Asian Integration-Scope and Limits(*)

There has been a frenetic growth in international and regional organization (both in terms of the growth of institutionalized fora, as well as attempts to establish some sort of region-wide order) in Asia throughout the 1990s and into the first decade of the 21st century. Are they a sign of Asia’s budding regional order – one that is characterized by the rise of indigenous great powers (especially that of China and India) – alongside that of US-led alliance systems?1 The core of “East Asia” today is generally accepted to consist of the 10 Southeast Asian members of ASEAN, and the Northeast Asian states of China, Japan and Korea2.

In the last 5 years alone, another rash of institution-building seems to have gripped Asia. The 10 ASEAN countries, together with the Northeast Asian states of China, Japan and South Korea, invited India, Australia and New Zealand to join them in the inaugural “East Asia Summit”, held in Kuala Lumpur at the end of 2005. Over the course of 2008-2009, an ASEAN Charter was passed and ratified by national parliaments in Southeast Asia, thereby giving the Association of Southeast Asian Nations legal personality for the first time in its 40-year history (indeed, since its founding in 1967). Not to be outdone, the three richest countries of Northeast Asia (China, Japan and South Korea) quietly made history by holding regular trilateral summits, beginning in Fukuoka on 13 December 2008. Is Asia today “ripe for cooperation”, or in a schizophrenic state, caught “between integration and isolation”3?

If ‘integration’ is understood as a gradual shift in activities (economic, political and socio-cultural) and affective loyalties from national capitals to a new centre/new regional transnational centres, then developments in Asia in the last few years would certainly yield many hopeful pieces of evidence of such a phenomenon.

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1 Which have traditionally included treaty allies Japan, South Korea, and Taiwan; Australia and New Zealand; and also ASEAN states Thailand and the Philippines (among others).
2 These 13 states, sometimes referred to as ‘ASEAN+3’ (or APT) held their first annual summit in Kuala Lumpur in 1997. The 10 members of ASEAN (the Association of Southeast Asian Nations) are Brunei, Cambodia, Indonesia, Laos, Malaysia, Myanmar, the Philippines, Singapore, Thailand and Vietnam.
non. But integration in Asia is beset by several contradictions. On one hand, there is increasing economic integration, even among political entities that do not enjoy diplomatic relations (e.g. between China and Taiwan). On the other hand, political integration has not progressed very much; North Korea remains a pariah state, former Japanese Prime Minister Yukio Hatoyama had to backpedal by April 2010 from his pledges made barely eight months earlier (in August 2009) to move away from security dependence on the US in favour of promoting and securing Japanese and regional peace and security through an “East Asian Community”.

This paper argues that integration in Asia is necessarily limited because it is essentially a series of overlapping state-directed initiatives without a clear overarching vision, and with low civil society participation. There are paradoxes – two internal and one external – in the current integration process(es) in Asia. First, these initiatives and activities are a response to economic imperatives for more ease (or rather, lower barriers to) trans-border flows of trade, investment, production and finance; they have achieved very little in promoting regional consciousness and identity. Second, there are no concrete commitments to resolving longstanding inter-state (much less intra-state) conflicts, and no shared visions of what an integrated Asia would look like. Third (and this is the external contradiction), there is a problem grappling with the place and role of the United States – how should the US be included? If it is, can the US be counted on as a full-fledged member of the region?

State-led Initiatives


Peter Katzenstein and others have argued that integration in Asia is characterized by open, inclusive “networked regionalism” in which the key actors are civil society, business and private citizens. This may be true for organizations such as PECC and APEC, where the role of the Business Councils were primary and still form an integral part of the annual meetings. But almost all other region-building efforts in Asia have been state-led, from ASEAN to ARF, SAARC to SCO. This means that the regional consciousness these organizations create is very shallow, rarely reaching below the level of national government and business elites.

The China-ASEAN FTA, for example, first mooted by Beijing in November 2000 and signed in 2002, came into effect on 1 January 2010 with enormous potential as the largest FTA in the world, covering a combined total population of some 1.9 billion. The Economic Cooperation and Framework Agreement (ECFA) between China and Taiwan, signed recently by President Ma Ying-Jeou of Taiwan, is a sign of increasingly cordial cross-Straits relations. But most of these agreements are made either without the active support or participation of non-government groups, or indeed pushed ahead over fierce opposition in society. Chen Yunlin, Beijing’s chief negotiator for Taiwan affairs, for example, was besieged by protesters and the opposition Democratic Progressive Party.

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5 CHANNELNEWSASIA, China-ASEAN FTA prompts growing trade among border cities, 5 January, accessed 28 May 2010 on http://www.channelnewsasia.com/stories/economicnews/view/1028537/1.html. The FTA covers the 6 older and wealthier ASEAN states (Brunei, Indonesia, Malaysia, Philippines, Singapore and Thailand) and will extend to the other 4 ASEAN states in 2015.
when he visited Taiwan in 2008 to sign agreements to increase and intensify China-Taiwan trade and contacts\(^6\).

To be sure, focusing on formal, institutionalized integration led by governments only offers us a partial picture. One could argue that the formal agreements came about because of the foundation laid by corporations and “Track II” (epistemic communities of academics, business leaders, and government officials which meet to discuss and propose policy solutions) networks.

In this regard, the role played by trans-national corporations (especially Japanese ones such as Toyota in the 1960s and 1970s) in stitching together economic connectedness through cross-border production, trade and investment in the NIEs (Taiwan, South Korea, then Singapore and other ASEAN NIEs such as Malaysia, Thailand and Indonesia) was very important in forging regional networks for economic production. And banks from Japan to Singapore have been active in promoting cross-border investments, with some acquiring majority shares of banks in Thailand, Hong Kong, the Philippines and Indonesia\(^7\).

And Track II networks boast an impressive record: the Pacific Economic Cooperation Council (PECC) played a major role in the formation of APEC in 1989, while the Council for Security Cooperation in the Asia-Pacific (CSCAP) had a direct hand in the birth of the ASEAN Regional Forum (ARF) in 1994, and informs many of the subsequent security-related fora that have proliferated in Asia this century. But most civil society organizations view these Track II organizations as quasi- or semi-governmental initiatives, with members often appointed by governments or selected from former government or ministry officials. The regional institutions set up in Asia thus lack roots that sink very deep across Asian societies, having been created by a thin layer of state, business and government-linked elites rather than having risen from the bottom-up.

The absence of regional consciousness and a sense of shared destiny are not in itself vital if states in Asia did not interact with each other as intensively as they do, and if the trajectory of these interactions was not on an upward trend. But governments in the region too often play the dangerous card of xenophobic nationalism against specific neighbours, leading to frequent bilateral incidents that could easily spiral out of control. Hence, Sino-Japanese tensions and rivalries in the mid-2000s erupted into unexpected violence after the Chinese football team lost in the Asian Cup final to Japan in Beijing in 2004. Even in ASEAN – the most developed institution in the region, often credited for building a nascent sense of community in Southeast Asia – Thailand and Cambodia nearly went to blows in 2008 over the disputed ownership of Preah Vihear temple (which the ICJ had awarded to Cambodia in 1962).

**Credible Commitments and Enforcement**

Aside from top-heavy institutions, there is also a lack of credible commitments or enforcement mechanisms to honour the agreements made in Asia. A case in point is the ASEAN Agreement on Transboundary Haze Pollution (25 November 2003), drawn up in response to the thick haze arising from annual forest fires in Indonesia impacting air traffic, air pollution levels, tourism and health in Malaysia, Singapore, southern Thailand and Brunei. Despite Indonesia having signed the Agreement, the Indonesian legislature has still not ratified the treaty and the problem recurs almost annually.

The ASEAN Charter was heralded as a document that would transform ASEAN into a rule-based organization and ensure that ASEAN states stick to their commitments, but the paragraphs on sanctions and penalties for non-compliance (present in the draft), were deemed so sensitive that


\(^7\) T.J. PEMPEL (ed), *Introduction: Emerging Webs…* cit.
they were removed from the final version. So what is there to give assurances that states would stick to their commitments and agreements?

In the Charter, the ASEAN Summit was tasked with reviewing annual reports from the ASEAN Secretariat. Presumably, an errant state would be taken to task by the ASEAN Summit. But can this be expected, given that a non-compliant state would be represented at the highest levels at the ASEAN Summit itself, ready to veto any attempt to censure it? And so ASEAN putters on with Myanmar playing the bad apple in the barrel since its accession in 1997, refusing to conform to international (and ASEAN’s) calls for a resolution to the political stalemate that has hamstrung the country since 1991, or to international (and indeed, ASEAN) norms of human rights.

One must also be cognizant of the reality that many Southeast Asian states remain fractious societies run by weak governments with low capacity (and often contested legitimacy). Thus, unstable domestic politics and ever-changing governments conspire to make long-term commitments difficult. This is as true for poor, military-ruled countries like Myanmar as it is for wealthier states with democratizing tendencies, like the Philippines, Indonesia and Thailand (as the recent bloody confrontation between Thaksin-supporting “Red Shirts” and the Abhisit government in Bangkok aptly demonstrates). Ironically, NGOs and other citizen groups are beginning to play a more active role in raising regional consciousness and awareness of shared issues. Even a state like Singapore (known for its unfriendliness towards NGOs) is encouraging the activities of Asian and international environmental NGOs to put additional pressure on the Indonesian government and companies as a result of Jakarta’s failure to stop forest fires causing health and tourism-disrupting haze over much of Southeast Asia each year.8

Different Dreams

The third paradox would be trying to construct a regional identity while fitting or including external actors (chiefly the US) in the evolving regional architecture. The US is a dialogue partner of ASEAN, a leading member of APEC and the ARF, and a key player in the Six Party talks; but it was not “present at the creation” of ASEAN+3 in 1997 (this forum is essentially made up of states which former Malaysian PM Mahathir Mohamed had envisaged as an “East Asian Economic Caucus”) nor the “East Asia Summit” (a misnomer, since it also includes India, Australia and New Zealand) in 2005. These two fora are widely accepted today as the key institutions of Asian regionalism which, if dominated by China (as it feared in some quarters in the US), could be challenging or indeed threatening US interests in the region.9

Several competing visions of what “Asia” should look like and which states should participate, have been presented. In June 2008, Australian PM Kevin Rudd launched his vision of an “Asia-Pacific Community” (which includes the US) in a speech in Singapore. And former Japanese Prime Minister Hatoyama’s vision of a more exclusive “East Asian Community” originally excluded the US but stressed instead Tokyo’s desire to forge closer cooperation with Beijing and other Asian governments.

Meanwhile, ASEAN has been anxious to retain a semblance of its centrality in East Asia’s multilateral institutions.10 The ASEAN summit in Hanoi in April 2010 agreed to proceed to widen Asian dialogues. Most ASEAN states agreed to include the USA and Russia, but disagreed on the form.

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10 Traditionally, all APT and ARF meetings are held in ASEAN states (usually back-to-back with ASEAN summits, and the ASEAN ministerial meetings, respectively); the venues for APEC summits alternate between an ASEAN and non-ASEAN country, and ASEAN has jealously guarded its unofficial leadership role in the ARF.
Three are being pondered, all ASEAN and EAS-based proposals designed to retain the organization’s centrality:

- To expand the existing East Asian Summit (EAS), in which ASEAN annually hosts the six leaders of China, Japan, South Korea, India, Australia and New Zealand. The EAS expansion idea is to include the USA and Russia as full members.
- A second option is for an EAS+2, where the USA and Russia join only after the EAS concludes.
- A third proposal is for an ASEAN+8, independent of the existing EAS. The same leaders would attend but it would have its own format and could be called regularly but not annually.

Despite China’s rise and the displacement of the US as the top trading partner of many East Asian/Pacific territories (including Japan, South Korea, Australia, Taiwan), the US remains critical on a whole range of economic, trade and security issues. Its position in official (e.g. ARF, Six-Party talks, Asian Defence Ministers’ meetings, US-ASEAN summits) and “track-two” security fora (such as the annual “Shangri-la dialogues” held in Singapore) is assured as there is no other state/group of states that can take over its role.

Even China has started the high-level so-called “US-China Strategic and Economic Dialogue”, where the Foreign, Trade and Finance ministers of the two sides meet on a regular basis in each other’s capitals every year.

And of course, tensions on the Korean Peninsula show no sign of abating. Regional institutions like the ARF and even the Six Party talks have often been unable to play any effective role in defusing these tensions and solving the nuclear crisis. The recent sinking of the South Korean warship Cheonan on 26 March 2010 (with 46 lives lost), and the 20 May announcement by Seoul that it had solid evidence linking Pyongyang to the sinking, predictably led to renewed inter-Korean tensions in which the US and China were called in to play good offices, demonstrating once again Washington’s and Beijing’s centrality in any security issue in Asia.

Conclusions

The nexus of an East Asian community (with a small ‘c’) already exists in the form of ASEAN+3, which has been in existence for over a decade, since the 1997 Asian financial crisis. This framework brings together the high technology, capital and political weight of three Northeast Asian states with the natural resources and diplomatic organization of the 10 ASEAN countries. It has helped to promote regional dialogue and the common interest (including plans for a region-wide FTA to replace the patchwork of bilateral and ASEAN FTAs with China, Japan and South Korea), and reduced intra-mural tensions (including times of friction between China and Japan led by former Japanese Prime Minister Junichiro Koizumi.

But it is still premature to talk about an East Asian or Asia-Pacific Community (with a capital ‘C’) along the lines of, e.g., the European Community when it came into being in 1957 – the proposals by Kevin Rudd in June 2008 and Yukio Hatoyama in 2009 failed to win support in either Beijing or the ASEAN capitals. There are still too many mutual suspicions, no external existential threats requiring a coordinated response, and not enough trust and goodwill among the main actors to coalesce around a common vision (beyond economic security, regional stability and the maintenance of norms respecting traditional sovereignty) for the region. A “region” can be thought of as a social and cognitive construct rooted in political practice11. What is happening in East Asia is that the borders and membership of “East Asia” are being contested by ASEAN, China, Japan, Australia, the US and a whole host of states, NGOs, scholars.

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At stake is the kind of order (and the attendant norms and rules) that is being built, where the active presence and/or participation of the overwhelming post-1945 Pacific power (the United States) may (e.g. in APEC, ARF) or may not (e.g. in ASEM, ASEAN+3, East Asian Summit) be included. In the case of ASEM, APT and EAS, the US has already been dropped off the list of those “present from the creation”.

Like Britain and its delayed entry in the European Community, or China and its three decade-long absence from international institutions after 1949, the US will likely find its voice and influence more diluted in the future direction of Asian integration than it would have been had it been included from the start.

References


