

**STRENGTHENING COOPERATION IN EAST ASIA:
TOWARDS AN EAST ASIAN COMMUNITY**

Mohamed Jawhar Hassan

The Genesis and Evolution of East Asian Cooperation

As with cooperation in Southeast Asia, cooperation in East Asia had a stuttering start. In Southeast Asia for instance, the Association of Southeast Asia (ASA) initiative suffered an early demise. It was only in 1967 that the Association of Southeast Asian Nations (ASEAN) was successfully launched.

Similarly, the first proposal for East Asian cooperation, by Malaysia's then Prime Minister Dr. Mahathir Mohamed in December 1990 in the form of an East Asian Economic Grouping (EAEG), received only lukewarm support within ASEAN. It was also opposed by the United States, which prevailed upon Japan and South Korea to reject the initiative because the East Asia only Grouping did not include it.

The EAEG proposal was eventually accepted by ASEAN in 1992 as the East Asia Economic Caucus (EAEC), as a caucus within the Asia Pacific Economic Cooperation (APEC), so that APEC remained supreme.

Paper presented at the 1st Korea-ASEAN Cooperation Forum held in Jakarta on 10-12 November 2006

The establishment of the Asia-Europe Meeting (ASEM) in March 1996 however invigorated the idea of East Asia cooperation. The countries of East Asia were forced to consider themselves as a grouping in their own right, so that they could interlocate with Europe.

It took the financial crisis of 1997 and 1998 however, to jolt the East Asian countries into realising just how intertwined their economic fortunes had become, and how critical it was to work together to defend and promote their economic interests.

The crisis also drove home the point that in times of economic crisis it was best to rely upon each other. There was a feeling that countries outside the region have little empathy, are driven by considerations of narrow self-interest, and may in fact advocate policies, such as through the International Monetary Fund (IMF), which punish and bring more misery to the affected countries rather than genuinely assist them to overcome their crisis. No country suffered more than Indonesia in this regard.

This realisation of common economic interest moved the countries of ASEAN, South Korea, Japan and China to come together and convene the inaugural meeting of the ASEAN Plus Three (APT) Summit in Kuala Lumpur in December 1997. The pace of East Asian regional cooperation then gained rapid momentum, and the main impetus came not from Malaysia, or from ASEAN, or from China, but from South Korea. In 1998 President Kim Dae Jung proposed the setting up

of an East Asia Vision Group (EAVG). The EAVG that was subsequently established was chaired by an eminent South Korean, Han Sung Joo. Its Report in October 2001 stated, “We, the people of East Asia, aspire to create an East Asian community of peace, prosperity and progress based on the full development of all peoples in the region.” This Report was endorsed by the East Asia Study Group (EASG) of senior officials in October 2002.

Earlier, in November 1999, a seminal Joint Statement on East Asia Cooperation was issued. It committed the East Asian countries to concerted cooperation in the economic, social and political-security fields.

The Joint Statement of 1999, the EAVG Report of 2001 and the EASG Report of 2002 have driven and formed the basis of intense and diverse initiatives to forge East Asia cooperation at the Track One, Track Two and business levels since then.

A proposal by Malaysia to take East Asia cooperation one step further by inaugurating the East Asia Summit (EAS) as host of the APT process in 2005 however, brought to the surface differences among the APT members as regards the cooperation in East Asia.

Although the initial Malaysian proposal adhered fully to the EAVG and EASG parameters of developing East Asian cooperation among existing countries of East Asia, some, like Indonesia, were apprehensive that the EAS would undermine the fledgling ASEAN Community just launched in Indonesia by Bali

Concord II. Japan too seized this opportunity to push for an enlarged process that would include non-East Asian countries so that China's alleged domination of the East Asia cooperation process could be diluted.

What eventually emerged in Kuala Lumpur in December 2005 therefore was an EAS that was different from the one conceived in the EAVG and EASG Reports. The EAS now included Australia, New Zealand and India in "a forum for dialogue on broad strategic, political and economic issues of common interest and concern in East Asia." It was to function in parallel with the APT process.

The establishment of the EAS and attempts to flesh out its role continues to provide opportunities for those who are apprehensive of alleged Chinese domination of the APT and those who would like to see countries outside the East Asian region to be involved in community building in East Asia, to press for a more substantive function for the EAS that would also undermine the primacy of the APT in East Asia. The push is coming mainly from Japan within the APT, but also from some countries in ASEAN either at the Track One or Track Two level. The three non-East Asian participants of the EAS process are also understandably pushing for a bigger role for the process.

The establishment of the EAS has therefore fuelled dissension within the APT and pitted the EAS against the APT. It has also led to renewed efforts to resuscitate APEC in which the US is dominant, as a counterweight to both the APT and EAS.

The current focus of regional cooperation activities

The main focus of activities in the region at the governmental level presently is as follows:

- The APT participants are working on the next ten years of East Asian cooperation driven by the APT process. A Second Joint Statement on East Asia Cooperation and Work Plan is being drafted for release in 2007. The focus will likely be on consolidation of East Asia cooperation and the entrenchment of the APT's primary role in the regional architecture. The APT is also venturing into four new areas cooperation (women affairs; rural development and poverty alleviation; disaster management; and minerals).
- The modalities for the functioning of the EAS are being worked out, with ASEAN generally keen on preserving the centrality of ASEAN in the regional architecture and the APT as the primary vehicle for community building in East Asia. Japan, India and Australia however are pushing for a more prominent role in East Asia cooperation and community building for the EAS and for countries engaged by the EAS process. Japan for instance is proposing the holding of a Ministerial Meeting on East Asia Cooperation in Science and Technology that involves the sixteen members of the EAS.
- There are also attempts to rejuvenate APEC, so that the organisation continues to enhance Asia Pacific cooperation and the US continues to have a substantive role in the evolving regional architecture.

Factors contributing to the weakening of solidarity and consensus in the APT

The solidarity and sense of common purpose that once animated the APT countries has declined in recent years, as recounted above. The majority still support the integrity of the APT process and its continued development guided by the EAVG and EASG Reports. The new dynamics added by the three additional players in the EAS process complicates the picture further.

1. Erosion of political commitment and consensus

A few countries are less committed to the APT process now for various reasons. The main problem is Japan, which is deliberately undermining the APT and undertaking measures to shore up the EAS and also APEC. Where once Japan launched the New Miyazawa Initiative and committed USD30 billion of financial assistance to APT countries affected by the financial crisis, today Tokyo is championing the EAS at the expense of the APT and is undertaking initiatives such as the Ministerial Meeting on Science and Technology mentioned above in furtherance of this goal.

The action by Japan coincides with the deterioration in Sino-Japanese relations in recent years and China's opposition to Japan's concerted drive to become a permanent member of the United Nations Security Council. It also appears to be a reaction to Beijing's increased strategic and diplomatic profile in the region. Japan's moves also correspond with its stronger defence alignment with the

United States in accordance with the latest developments in their strategic alliance.

Within ASEAN commitment to the APT appears to be less strong in Singapore and Indonesia. In the case of Singapore it has always appeared to favour maximum outside (especially US and Western) engagement and involvement in the region, a preference which appears to have increased with the rise of China.

In the case of Indonesia there appear to be apprehensions that the APT (as well as a strong EAS) will undermine an ASEAN that is dedicated to building a cohesive and viable ASEAN Community. Perhaps China's increased strategic profile in the region and Indonesia's perception of Southeast Asia as its traditional sphere of influence has also influenced Jakarta. The present President of Indonesia is also considered to be especially well disposed towards the US.

2. The rise of China

The economic rise of China and the growth of its strategic profile in the region appear to be causing widespread apprehensions about its future disposition in the region. Some talk of a "China threat", while others see Chinese domination in the APT. All are adopting "hedging" strategies, but they vary greatly. Countries like Thailand and Malaysia appear to hedge through engagement and partnership with China in bilateral and various regional processes such as the APT, ARF and APEC. They do not see China as overly intimidating, and consider the

engagement and partnership in bilateral and regional processes as adequate for the time being to “balance” China.

Countries like Vietnam and Indonesia however are more apprehensive about perceived Chinese dominance. The most extreme perceptions of China are held by Japan, and they are greatly conditioned by the deterioration in Sino-Japanese relations, the increase in China’s diplomatic and strategic profile in the region, and China’s increased military expenditure.

3. Concern about erosion of ASEAN’s cohesion and centrality

Indonesia particularly is concerned about the erosion of ASEAN’s integrity in a wider regional grouping such as the APT and in an EAS that supplants the APT, where ASEAN members may not act as a grouping but each according to its own interests as in APEC. Hence the desire to limit the EAS to a leaders’s led forum driven by ASEAN, which is shared by countries like Malaysia.

4. Perceived need for US to be engaged in East Asian cooperation

Some East Asian governments as well as Track Two organisations still regard US participation as essential to regional cooperation even in East Asia. If the participation cannot be achieved through an expanded APT, then it is to be secured through an expanded EAS that is also vested with a more substantive role in East Asia cooperation and community building. The main champion of this position among governments is again Japan.

Though there are conflicting views, the US government itself appears not overly interested in participating in the EAS. This has resulted in an ironic situation where countries like Japan are more assertive on US participation than the US itself. US interest in the EAS appears to be lukewarm for several reasons. They include the requirement for a country to be a party to the Treaty of Amity and Cooperation in Southeast Asia before it can be accepted into the EAS; the perceived difficulty for the President to be in the region twice every year (besides APEC); the perceived limited usefulness of the EAS; the fact that both the APT and EAS already include allies and friends of the US; and the desire to maintain the importance of APEC and ARF.

Issues that need to be addressed to advance East Asian cooperation

There are a number of key issues that need to be addressed and if possible resolved and agreed upon if cooperation in East Asia is to proceed smoothly and in the best interests of East Asian nations.

1. The geoeconomic imperative for East Asian cooperation

Geoeconomics has always been the primary rationale for East Asian cooperation and community building. If anything, this rationale has now become even more compelling. East Asian economies are more integrated than ever before and integrating further at a rapid pace. The driver as usual is the market, though now institutions are also playing a larger part.

Intra-East Asian trade as a percentage of trade with the rest of the world stood at 55% in 2005 and is rising, compared to NAFTA's 44% and EU's largely stagnant 66%. In another decade or so intra-East Asian trade is expected to be comparable to intra-EU trade.

Strong East Asian regional cooperation also continues to be important in the face of the weakening of multilateralism and the latest failure of the Doha Round, as well as increased regionalism in North America and Europe.

The countries of East Asia can continue to squabble and undermine the consensus that has already been achieved on community building through the APT as the main vehicle, and fall behind in developing regionalism that is growing stronger in other regions such as Europe and North America, or close ranks and work hard to realise their long-term vision of building an "East Asian community of peace, prosperity and progress."

2. Concept

There are differences over what "community" means, these differences generally according with the political positions taken by the respective governments or Track Two organisations. Should the community be geographical, albeit based on an underlying economic rationale? This is the approach in the EAVG and EASG Reports, and there was consensus on this. One need not be defensive about the geographical interpretation, because it is in fact the norm, as with "ASEAN", "SAARC", "PIF", "EU" and "NAFTA".

If the geographical interpretation is sustained, East Asia community building must be limited to East Asian nations, as in the APT. Other nations can be engaged by the community and contribute to it, as through the EAS, but they cannot be part of the community.

Is community to be a socio-cultural construct? It can be argued that there is a socio-cultural foundation to the APT as well. If this be so, India may be able to qualify, but not Australia or New Zealand, or any other country not in East Asia that becomes a participant of the EAS process based on the agreed criteria for participation. Whatever the EAS becomes, it cannot be a primary vehicle for community building in East Asia, though it can contribute to it.

Should “community” be an elastic politico-economic construct, that engages virtually any country so long as there is consensus? This can at best be an economic community, and nothing more. This is not what is envisaged by the EAVG and EASG. An economic community is already envisaged by APEC.

3. Institutional process

There is a great need to end divisive efforts from within the APT and from the non-APT participants of the EAS to insist on a community building role for the EAS. East Asian community building should remain the sole preserve of the APT. The EAS is to be a forum for strategic dialogue between the APT participants and others that are important to the well-being of the East Asian community, for

mutual benefit and in keeping with the spirit of open regionalism and constructive engagement with major players outside the East Asian community.

A similar forum is not without precedent elsewhere. The EU for instance has the Barcelona process and the European Neighbourhood Policy where members of the EU engage with non-European states for mutual benefit.

A proposal for the EAS to adopt the G8 model is presently making its rounds in regional circles. If the G8 model means a Leaders'-led forum, informality, a flexible agenda of discussion on strategic issues, no secretariat, and a low level of institutionalisation, it merits consideration. But if a G8 model means that discussions at the EAS should lead to decisions that other cooperative processes in the region such as APT, ARF and APEC must abide by, then it would be difficult to accept.

4. Erosion of the centrality of ASEAN

There is no doubt that the countries of ASEAN must guard against the gradual loss of the centrality of ASEAN. Malaysia believes that ASEAN's centrality is absolutely fundamental to any larger regional enterprise, and shares Indonesia's emphasis in this regard. ASEAN must continue to act as one and be in the driver's seat in the APT, EAS and ARF.

Each regional construct however, has its own purpose and complements each other. They must be prevented from undermining and encroaching upon each

other, and all deserve full ASEAN support and commitment based on their respective roles.

For ASEAN to be in the driver's seat in these processes however, it must increase its capacity to lead. This it can do by undertaking several measures, including strengthening the ASEAN Secretariat and its research and planning capacity, forging productive partnerships with think tanks and academic institutions in the region on a national and collective basis, and fostering greater cooperation and solidarity within ASEAN instead of working at cross purposes with one another.

5. Chinese domination and the China threat

The view that China is dominating the APT process is driving countries like Japan to dilute the APT process and empower larger processes where there are a greater number of players who can ostensibly balance and contain China. In the process a complete mockery is being made of cooperation and community building among East Asian countries.

The view that China is dominating the APT process is fallacious and mischievous, and it must be challenged. There is no doubt that the Chinese economy is growing rapidly and it is building up its military capabilities. China is also playing a more active diplomatic role in the region, in Africa and all over the world. Its strategic weight is increasing greatly. It is bound to increase its influence in the region and elsewhere.

But to conclude from this that China is dominating the APT process would be a gross mistake and exaggeration. None of the major decisions of the APT, such as the decision to establish the EAS and the determination of the criteria for participation in the EAS, have been dominated or imposed by China. They have all been made by ASEAN. China does not participate any more than Japan or even South Korea in the APT projects and related NEAT projects. Japan and South Korea are equally active partners in championing specific EAVG/EASG initiatives and in establishing and leading NEAT Working Groups.

China has also consistently supported ASEAN leadership in the APT and ARF processes, unlike some other countries.

The countries of the region must continue to be vigilant against Chinese dominance, (or the dominance and hegemony of any other major power for that matter). But they cannot concoct one to serve their own ends when there is none.

6. Engagement of the US

The US is the most powerful country on earth. It is the sole and complete superpower, dominating in every dimension. It will not serve East Asian interests to incur US hostility for its cooperative enterprise. It is best that the US is positively disposed, and is prepared to work with the regional grouping for mutual benefit.

This should be the East Asian goal. The US cannot be a participant in the APT process. But it can and should be an important participant in the EAS, and ASEAN and the APT should continue to persuade the US to become one, along with other important partners who can contribute to the mutual welfare of East Asia.

As regards the engagement of the US in the region, which is constantly exhorted by some quarters, it should be noted that the US is already heavily, intimately and inextricably engaged in the region, generally to mutual benefit. There is no way the US can be excluded from the region, nor will that be in the best interests of the countries in the region, including China. The US is among the top three trading and investment partners of ASEAN and virtually every country in the region. It has military alliances with four countries in the region, maintains close military ties with several other countries, and cooperates closely on security issues with yet others including Malaysia. The US is also deeply enmeshed in the region through trans-Pacific regional groupings such as APEC and the ARF, institutionalised dialogue relationships, and an increasing number of FTAs.

7. Sino-Japanese animosities

Regional cooperation is also being seriously undermined by the prevailing animosities between Japan and China, as well as Japan and South Korea. It is in the interests of the region that every effort be made by countries in the region acting individually and collectively through such platforms as the APT, EAS, ARF and APEC, to heal the rifts and close the divide.

Conclusion

It is critical that East Asia develops a viable architecture for regional cooperation that enables it to catch up with the more advanced cooperation that has evolved in Europe and North America. This enhanced cooperation is vital if the countries of East Asia are to be able to compete satisfactorily in a globalising world where regional cooperation is critical for optimal development.

Viable regional constructs can only be built if there are clear visions, common goals and shared resolve. When nations work *against* each other rather than *with* each other, a coherent and feasible structure cannot emerge. If East Asia can recapture the spirit of 1997, when it came together amidst the ruins of the financial crisis to forge a common future, it will have every chance to succeed.