

STATE OF EAST ASIAN COMMUNITY CONCEPT AND ASEAN INTEGRATION

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A. ASEAN Integration

Evolution of ASEAN integration

Initiatives for ASEAN integration have a relatively long history, dating from its inception in 1967. Integration is perceived in terms of economic integration more than anything else. There is no intention to have political integration in the real sense, although an ASEAN “parliament” of sorts is being pursued through an ASEAN caucus of parliamentarians.

The latest iteration of “integration” is the ASEAN Community concept that was launched by ASEAN in 2003 with Bali Concord II (Annex A). ASEAN integration in the form an ASEAN Community that rests on three pillars, the ASEAN Economic Community, the ASEAN Socio-Cultural Community and the ASEAN Security Community, is envisaged to be attained by the year 2020. A Plan of Action to achieve the ASEAN Community, covering the period 2004-2010, is also being implemented by ASEAN (Annex B). The latest development is that ASEAN is considering bringing forward the realization of the ASEAN Community to 2015.

Progress of ASEAN integration

There has been gradual and steady progress in cooperation and “integration” in all three areas, with the biggest advance made in the economic sphere. The prospects for ASEAN economic integration and an ASEAN Economic Community by 2020 or earlier are very good. The ASEAN Free Trade Area (AFTA) for instance, has been virtually realized. The prospects for the other two areas however are likely to be understandably somewhat less optimistic, because building a community in the security and especially socio-cultural spheres is more challenging.

It is beyond the scope of this short paper to assess and map out exactly how far ASEAN integration has proceeded. An evaluation of the progress in the implementation of the Vientiane Action Plan is still ongoing. Nevertheless, a brief overview of the accomplishments so far in forging ASEAN economic integration is attached at Annex C.

There is obviously much that remains to be done with regard to implementing the Vientiane Plan of Action until 2010 as well as measures to be instituted thereafter. A major challenge will be resources and capacity, and this is where Japan-ASEAN cooperation could focus most beneficially on.

The following are some of the areas that could merit consideration:

1. Helping ASEAN build capacity in the CLMV countries to assist them to bridge the development gap with the rest of ASEAN. The room for assistance and cooperation is enormous. Among the areas are policy development, planning and implementation skills, and infrastructure development.
2. Human capital development requires continuing investment and assistance, again the CLMV countries. Education of course remains a priority.
3. Health is another vital area, given the very poor health facilities and severe problems with infectious killer diseases like HIV/AIDS and avian flu in some Southeast Asian countries.
4. Disaster management.

The ideal conduit for assistance to ASEAN would be through contribution to the ASEAN Development Fund.

B. East Asian Community Concept

Evolution of the East Asia community concept

The East Asia Community concept has evolved gradually since it was first proposed by then Malaysian Prime Minister in December 1990. The idea began as an East Asia Economic Group (EAEG), which envisaged among others removal of trade barriers and preferential treatment among members of the grouping to enhanced their economic well-being. It was not intended as a trade bloc.

The idea met with opposition from the United States in particular as well as some hesitation among ASEAN partners. The EAEG idea was subsequently modified and named the East Asia Economic Caucus (EAEC). It was initially meant to be a forum for consultation on closer economic cooperation among the East Asian countries that were members of APEC. The process was to be developed gradually through consensus-building. It was not to be an institutionalized entity or a trading bloc, and would work closely with APEC and other regional organizations. It subscribed to open regionalism and multilateralism

An Informal Summit of ASEAN+3 was held in December 1997. This was followed by an ASEAN + 3 Summit in December 1998. An East Asia Vision Group (EAVG) comprising eminent persons was established to formulate a vision for mid-to-longterm cooperation in East Asia for the 21st century.

A Joint Statement on East Asia Cooperation issued on 28 November 1999, the Report of the EAVG submitted on 31 October 2001 and the Report of the East Asia Study Group (EASG) established to evaluate the EAVG Report, which was submitted on October 2002, has defined the East Asian community concept and guided the measures adopted to realise the concept since then. Essentially, ASEAN, China, Japan and South Korea have committed to building an “East Asian community as a long-term goal that would contribute to the maintenance of regional and global peace and security, prosperity and progress”.

The East Asia community concept is being pursued by the ASEAN+3 process through the adoption of 26 measures that include economic and financial cooperation as well as political, security, environmental, energy, cultural, educational, social, and institutional measures.

The Seventh ASEAN Plus Three Foreign Ministers' Meeting in July 2006 added another four important areas of cooperation, namely cooperation in rural development and poverty eradication, women issues, disaster risk management and emergency response, and minerals.

A Second Joint Statement on East Asian Cooperation to be issued in 2007 is presently being worked out. This statement will guide ASEAN+3 efforts for the next ten years, and is intended to elevate East Asian cooperation and community building to a higher level.

However, the proposal to carry forward the ASEAN+3 Summit process to become the East Asia Summit (EAS) process initiated by Malaysia in 2005, as envisaged in the EAVG and EASG Reports, and involving the same East Asian participants, has since been used by some countries to unravel the strong consensus that previously prevailed regarding the concept of the East Asian community. The result has been the establishment of an EAS process that does not replace, but that functions alongside, the ASEAN+3 Summit process, a process that has three additional participants so far, namely India, Australia and New Zealand.

The present agreement is that the ASEAN+3 Summit is the main vehicle for community building in East Asia, while the EAS is a forum for dialogue on broad strategic, political and economic issues. However, the EAS is also recognised as able to make "a significant contribution to the achievement of the long-term goal of establishing an East Asian community (Chairman's Press Statement for the Seventh ASEAN Plus Three Foreign Ministers' Meeting dated 26 July 2006).

Behind the scenes, some countries are exerting pressure to give the EAS a greater role in East Asian community building, on the grounds that the ASEAN+3 process is allegedly dominated by China. While economics is pulling the East Asian countries in one direction, the politics is driving them in another. Where once there was great unanimity regarding the East Asian community concept, who should be engaged and how it should be pursued, there are significant differences now, and the EAS initiative is being used by some countries to dilute the cohesion and integrity of the ASEAN +3 process and vest primacy in the EAS process instead.

In the process, basic questions are being raised with regard to the fundamental meaning of “community”, the vehicle and instruments that should be employed to foster this community, and the players that should be involved.

Factors driving attempts to re-visit the East Asian community concept

There are a range of factors driving the recent developments that unraveled the consensus over the ASEAN+3 process as the sole process for community development in the region. Among these are:

1. The resurgence of Sino-Japanese tensions and rivalry, which is the most important and compelling factor. Japan is the main country pushing for an EAS with expanded membership and greater role in community building in the region. Its primary aim appears to be to reduce alleged Chinese dominance of the East Asian community building process in the ASEAN+3 process through bringing in other major players via the EAS process.
2. All countries in the region may be said to be cautious about the possibility of Chinese strategic dominance of the region in the future as it grows in power. All are adopting “hedging” strategies, but they vary greatly. Countries like Thailand and Malaysia appear to hedge through engagement and involvement with China in bilateral and various regional processes such as

ASEAN, the ASEAN+3 process, ARF and APEC. They see this as sufficient to “balance” China. Countries like Vietnam and Indonesia however appear to nurse greater apprehensions about Chinese dominance, and seek to hedge against this among others by opting for a more strengthened and substantive EAS. Singapore also favours a more substantial role for the EAS, perhaps because its strategic policy has always been to engage as many players as possible (and preferably those that share a pro-US stance) in the Southeast Asian and East Asian region to reduce the perceived dominance of other larger countries in its vicinity.

3. The non-East Asian participants of the EAS process are adding their own interests to the equation, with all three understandably pushing for a more direct role in East Asian community building for the EAS process.
4. The rise of East Asian regionalism is also causing some countries to again raise the importance of engagement with the US, and to either bring the US into the EAS process or strengthen the APEC process which became essentially irrelevant and unhelpful during the East Asian financial crisis

The current issues regarding the East Asian community enterprise

There are three main issues:

1. *Conceptual*: what does “community” mean? Where do we draw the lines? Is it geographical? If it geographical how can non-East Asian countries be integral to the community building process. They can contribute to it, but they cannot be part of the community. Is “community” a social-cultural construct? Here too India, Australia and New Zealand would be hardly “East Asian”, though India would qualify as Asian. The EAVG and EASG Reports that guide community building now implicitly see the East Asia community concept as a blend of the

geographical and socio-cultural, and on both counts Australia and New Zealand do not meet the criteria.

2. *Institutional.* What should be the primary institution, the ASEAN+3 process or the EAS process? If the original vision is the guide, it would clearly be the ASEAN+3 process. This was never challenged before and the position has been successfully held so far. The EAS process is essentially a forum for strategic dialogue between the ASEAN+3 countries and the others. But efforts by some ASEAN+3 participants mentioned above and the other EAS participants to give a community building role to the EAS in order to supplant the ASEAN+3 process are challenging the supremacy of the ASEAN+3 process. A related institutional factor is the attempt to strengthen APEC mentioned above.

A related and important institutional problem is the issue of how the role and functions of ASEAN+3, EAS and APEC can be defined so as not overlap and undermine each other. The US as well as some other countries like Australia would like APEC to remain the primary vehicle for pan-Pacific cooperation.

3. *Participation in the EAS.* There are no attempts to increase membership in the ASEAN +3 process at present. In the EAS however, some members are of the view that participation should be expanded to include other important players like the US, EU, Russia and Canada.

Prospects for ASEAN-Japan Strategic Partnership

This subject is the focus of subsequent sessions. However, some general remarks are made here:

1. It is vitally important that the very close and cordial relationship developed between Japan and ASEAN be sustained and indeed strengthened. Both sides have invested heavily in building this mutually beneficial strategic relationship, and the China factor and Sino-Japanese rivalry should not be allowed to undermine this.
2. The *collective* ASEAN position and Japanese position on the relative roles of the ASEAN+3 process and the EAS process differ. ASEAN wants the community building role to remain with the ASEAN+3 process, while Japan wants the EAS to assume this role. This difference must be managed carefully, so as not to undermine ASEAN-Japan cooperation. Continuing efforts must be exerted to harmonise their positions without affecting the ASEAN+3 process.
3. While ASEAN has a collective position on the respective roles of the ASEAN+3 process and the EAS process, differences exist between individual members. Some favour a position similar to Japan's. Differences are only natural and should be expected, but at the same time they affect ASEAN cohesion and solidarity and undermine its intention of being in the "driver's seat" in the ASEAN+3 process. ASEAN should manage this situation carefully.
4. The substance of the strategic partnership between Japan and ASEAN developed before the First East Asia Summit should be sustained and enhanced notwithstanding the developments relating to the ASEAN+3 and EAS processes. All existing bilateral and regional programmes should continue within the framework of assisting ASEAN to realize its vision and implement its programmes of action.
5. Japan could continue to give priority to the CLMV countries with a view to bridging the development gap within ASEAN. Functional cooperation in the ASEAN+3 framework should accommodate this consideration.

Conclusion

ASEAN owes a lot to Japan. Japan has been generous and supportive of ASEAN interests and aspirations through a variety of very important and substantive measures, including its ODA and functional assistance programmes. The Miyazawa initiative after the financial crisis was particularly helpful and is greatly appreciated.

ASEAN continues to value Japan, and should further develop the important strategic relationship it has with the Asian power.