement and reconciliation of Japan and China, an East Asian community remains a dream in the distant future. Other than ever-deepening economic interdependence, the Sino-Japanese relationship remains tenuous and recent events in part due to rising nationalism in both countries had lead to a new low in bilateral relations. The possibility that Japan and China can share leadership, therefore, seems unlikely in the near future.

However, a strong ASEAN united in its purpose to create a zone of peace and prosperity can compensate for this weakness by serving as the driving force for the community and maintaining a balanced approach to mitigate tensions between China and Japan. To do so, ASEAN must be an honest broker and not resort to the classical realist thinking of balancing and playing China against Japan. ASEAN needs to overcome its own narrow self-interested approach towards region-building, and recognize that integrating into a larger Asian bloc is perhaps its best way to compete and survive in an increasingly competitive and uncertain global environment. ASEAN therefore has to work hard not only in maintaining its own unity but also works hard to bring Japan and China together to work for the region.

Unfortunately, ASEAN has not fully recovered its strength and unity following the havoc wrecked by the Asian financial crisis, and the rush to enlarge the organization to include Cambodia, Laos and Myanmar. In fact, ASEAN risks irrelevance if it continues on the trajectory of rhetoric but no real action, long on declarations but short in deeds.

With a weak ASEAN and rising nationalism in Northeast Asia as reflected in recent events, how realistic and how far in the horizon is the vision of an East Asian community? We are no way close to building lasting institutions that will guide the process of integration. Neither are we close to a common vision on an East Asian community. However, understanding the constraints and current realities does not mean one should rest on the laurels. It is not an excuse to do nothing. In fact, enlightened self-interest and political wisdom would bring us to the conclusion that a divided Asia will continue to be at the mercy of the globalizing forces and put us in defensive posture. Hence all the more, the willing and the able must continue to push for small steps to be taken within the ASEAN + 3 framework.
Taking a practical, step-by-step approach is to recognize existing realities, but at the same time not resting on the laurels. It is practical to let economic cooperation within the region deepens gradually through an accumulation of bilateral and subregional arrangements, but all these must be done with the conscious design of closing the gaps in perceptions and making progress in the above areas to achieve a common vision of regionalism. The following principles must continue to guide the process until a better solution can be found:

- **Open regionalism** – to prevent the formation of closed blocs that would ultimately be bad for the global order, East Asia must continue to abide to the principles of open regionalism. One could go a step further to articulate that any nation contributing to the building of the region, who share the same like-mindedness in preserving an area of peace and prosperity in Asia should be welcome to the region-building process.

- **Issue led leadership** – if we look to traditional models of regionalism, central leadership seems critical, like the Franco-German agreement in European Union. Without the historical reconciliation between China and Japan, and their leadership, we have to look to newer and more limited forms of leadership in the region. This could be offered by having leaders on different issues at different leaders rather than deferring to a fixed leader or leaders.

With these two key principles in mind, small and medium countries such as Singapore, Malaysia and Thailand have important roles to play in providing the glue that will hold the ideal and vision of an East Asian Community alive.

With the above principles, three possible scenarios can be sketched with regards to the future of East Asian regionalism:

- The first scenario is one where another crisis of the same or bigger magnitude than the 1997 Asian financial crisis hit the region again. Such a major crisis would probably give regional cohesion another boost as governments re-examine their relationships and consider necessary measures to ensure their continued survival and prosperity. As hard choices present itself, and no other long-term path forward is available, governments will converge. Example of such a crisis would be when the other two key regions – Europe and America – turn protectionist and the global economic order move towards closed regional blocs.

- The second scenario is one where continued economic regionalization and sustained effort in economic cooperation would permeate to more and wider levels of society. As useful results are produced and anxieties are allayed, and as more and more groups of people become entrenched in the process and begin to enjoy benefits in the process, a snowballing effect would naturally propel the process forward. As mutual trust and a sense of community develop in the region, shared by the general public, a long-term vision of an economic and security community in East Asia would become viable.

- The third scenario is one where despite the linkages in trade and investment, the governments of the region are unable to overcome their historical animosities, differences and rivalries, and hence remain unprepared for any long-term commitment towards East Asian regionalism. The vestiges of the Cold War and hard-nosed realism continue to plague the region. Governments would continue to cooperate as long as it was beneficial to do so and no breakthrough would be attained. East Asian regionalism would in reality remain open and flexible with no fixed membership and formal institutions. The framework for cooperation would remain essentially one that resembles a “coalition of the willing”.

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7. Conclusion

East Asia is in search of a model for community building. As countries in other regions coalesce for a variety of reasons, East Asia increasingly finds that it has no choice but to react to this emerging trend. More importantly, the harsh realities of contagion in an increasingly interdependent world demonstrated by the Asian financial crisis, SARS, led policy makers to search for a cooperation model that would help the countries cope with such crises. The Asian Financial crisis was a key driver in bringing the Southeast and Northeast Asian countries together.

ASEAN, the oldest regional organization in the sub-region of Southeast Asia has taken the lead in driving the search for an East Asian community. Its “leadership by default” is due to the fact that the two biggest regional powers – Japan and China – have not achieved historical reconciliation to provide the joint leadership. Indeed tensions between the two have increased in recent years, and regionalism in East Asia is by means assumed as inevitable. While economic linkages have grown and economic regionalization is forcing governments to search for a regional model to manage the increasing interdependence, lack of historical reconciliation and lack of a common strategic vision and interest hamper such efforts. The presence of the US in the region further complicates the region-building process.

Regionalism in East Asia is therefore by no means assumed as inevitable. To date, there is still no grand vision of what an East Asian community would look like and no blueprint on how to proceed. Hence, a piecemeal, step-by-step approach, which recognizes the existing realities is a practical way forward. This, does not stop the East Asians from thinking big and dreaming of a cohesive East Asian community with strong institutions and identity. It will remain nebulous for many years to come, but as East Asians take practical steps to build confidence and enhance cooperation in all areas, a meaningful East Asian community of some sort will emerge.

Bibliography


