

II-Towards an East Asian Community

1-The need of implementing measures already recommended

The sixth ASEAN+3 Summit in November 2002 in Cambodia adopted the final report of the East Asia Study Group which recommended 26 concrete measures with high priority in which 17 as short term and 9 medium and long term².

As you have been well aware, up to now, most short-term measures have not yet been implemented and have been designed as on-going projects to promote East Asian Cooperation. Besides, we need to start implementing the 9 medium and long-term measures as soon as possible. The implementation of all 26 recommendations will make possible the building and maintaining of the momentum of ASEAN+3 Cooperation and thus the enhancement of East Asian Cooperation.

The East Asian Community is a long-term objective for East Asia and it will be developed through the existing ASEAN+3 mechanisms. In order to establish an East Asian Community, we need to completely implement all short-term measures as recommended by the East Asia Study Group by 2007 while enhancing ASEAN integration.

We believe that ASEAN integration is necessary for advancing to a more pro-active cooperation with the Plus Three countries. Today, we can see that the evolution of ASEAN+3 Cooperation is proceeding gradually but surely. It is indeed important to help this process move smoothly toward the establishment of an East Asian Community, which most of us have recognized as something inevitable but for the long run.

Accordingly, it is necessary to transform all of the agreements and MOU that we have signed into concrete action in order to prepare the grounds for the establishment of an East Asian Community on a step-by-step basis.

Obviously, the ASEAN+3 Cooperation is now covering many areas: politics, security, economics, finance, agriculture, science and technology, energy, environment, tourism, information and communication technology, health, labor, culture and arts, transnational crime, social welfare and development.

² Cf. Final Report of the East Asia Study Group, ASEAN+3 Summit, 4 November 2002, Phnom Penh, Cambodia.

2-The middle path: the fore and back fronts principle

People may note that the EU has moved from the "Economic community" to the "Political Union" whereas the ASEAN has moved from the "Political association" to the "Economic community". In the EU expansion, France and Germany, the two main founder members have remained the main elements of the Union. In ASEAN context, as we mentioned above, ASEAN has links with Europe through the ASEM, with North and South America through the APEC and with Northeast Asia through ASEAN+3 Summit.

If ASEAN+3 are an expansion of ASEAN and rapidly transform itself into another regional grouping, some ASEAN founder members may feel that they will lose their historical leading role in the new community. So they may have reticence in supporting East Asian Summit plan³ before making appropriate arrangements between the two sub-regions. Therefore, the *Middle Path* reflecting relationship between the *fore front* and the *back front* may be the suitable solution.

a-The fore front

Some Northeast Asian nations have their potentiality to play without delay their leading roles in the international arena and world organizations. ASEAN should support them as the vanguards at fore front of East Asia.

b-The back front

The fore front nations should support the back front ones within ASEAN especially CLMV to assure mutual benefits and understanding, main factors for the common success.

Currently, we are quite concerned about the development gap within ASEAN and between ASEAN and the Plus Three countries. Therefore, it is necessary for us to narrow this development gap on a gradual basis. We should move step by step and at a pace comfortable to all. Otherwise, it would be an East Asian community with two or three paces which would not be in the interest of all members.

We are of the view that narrowing the development gap or put an end to it would not only serve the interest of the least developed countries of ASEAN alone, but also for all of the ASEAN member countries as a whole which can

³ "Jakarta gives cold response to East Asian summit plan". Korea Herald, June 28, 2004.

benefit from the cooperation between ASEAN and the Plus Three countries and the building of the East Asian Community as well. Any further delay in this endeavor would undoubtedly prolong our move towards this ultimate goal.

ASEAN highly appreciates the support from China, Japan and the Republic of Korea for ASEAN in driving the ASEAN+3 process. ASEAN counts on the continuing support from all of the Plus Three partners. ASEAN also recognizes the need to engage the Plus Three countries in a way that gives them a sense of partnership in the ASEAN+3 process.

We believe that it is necessary to continue to increase the momentum in the ASEAN+3 process in order to move the East Asian Cooperation forward with a shared vision, at a pace comfortable to all parties concerned. The idea of convening an East Asia Summit at an appropriate time is part and parcel of the ASEAN+3 process and the evolution towards an East Asian community.

In the meantime, we wish to propose that the ASEAN Secretariat regularly follow up and help accelerate the implementation of all the 26 EASG's recommendations so that we can move forward smoothly and deepen the ASEAN+3 Cooperation which is vital for the building of an East Asian Community.

In conclusion, we believe that it is important to focus first on ASEAN integration in order to realize a harmonized East Asian community which is fundamental for the ASEAN community as a whole, on the one hand, and for building the East Asian community in the long run, on the other hand. The East Asian Community is the final goal of the current active East Asian cooperation which is the common interest of ASEAN and East Asia.

Thank you for your kind attention



Looking for Ways to Form an East Asian Community

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Looking for Ways to Form an East Asian Community

Prof. Woo-Jun Kim

- **East Asia in the 21st Century**

East Asia was a center of culture and civilization since the beginning of history, until it was overwhelmed by the scientifically and technologically superior West, ultimately accepting a large part of its institutions and ideas. Starting in the latter half of the 20th century, East Asia changed through imitation and creation into a region showing vibrant change and progress in the areas of politics, economics, society, and culture. In the 21st century, it again stands at the center of global change. As seen in the table below, the ASEAN+3 nations, together with Europe and America, have become the three axes of the world.

ASEAN+3 Economic Position in the World (2002)

	ASEAN+3	NAFTA	EU
Population	32.2%	6.8%	6.4%
GDP	18.6%	29.6%	34.5%
Trade	19.6%	20.4%	35.5%

- **ASEAN+3 for Cooperation and Integration in East Asia**

In contrast to Europe, which displays cooperation and unity, in East Asia, conflict and cooperation exist together because countries with different ideologies, institutions, and levels of economic development are gathered together. As a result, cooperation takes place among countries, but differences also cause distrust and conflict. Yet with the combined efforts to overcome the financial crisis of 1997, full-blown regional cooperation in East Asia has emerged, making ASEAN+3 the new framework for East Asian cooperation and integration.

- **Ways to form an East Asian Community**

If a Free Trade Area is formed through Free Trade Agreements between ASEAN+3 nations, not only will it bring economic development for each country but it will stimulate cooperation and integration. As the Regional Trade Agreement progresses step by step from the North American NAFTA model to the EU model, an East Asian Economic Community will be formed. For the economic development and integration of the ASEAN+3, the region's security environment is also important. If ASEAN+3 nations form what I call a 'peace and cooperation treaty' like Europe and institutionalize it, such that an 'OSCE'-like body is created in East Asia, then, an East Asian Security Community will be formed. Only, security cooperation in East Asia will develop further with the participation of U.S., Russia, EU representatives, Australia, and India. If, in this way, ASEAN+3 forms an East Asian Economic Community and East Asian Security Community, it will ultimately lead to the creation of an East Asian Community.



ASEAN Community Building in the Context of East Asian Regionalism

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ASEAN Community Building in the Context of East Asian Regionalism

Mr. Mark Hong

Introduction

The points of origin of the process of building the Asean community, or the founding documents, are the Bali Concord 2 and the Asean Vision 2020 statement issued at the 1998 Asean Summit. Since its foundation in 1967, Asean had concentrated on economic cooperation, but after the invasion and occupation of Cambodia, Asean political cooperation increased in order to achieve a peaceful settlement of the Cambodian conflict. After the Paris Peace Agreement in 1991 on Cambodia, there was speculation that Asean would falter since there would be no longer any motivation to unify regional efforts on a common theme. Critics had dismissed Asean, APEC and the Asean regional Forum (ARF) as mere talk shops. To rebut these criticisms, we should note Asean's crucial role in maintaining regional peace and security and in enhancing the habit and practice of regional cooperation. But these skeptics have also been proven wrong as after 1991, there has been a series of crises such as East Timor, the Asian Financial Crisis, Sars, competition from China and India, international and regional terrorism, the crises in Iraq and Afghanistan, the changes in US foreign and security policies post-911. All these challenges kept Asean very busy and forced Asean to embark on new directions in cooperation, specifically, to start building an Asean Community by 2020.

The ASEAN 2020 Vision

In October 2003, the Asean Bali 2 meeting was held as a Milestone Summit to give ASEAN renewed impetus and new directions, at a crucial time when most ASEAN members had just recovered from the negative consequences of the Asian Financial Crisis (1997/98), when ASEAN was facing serious economic challenges from India and China, and there were great security challenges from post-911 international terrorism and from the unilateral behavior of the US in Iraq and Afghanistan, and from the new security doctrines (eg. Pre-emption) of the Bush Administration. It was felt necessary to focus on new goals which would provide ASEAN members a renewed cohesion within a cooperative framework, something to strive towards high objectives. These high aims have been set out in the ASEAN 2020 Statement, as follows:

“ A concert of Southeast Asian nations, outward looking, living in peace, stability and prosperity, bonded together in partnership and dynamic development, and in a community of caring societies”.

Each of these phrases have been carefully chosen and all set out high aims. But what do they mean in practice? What exactly is a community of caring societies?

What Exactly is A Community?

According to Dr. Amitav Acharya of the Singapore Institute of Defence and Strategic Studies, as explained in his books entitled “ Constructing a Security Community in S.E. Asia: Asean and the Problem of Regional order” (Routledge,2001) and “The Quest for Identity: International relations of S. E. Asia” (OUP, 2000):



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"A community has two key features. First, it implies a social, rather than purely instrumental, relationship. The key attributes of a community, to use American political Scientist Ernst Haas' words, are **"trust, friendship, complementarity, and responsiveness"**. (Haas, 1972: 116) Second, a community is not just a group of culturally similar people. While people in communities have cultural and physical attributes in common, they are also **people who "display mutual responsiveness, confidence, and esteem, and who self-consciously self-identify."** (Puchala, 1984: 186-87)

In international relations, one can find a middle ground between the organic and instrumental views of society. Just as one does not have to be born a Malay to become one, community in Southeast Asia's international relations does not have to be preordained geographically or culturally. Thus, **a regional association may grow into a community through an evolutionary process of socialization and identification.** Hence, cultural, linguistic and religious diversity, which is often cited as a terminal barrier to a regional community, may be less important than conscious efforts at socialization and identity building underpinned by a common set of objectives.

Hence, **a community can be socially constructed, combining instrumental logic with habit-forming socialization, norms and symbolic identity building.** Moreover, such identity building is not entirely divorced from cultural and historical ties, but are reinforced by it. Simple proximity, historical ties and shared culture do not a community make. Their outcome can be indeterminate; proximity can lead to either war or peace, historical memories have been associated with war; and cultural ties do not make nations immune to conflict. But they can create the initial impulse for community building, legitimise cooperation nationally and internationally, and reinforce the rationale for collective action.

Communities can be imagined. Ben Anderson spoke of nationalism and the nation-state as an imagined community. He referred to the role of print media, colonial administration and elite socialization in creating a sense of community among disparate and disrupted localities which formed the basis of the nation state. Just as nations are imagined, so can be regions. Southeast Asia is in many ways an imagined region; its experience of regional identity building can be likened to a quest for identity.

The development of a community usually involves a sense of collective identity, which answer to the question who is to be included and who is to be excluded. In most cases, such identity building is an exclusionary enterprise; it is concerned primarily with how the "self" differs from the "other". But communities, while remaining culturally and politically distinct from outside actors, can also develop a common identity and purpose by attracting and engaging outsiders, rather than excluding or defending against them. ASEAN represents an example of such an approach to community building, given its long tradition of post-ministerial conferences, its sponsorship of the ASEAN Regional Forum and its engagement approach towards a rising China and India. The ASEAN experience in community-building shows that cooperation can begin initially by developing shared normative assumptions about the need for, and desirability of, unity, despite the presence of many structural disparities and differences.

In the economic realm, there exists the concept of a community as well, albeit one built on rationality and reciprocity, although over time it can go beyond instrumental action. In 1961, Bela Belassa defined the trajectory of regional economic integration to consist of



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five stages: a free trade area, which removes internal tariffs and barriers; a customs union, which harmonises external trade and sets up internal regulatory institutions; a common market which adds the removal of all non-tariff barriers and allows free movement of labor and business across borders; an economic union, in which members harmonise their economic policies into a monetary union, including a common currency; and a political union which follows from economic integration." These five stages could be a useful guide to efforts to build an East Asian economic community.

Key Concepts

From the above comments by Dr. Amitav, we can derive some key concepts about community building, such as:

- The importance of trust, friendship, complementarity and responsiveness;
- A regional association may grow into a community through an evolutionary process of socialization and identification;
- A community can be socially constructed through socialization, building norms and symbolic identity-building;
- The need to build a sense of collective identity, to define who is in and who is out.

What observers will note is the repeated stress on socialization and identity building. Are these processes at work in Asean members? It does not seem so to me. People in Asean countries still define themselves as nationals/citizens of individual countries, after 37 years of Asean existence. The reason could be that they do not see any benefit to claim Asean identity: no Asean passport; no economic benefits; no prestige; they do not see visible Asean Institutions such as ASEAN Parliament, Court, University, Central Bureaucracy, University, unlike the EU which has for instance Brussels institutions and a common EU Foreign and Security Policy, a Mr. EU in the form of the President of the EU Commission, an EU Passport, free and easy movement across EU borders.

It would thus appear that ASEAN needs to put in more efforts over several decades in strengthening its socialization and identity-building efforts. A good start has been made but much more needs to be done. If the ASEAN experience is useful to the process of building an East Asian Community, then what Asean is trying to do in building the 3 Asean Communities should be of interest to the East Asian community building process, which has barely started.

The Three Asean Communities

The Bali concord 2 document sets out the goal of achieving an Asean Community by 2020, based on three Pillars: security; economic, and socio-cultural. All three communities are linked inextricably and weaknesses in one area could weaken the other Pillars. However, achieving the ASEAN Community by 2020 will be a challenging task, given the regional cultural diversity, different levels of economic development and different strategic orientations and external linkages. The same differences can be found in the East Asian Region. The Japanese consider themselves unique people: are they thus Asians or something different? First, some brief words about each of the Asean Three Communities.



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The Asean Security Community

First, the ASEAN Security Community (ASC): this is a form of cooperative security; it is not a defense pact nor a military alliance. First described by Karl Deutsch, the security concept was not about security cooperation among states, at least not in the conventional sense of military security. Rather, a security community was **"a group that has become integrated, where integration is defined as the attainment of a sense of community, accompanied by formal or informal institutions or practices, sufficiently strong and widespread to assure peaceful change among members of a group with 'reasonable' certainty over a 'long' period of time."** (Deutsch, 1961:98) Security communities have developed a long-term habit of war-avoidance, a sense of a mutual purpose, and a "we-feeling." **The ASC is thus a community in which members regard their security as fundamentally linked to one another, and are bound by common perceptions of security threats, and are united by common objectives in addressing these threats, and rely exclusively on peaceful means of settlement.** The Bali 2 Document spelt out five areas for greater political and security cooperation. These are: setting new norms and common values; maritime security; counter-terrorism and trans-national crime; defence cooperation; WMD. An Action Plan on the ASC proposed by senior officials was adopted at the Asean AMM in July 2004 in Jakarta.

In the context of East Asian regionalism, Asean's attempts to build a security community raise the question whether there could be an Asian Security Community. Both Japan and China have signed the Asean Treaty of Amity and Cooperation, but this does not make them members of the ASC. As Great powers, neither Japan nor China want to give up the option of use of military force against enemies if there are conflicts over issues like Taiwan, Spratlys, etc. Secondly, the architects of East Asian regionalism have focused on non-traditional security issues. Their concern was that the inclusion of traditional security issues might provoke the US or undermine the US security presence in the Asia-Pacific region. Also, the East Asia Vision Group Report urged governments to further strengthen the ARF.

The Asean Economic Community

Second, the Asean Economic Community (AEC). With regards to the ASEAN Economic Community, the situation is clearer. The AEC was approved at the Phnom Penh Asean Summit in 2002. It will be based on AFTA, the ASEAN Framework Agreement on Services, and the ASEAN Investment Agreement, and on the Hanoi Plan of Action. The target date is 2020. The aim of the Economic community is partly to increase ASEAN competitiveness and of course, to increase ASEAN prosperity as well. The AFTA has already come into effect in 2003 with tariffs at 0 to 5%, except for cars in the case of Malaysia, for the original six Asean members; the newer members have 5 more years of exemption. To help the newer members, Asean has set up the Greater Mekong Region scheme which plans to integrate Indochina, Thailand and Yunnan. Another scheme to help integrate the newer members is the Initiative for Asean Integration. At the Phnom Penh Summit, Asean approved a six-year, from 2002 to 2008, work-plan with 54 projects in order to implement the IAI. Concrete aid from the six older members will take the form of training, supply of equipment and experts. There are four priority areas: HRD; infrastructure development; Infocoms Technology; and promoting regional economic integration. One important document about narrowing the Development Gap is the Hanoi Declaration For Closer Asean Integration of



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July 2001. Yet another way to achieve Asean integration is via financial cooperation; thus Asean is doing so through the Chiangmai Initiative.

In the context of East Asian regionalism, the Asean attempt to build the AEC raises interesting questions: does the web of FTAs between China, Japan and South Korea on one hand and Asean on the other mean an East Asia wide FTA? Probably the three countries of Northeast Asia have to agree on their trilateral FTA and then legally connect it to AFTA before the East Asia FTA comes into operation. But since this applies only to trade in goods, there will be need of agreements on investments, services and finances before we see progress on an Asian Economic community.

Dr. Linda Low, a Singaporean economist at ISEAS, in her paper presented at a Tokyo conference in February 2004, commented that the proposed AEC had adopted only the EU's single market features but not its social security, welfare protection and social safety net features, which are left to traditional communitarian and family nets. In my view, this is not surprising as Asean members are still developing countries, which cannot afford such expensive systems. She also noted that East Asian regionalism had undergone various phases. In the old phase, from 1950s to 1970s, this took the form of SEATO, or political-military alliances based on Cold War/realist approach. In the second phase, from the 1980s onwards, Asian regionalism took the form of PECC, APEC, ESCAP, ARF, ASEM, based on principles like openness, industrial cooperation, division of labor, networking, regional institutions, inter-regionalism, with paradigms such as: flying geese model; liberalist approach; market integration; trade competition; corporate integration. According to Dr. Low, the latest phase started with the Asean plus three or APT in 1997, and its paradigms include security-economic linkages and regional management.

The Asean Socio-Cultural Community

Third, the Asean Socio-Cultural Community (ASCC). The third Community was a proposal tabled by the Philippines at Bali 2. A final draft will be ready by December 2004. The proposed mechanism is the Asean Secretariat and individual action plans

The aims of the ASCC include: ensuring equitable access to opportunities regardless of race, religion, language, socio-cultural background; ensuring that human potentials are nurtured to the fullest; address issues of poverty and equity, and take special care of vulnerable groups; protect the environment and natural resources for sustainable development; enhance civil society; look after the health and harmony of Asean citizens. In short, the ASCC is focused on poverty eradication and human development. The ASCC agenda has 4 key elements:

- Building caring societies to address issues of poverty, equity and human development;
- Managing the social impacts of economic integration via education and ensuring social security;
- Enhancing environmental sustainability and governance;
- Strengthening the foundations of regional social cohesion.

Under the first concept of building caring societies, the program will include: accelerating the goal of poverty reduction within the framework of the Millennium



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Development Goals; facilitating universal access to basic education; promoting the welfare of children; enabling youths to develop a better future; promoting equitable participation of women in development; ensuring that the elderly are properly cared for; promoting health and nutrition; preventing the spread of diseases like HIV/AIDS; enhancing food security.

Under the second concept of managing the social impact of economic integration, the program will include: promote HRD to build a competitive labor force; promote an efficient labor market through recognition agreements; strengthen systems of social protection at national levels and set up an integrated regional system of social insurance; address the impacts of liberalization in the health sectors.

Under the third concept of enhancing environmental sustainability, the program includes: operationalise the Asean Center for Trans-boundary Haze pollution Control; implement the Criteria for Asean Marine Water Quality, Marine Heritage Areas, and National Protected Areas; reduce the current rate of loss of biological diversity by 2010; reduce by 2010 the percentage of people without access to safe drinking water; set up Asean regional mechanism to promote environmentally sound technologies; maintain good ambient air quality and good water quality; achieve minimal land disposal of waste; implement 13 priority environmental parameters; set up the Asean Response Plan for Disaster Prevention.

Under the fourth concept of strengthening the foundations of regional social cohesion, the programs include: main-streaming the promotion of Asean awareness and regional identity eg in education and sports; preserving and promoting Asean cultural heritage and traditions; fostering dialogs amongst civilizations, cultures and religions; promoting Asean's standing in the world.

As for implementation modalities, these include: national initiatives; regional activities; regional mechanisms or standards. Member countries shall prepare individual action plans for the period 2005 to 2010, consistent with national policies, priorities, capacity, budgetary resources. Self-reliance, shared responsibility and ownership are the principles which guide the implementation of ASCC projects. The Asean Foundation, it is hoped, will play an active role in implementing the ASCC.

Comments:

As the above-mentioned concepts and details indicate, the ASCC is both a comprehensive wish list as well as a grandiose program that begs the question: is it doable? Where will the funds, institutions come from? If it is to be done mainly by national governments, are the member states capable of achieving such ambitious goals? In the context of East Asian regionalism, will the Asean example set a precedent for Northeast Asia in setting up the ASCC. China's needs in the areas mentioned under the ASCC are tremendous, and important questions of funding and capability naturally arise.

Caring Societies and Common Values

In my view, when we discuss the concept of a caring society, we might refer to a social policy approach that gives more role and stress on market processes, families and communities, than to the State and its bodies. Bali 2 also mentioned that there would be ASEAN cooperation on common social and health issues, such as drug addiction; HIV/AIDS.



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Here one wonders if whether we should not need to discuss and identify common ASEAN values. These could include values such as tolerance, compassion, and the importance of the family, of education. These are values which perhaps all ASEAN countries could accept, regardless of religion, level of development or diversity of culture. Recognising that urbanization and modernization creates great stress on individuals and erodes the family and community links as well as the capacity to empathise with others less fortunate, would it not be useful to lay the foundations for a caring society by starting National Kindness Movements. We have done so in Singapore, and have observed the slow but gradual improvements in civic mindedness. Other beneficial movements which also help to strengthen civil society are voluntary, self-help movements such as women's rights groups, pro-environment groups, halfway houses to help drug addicts recover etc.

Dr. A. Sen's views

Let us next briefly discuss the costs and economics of setting up caring communities. Dr. A. Sen, India-born Nobel Prize winner and famous economist, in his book entitled "Hunger and Public Action" (1989), differentiated between two approaches to improving public health, which he called growth-mediated or support-led processes. The first works through fast economic growth, which should be broad-based with high employment opportunities and the use of prosperity to expand basic social services, namely health, education, social security and housing. The second process, the support-led approach, works through the effects of a full program of effective social services e.g. providing milk and nutritious snacks to school children. ASEAN countries do not have to wait for full economic development before starting effective social programs. Providing good primary and secondary education and healthcare services also contributes towards economic growth. There is a strong economic argument that improving the health of the poor helps them to escape poverty. The second approach is a formula to achieve higher and better quality of life. The question arises naturally; how are poor countries going to find the funds to afford and implement effective social programs? The answer lies in the economics of relative costs, according to Dr. Sen. Social services such as education and health are labor-intensive, and they are relatively cheaper in poor and low-waged countries. Thus relative prices and costs are important parameters in determining what a poor country can afford. There is a well-known example of "barefoot paramedics" in Maoist China providing basic health services very cheaply to Chinese peasants; this example substantiates Dr. Sen's argument. In creating the ASEAN Community of "Caring Societies" we should remember and implement Dr. Sen's support-led approach. His approach seems more practical and economical.

Involve the People

Dr. Amitav Acharya has pointed out that "the notion of a "socio-cultural community" does not simply mean recognizing extant social and cultural similarities among societies and states. It requires a conscious desire and effort to engage in interactions in a variety of areas, such as arts, education, tourism, etc. that promote mutual understanding among societies and create a "we feeling". But who are "we"? True socio-cultural communities need to be bottom-up, rather than top-down. As Andrew Linklater (1990:150-51) points out, **the true meaning of community involves identity among peoples, and not just states. To be a socio-cultural community, a regional organization must shed its elite-driven agenda and identity. Developing true regional identity would require greater interactions and identifications at the popular level, to make ordinary people in ASEAN identify with the**



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regional entity, and not just national ones (the two can co-exist, however). ASEAN has done little thus far to draw in the citizenry and the civil society into the ambit of regional interactions.” Thus when the common people and peasants understand and appreciate the benefits of Asean, we can say that Asean is real and not a construct of officials.

Attitudinal Change

After briefly discussing the Three Communities, we should also bear in mind other basic reforms, such as **mindset changes**. We had wisely operated during the first three decades of ASEAN’s existence on a very tolerant, lowest common denominator principle, which placed very few demands on compliance. But if we were really serious about building the Communities, would this not entail greater compliance and commitment to regional cooperation? Is ASEAN ready for this? Building communities such as the Asean or the East Asian Community requires sustained efforts over several decades and huge funding of billions of dollars. Where will the long-term political will, the capacity in governance and huge funding come from? Lastly, there are serious concerns that Asean may be marginalized if East Asian integration moves too fast. There are also cynics who cautioned that there are tendencies of states “talking regionally but acting unilaterally”. Regionalisation is both positive and negative for regional countries just as globalisation challenges all states. It depends on what kind of response states adopt: whether they adapt and seize opportunities; whether they just muddle through; or they are lost. Globalisation has brought the productivity revolution to developing countries, which in theory should benefit from lower labor costs and higher efficiency. But if they are not prepared for globalisation, then neither regionalisation nor globalisation will bring benefits.

Principles

Here are some principles that could help us in the community-building exercise.

- Cooperation is not a zero-sum game; we will all benefit if regional stability and prosperity increases, hence we should be really willing and able to cooperate;
- There should not be a “not invented here” approach; thus we should examine and analyse the experiences of other regional cooperation like the EU and NAFTA and learn from their successes and failures;
- Adopt a patient, tolerant and long term approach, in view of the great diversities and different levels of development among ASEAN countries;
- Involve the people so that it will not just be only officials engaged in the process; there should be public ownership and bottom-up approach;
- Joint development of areas or resources in dispute eg. Spratlys;
- ASEAN should adopt not a “beggar my neighbor,” but instead adopt a “together we prosper” approach, or **Good Neighborliness Principle**

These are principles that could be discussed and further refined and added to as needed.

Practicalities

Here are some practical suggestions for consideration:



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- The community building processes should include Road Maps and criteria which will enable us to measure the progress achieved or not yet achieved;
- Since there is a need to educate policy makers and publics about the Three Communities, we should prepare simple information booklets in the various national languages e.g. Laotian;
- Build mechanisms for implementation and set interim deadlines, perhaps at five year intervals: 2010, 2015, 2020;
- Undertake some symbolic actions to create public awareness and increase the sense of **belonging and bonding** to ASEAN in order to prepare the ground for the Three Communities:
 - i) ASEAN passport for use in internal travel within ASEAN;
 - ii) Organise ASEAN Day celebrations in schools and universities;
 - iii) Set up an ASEAN column in regional newspapers to provide information on “What’s happening in ASEAN.”

The ISEAS Round Table

In view of the great complexities involved in the grand but vague concepts spelt out in the Bali Concord 2 document, in early June 2004, the Institute of Southeast Asian Studies convened a Round Table of scholars from the region in order to try and flesh out some of the concepts spelt out in Bali Concord 2. Some of their recommendations were as follows:

On formulating a Roadmap for the ASC, the following should be considered:

- ASEAN should be realistic in taking account of the urgency and relevance of the many proposals. Not all ASEAN members are at the same comfort level vis a vis the specific proposals.
- The more sensitive elements of the ASC (e.g. peace keeping and peace building) should be formulated in a careful manner or else they will not be acceptable to some ASEAN members.
- The ASC Road Map should not be overloaded with new initiatives. There is a greater need to consolidate existing norms (e.g. the TAC, the 1967 Bangkok Declaration, the ZOPFAN and the SEANWFZ Treaty).
- Some of the proposals should be made explicit and clearly explained e.g. Defense White Paper, Regional Arms Register.
- Bilateral security cooperation can be an essential building block in the ASC.
- The ASC should be outward looking and be related to the ARF.
- The concept of comprehensive security should be emphasized as an important basis for security building within the ASC.
- The time frame for the realization of the ASC should be carefully calibrated. It cannot be rushed.

As for the AEC, the ISEAS Round Table suggested the following:

- First, ASEAN should not use economic terms like “single market” without understanding its full economic implications.
- Second, ASEAN countries were not prepared to harmonize tariffs and to have a common external tariff policy, which are key features of a customs union.



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- Third, ASEAN had agreed to a sectoral approach to economic integration, as reflected in the eleven priority sectors identified by the High Level Task Force or HLTF. However, the Road Map to integrate these sectors was not carefully thought out and there were serious concerns whether the project undertaken within the ambit of these sectors would be successful.
- Fourth, to create an integrated ASEAN market, obstacles to the movement of goods must be removed.
- Fifth, there were no clear guidelines on the “2+X” approach, which was recommended by the HLTF as a means of expediting integration.
- Sixth, despite the promising start, there were some concerns that the AEC project may already be running out of steam. It was suggested that the HLTF should continue with its work and champion the project.

It was unclear what would be the end goal of the AEC. In the first analysis, the AEC could straddle between the highly structured European Union and the less institutionalized NAFTA model, adapting the most desirable structures and practices from the two.

As for the ASCC, the ISEAS Round Table suggested the following:

“As it stood, the ASCC appeared to be an after thought where non-security and non-economic issues were simply relegated. There was a need to clarify what the ASCC mean and what its objectives were. Through the formation of networks of NGO’s, civil society associations would be needed to help build communities from the bottom up. Thus policy makers should tap the potential of civil society associations by co-opting and cooperating with them. Consideration should also be given to redrafting National Action Plans used by member states that had successfully contributed to their national integration, into Regional Action Plans. To help foster awareness of and identification with ASEAN among Southeast Asian citizens, there was a need to develop and disseminate Southeast Asian studies and cultures.”

Why Community Building in EU Succeeded

Why did the process of community building succeed in the EU? Several important factors could help explain this:

- First, the members were mature nation-states that were prepared to pool their sovereignty for the common good and to help achieve common goals;
- Second, they shared similar cultures, histories and were not too dissimilar in terms of size, population and resources and levels of development;
- Third, they were all developed states which had the capacity to engage in community-building;
- Fourth, there was Germany which was prepared to play the role of Financier and bear the burdens of budget payments;
- Fifth, the EU had leaders who were visionary, like Jean Monet, Charles De Gaulle, Konrad Adenauer etc who understood the need to build an European community in order to avoid a repeat of WW1 and WW2.



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In contrast, Asean consists of a group of developing countries which are zealous about protecting their independence and sovereignty, and whose diversity is amazing. Four of ten Asean members are least developed countries; two are experiencing severe economic problems, plus separatism and terrorism threats. Singapore is too small and too frugal to act like Germany. Thus we should not be surprised if the effort to build an Asean Community will meet serious problems. No other group of developing countries has embarked on such an ambitious project. Perhaps after a few years, as in 2010, Asean should make a review and decide whether the target date is achievable.

East Asian Regionalism

There are many problems associated with this concept. First is the **issue of definition: where does East Asia begin and end?** Does it include Siberia, Mongolia, Australia and New Zealand (both will join the Asean summit at Vientiane in late 2004 for the first time)? Next, what is the basis for inclusion or exclusion: geography or interests? Thus the US which many observers will agree has significant economic and security interests in the western Pacific, may be viewed as part of East Asia, via its possessions like Guam. Also, the US is the most significant economic partner of both Southeast and Northeast Asia. Third, is there an East Asian identity or do the peoples there still consider themselves Chinese, Koreans, Japanese, Indonesians etc? Fourth, what is the US attitude to the Asean Plus Three, or APT? This appears to be one of benign neglect. US Assistant Secretary of State James Kelly called the APT "an interesting development, and a very healthy kind of dialog within East Asia" It is likely that the US is wary that the APT could become an anti-US bloc, but in my view, the US will depend on its allies like Japan to ensure that this would not happen. Fifth, the APT could have been motivated by counter-regionalism as Asian states were concerned about being excluded from an expanding EU and American hemispherism. Meanwhile both Australia and New Zealand are said to be concerned over the decline of APEC and the rise of APT, which excludes them. Both have seen their exports to East and Southeast Asia decline in 2003.

East Asian regionalism will have to overcome various obstacles such as the huge differences in cultures, religions, languages, strategic affiliations, political systems, levels of developments and trade orientations, which are extra-regional, towards the US and EU. In contrast, there are integrative processes which include: the development of production chains by MNCs; the proliferation of Regional trade agreements; the Asian Financial Crisis, or AFC, which motivated regional states to cooperate after experiencing frustrations with the IMF; the integrative trade and investments roles played by Japan, the Asian NIEs and China. In general, regional integration is not based on a common ideology but is driven by market forces. Observers have noted that institutional arrangements usually follow market initiatives, and argued that regionalism should be guided by principles such as open regionalism, flexibility and liberalization.

Asean felt that it was necessary to expand regional cooperation, as it would help the region to engage and cooperate, especially after the end of the Cold War divisions; and that the region should organize itself in response to the EU and NAFTA blocs, as argued by Indonesian economist, Dr. Mari Pangestu. Some Asean members such as Malaysia and Thailand had actively promoted various ideas for greater East Asian regional cooperation. Malaysia had for some time since 1990 promoted its EAEC concept, whilst Thailand had launched its Asian Cooperation Dialog/BIMSTEC concepts as well as setting up the Asian



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Bond Fund in June 2003 with US\$1 billion. Asean's bid for Asean-led regionalism began in the 1990s, with the launch of the ARF in 1994. This was followed up in 1997 with the Asean Plus Three or APT. Japan helped Asean as it wanted to assist the Asian countries which had suffered from the Asian Financial Crisis. In August 1997, Japan organized a conference in Tokyo, sponsored by the IMF. The IMF decided to set up a fund of US\$17.3 billion, of which \$4 billion came from Japan. The US persuaded Japan to support the Manila framework or emergency loan, in November 1997. The first APT summit was held in Malaysia in December 1997, in the midst of the AFC. ASEAN has insisted that it should be at the core of the East Asian Community, as it has concerns about being dominated by N. E. Asia. This EAC concept was proposed by Japanese Prime Minister J. Koizumi in January 2003. In December 2003, at an Asean-Japan meeting in Tokyo, Asean formally supported the EAC concept.

Origins

East Asian regionalism processes began in 1990 with the Malaysian proposal to form an East Asian Economic Group or Caucus, which was blocked by the US, as it excluded the US. Momentum picked up after the AFC with Japan's proposal for an Asian Monetary Fund, which the US again blocked on grounds of moral hazard. Then when Japanese PM Hashimoto proposed an Asean-Japan summit, in 1997, the Asean side responded by organizing the first Asean plus Three meeting. Japan remained active in fostering Asian regionalism by setting up the Miyazawa Fund to help the Asian countries afflicted by the AFC and was also behind the Chiangmai Initiative of swap arrangements. The institutionalization of the APT began in the Manila summit which addressed for the first time the cooperation process in 8 areas. Thereafter, various ministerial APT meetings were held annually. This process was further strengthened with the December 1998 suggestion by South Korean President Kim Dae Jung in Hanoi to set up an East Asian Vision Group or EAVG, which would study the issues and make a Report. Their Report proposed 57 recommendations, including the creation of an Asian Monetary Fund, an Asian Common Currency, the East Asian FTA or EAFTA and the East Asian Summit. The next step was the setting up of an East Asian Study Group or EASG in 2001, in order to further analyse the EAVG Report and sort out the concrete/feasible proposals from the more long-term ones. The EASG Report was presented to the Asean Summit held in Phnom Penh in November 2002. It had 26 recommendations, divided into 17 short term and 9 long term goals. It supported the East Asian summit idea; the creation of the EAFTA, comprising 13 states and Taiwan. The East Asian Summit idea has been accepted and Malaysia will host the first one in 2005 and China will host the second one in 2007.

Japan's Role

It was the Japanese who were the pioneers of Asian regionalism in the 1980s. Why Japan and not others? South Korea was absorbed in national economic development and with catching up with Japan. China was busy with domestic reforms and was isolated after the Tien An Men incidents. Asean was busy at the sub-regional level of cooperation and with the Cambodian issue, and later was weakened by the AFC. The Japanese had long felt isolated and were bothered by identity crises: were they Asians or westerners by virtue of OECD membership? They wanted to belong to some group but felt rejected by their immediate neighbors, which had suffered from Japanese colonialism, occupation and WW2 aggression. Japan thus turned its attention southwards to Asean, which welcomed its trade and



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investments. Many new Japanese Prime Ministers made customary visits around the various Asean capitals, and invariably announced some doctrine, accompanied by some offers of aid as goodwill.

Japan's approach and strategy towards East Asian regionalism appears to be driven by rivalry and competition with China, as both strived to assume the regional leadership. China had proposed an Asean-China FTA which observers opined was aimed at strengthening its relations with Asean whilst at the same time was aimed at decreasing US, Japan and Taiwan's influence within Asean. Japan's approach of building a network of FTAs, after its initial hesitations, appears to be thus a counter-strategy to China's rise as well as being motivated by concerns about being isolated. In January 2002, PM Koizumi announced that Japan was willing to conclude an FTA with Asean, called the JACEP or Japan-Asean Closer Economic Partnership, although there are known difficulties over the agricultural sector. In January 2002, Japan also proposed the IDEA or Initiative for Development of East Asia, and also called for the creation of the East Asian community. Both proposals need to be fleshed out. The future of Japan's role in East Asian regionalism is uncertain because of Japanese difficulties with FTAs, especially in regards to agricultural and labor liberalization. Basically, for Japan, Asean is a useful counter-balance to China's emergence as a great power.

In the 1960s and 1970s, for Japan, Asian regionalism was a weak force as Japan was most concerned to find ways to improve its economic relations with the US, as the US was pressuring Japan over its increasing trade surpluses. In 1977, the Fukuda doctrine was announced, signaling Japan's official recognition of Asean as a partner. Next, by the late 1980s, Japan decided to revive the concept of Asia-Pacific regionalism and helped to launch APEC in 1989, which was the first formal, multilateral organization in the region. Japan's interest in Asian regionalism coincided with Dr. Mahathir's proposal to set up the EAEC, aimed at removing US and Australian influence in the region. Japan would not support the EAEC as the US and Australia were both opposed to it. The next step was the proposal of ASEM in 1994, by Singapore's PM Goh Chok Tong. Japan was skeptical about the ASEM idea as it seemed to comprise the same Asian members as the EAEC. It was also concerned that Australia and New Zealand were not included in ASEM. All three are developed countries in the region which have identity problems and orientation difficulties: towards the West/OECD or towards Asia?

Although the US had criticized Japan for not doing enough to help the countries afflicted by the AFC, Japan had contributed US\$44 billion by October 1998, whilst the US only gave \$4 billion. Later, Japan announced the New Miyazawa Initiative, a \$30 billion capital support package. Critics noted that the schemes were repackaging of old funds, not new money. Japan was getting fed up of US criticisms and President Clinton's tilt towards China. At the second APT Summit, PM Obuchi offered a \$20 million Japan-Asean solidarity fund. In May 2000, at Japan's urging, the second APT Finance Minister's meeting was held in Chiangmai, and resulted in the Chiangmai Initiative. Thus through the AFC and because of Japanese attempts to help the afflicted countries, Japan became more involved in East Asian regionalism. Another factor was the failure of the Early Voluntary Sectoral Liberalisation scheme of APEC, partly because of Japan's opposition.

China's Role



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There are several possible interpretations concerning China's role in promoting East Asian regionalism. First, that China wants to build a bloc which it can dominate and lead, and use it as a power base to challenge the US; the problem of course is that some of the members like South Korea and Japan will not agree or accept this. Another theory could be that China wants to co-opt its neighbors which might be negatively affected by its rising economic power, and extend its influence. A third version is that China may be trying to exclude the US by helping to build an Asians-only club; but again this might not work because there are some states which would like the US to continue playing a security and economic role in the region. Lastly, China might be trying to construct a liberal East Asian club in which it has legitimacy and seniority. History will show which theory will prove to be correct. As for possible reactions to China's efforts to build an East Asian community, the reactions of regional states might be divide into: neutral position, adopted by states that do not wish to be pressured by either the US, Japan or China; supportive position, adopted by those who see profit by so doing; negative, by those states that fear that for various reasons, a China-led East Asia might not suit their national interests.

What are China's views on Asean and the East Asian FTA or EAFTA? At a China-Asean conference organized by ISEAS in June 2004, several Chinese scholars expressed the following views. First, they noted that Asean's strategy is to use the competition amongst the great powers to achieve a balance of power and thus enhance regional security, stability and prosperity. In their view, Asean intends to enlarge US and Japan's presence and influence in the region to balance a rising China. They believed that Asean had reached a consensus to use US military and security presence in S.E.Asia as an important element in the regional power-balance. Secondly, they noted that Asean-Japan relations were at a turning point. By taking advantage of the AFC, Japan had strengthened its economic ties with Asean. Also, Asean now wants to cooperate with Japan not only in economics but also expects Japan to be more active in the political, military and security fields. China will face a new security dilemma if Asean-Japan cooperation in the military-security fields develops further. Thirdly, on Asean-China relations, they noted Asean's concerns about economic competition from China. The Chinese scholars stressed the need to institutionalize the EAFTA in order to avoid creating another APEC. They stressed that China did not want to compete with Japan for leadership in the EAFTA, but on the contrary, China wanted Japan to play a very important role. On the EAFTA, the Chinese Development Research Center of the State Council had used a computer model to analyse the benefits to various countries. Compared to the base-line scenario, Asean's GDP will grow by 1.95% or \$50 billion whilst China's GDP will grow by 0.78% or \$22.3 billion. There would be faster growth for all EAFTA members: Asean by 4%, China by 3.4%, S. Korea by 3.4% and Japan by 0.78%.

Views of Prof. T. J. Pempel

Prof. Pempel, who is a well-known expert on Japan, presented interesting and relevant views in his paper delivered at a seminar held in March 2004, organized by the Institute of Oriental Culture, Tokyo University. He noted that there were several ways of looking at Asia: firstly, in terms of differences, (size and population; religions); secondly, in terms of integrative processes, eg. trans-national production chains; finance and banking; trade and investments; communications and tourism. He identified three driving forces: governments, corporations, and track 2 processes. With the arrival of western powers in Asia in the 19th century, Asia began to be fragmented by western colonialism until WW2. Asian fragmentation continued through the Cold War, with various alliances centered on the US,



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USSR and China. In contrast to US policies towards Asia, the US was very supportive of European integration (EEC/Nato). But in Asia, the US created a hub and spoke system of defence treaties, centered on Washington.

Pempel argued that some important developments had energized Asian integration and cooperation:

- The Japanese economic miracle, stretching from the 1960s to 1980s; with Japanese trade and investments sparking economic growth in the Asian NIEs, in the “Flying Geese” model;
- The rise and transformation of China, beginning with Deng Xiao Ping’s 1978 reforms and Open Door policy and the Four Modernisations; China moved from Maoist self-sufficiency towards integration with Asia and the rest of the world;
- The establishment and growth of Asean, together with the “Asean Way”, comprising respect for differences of opinion; consensus-seeking; low levels of formal rules; much consultation and flexibility, patience and understanding; progress at a pace comfortable for everyone. This could become the Asian Way. This was needed because of the mutual suspicions and distrusts between China, S. Korea and Japan as a result of history and the legacy of WW2. To complement the Informal Asean Way, there are formal organizations such as ASEAN; APEC; ARF; APT; SCO. There are also formal inter-governmental cooperation on international crime, piracy, migration, environmental protection, counter-terrorism, and financial cooperation schemes.
- At the popular cultural level, East Asians appreciate karaoke; Korean and Japanese, Taiwanese pop songs, soap opera TV, movies, comics;
- Track 2 activities, which bring together research institutes and NGOs.

Pempel also distinguished between “regionalism” (or top-down, government-led, formal agreements and institutions) type of regional cooperation, from “regionalisation” (or driven by social groups, corporations, NGOs) type of regional cooperation. Finally, he noted that East Asia also had open regional cooperation with fluid external borders eg. APEC, which includes US, Russia, Latin American countries.

A Singaporean View

Dr. Linda Low, in her paper entitled “ A Singapore Perspective on East Asian Regional Integration”, presented at a conference in Tokyo in February 2004, stated that:

“ Asian regionalism, which is yet to be conceptualized and identified, is a laggard and a response to EU enlargement and US hemispherism. Despite Asean’s over 30 years monopoly in the region, it was the Northeast Three which started the momentum towards greater Asian regionalism, starting with financial and currency swap arrangements since the AFC, following the Chiangmai Initiative in 2000. The APT is institutionalized from the EAVG, launched in 1998 at the initiative of South Korean President Kim Dae Jung. Malaysia’s offer to set up an APT Secretariat was opposed by Asean, which feared it would erode the Asean secretariat. The APT is a misnomer, since Asean lacked direction and organization since the AFC. But Asian regionalism



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is likely to be cautious and slow, more reactive than pro-active, more defensive than offensive, depending on how EU and NAFTA cooperation succeed. Much depends on how Asian leadership is crystallized between Japan and China on one hand, or some power sharing with Asean on the other hand. Clearly, geo-politics and geo-economics have changed such that the Asia-Pacific has less relevance as an Asian identity gathers momentum....Asian regionalism in real terms has China at the helm, be it the APT or in the bilateral China-Asean FTA."

The Overlap between APT, ACD and APEC

It is clear that there is considerable overlap between the three forums, even though the geographic foot-prints varies as well as the functional goals of each forum. However, if Asean insists on being the driver of the APT, China could turn to the Asian Cooperation Dialog as its preferred alternative; whilst the US would remain the prime mover behind APEC. But some observers have pointed out that APEC has become irrelevant as US policies become more bilateral or unilateral, or as the US pushes its counter-terrorism agenda within APEC.

Others point to the increasing network of criss-crossing FTAs; for instance there is some interest in negotiating a China-S. Korea-Japan trilateral FTA. During the Asean+3 summit held in November 1999, the 3 leaders of N. E. Asia met for the first time, and agreed to form a research project on trilateral economic cooperation. This started in 2001, and the research teams made recommendations to the 3 leaders at summit meetings in 2001 in Brunei and in 2002 in Phnom Penh and in 2003 in Bali. A simulation study showed that all 3 countries would benefit from a trilateral FTA. In October 2003, the 3 leaders signed the Joint Declaration on the Promotion of Trilateral cooperation.

Then there are substantial regional issues which need regional cooperation, such as combating SARs and international terrorism. Some cynics argue that East Asian regionalism is only a convenient cover when there are no crises; when the crunch comes, many countries will consider their national interests and side with whichever Power can supply their security, political and economic needs. Big questions remain unanswered, such as who will pay the costs of capacity building? Who will dominate East Asia: China or Japan, or are they prepared to cooperate as equals?

Rise of China

In my view, it is the rise of China that will provide the motivation or force for East Asian regionalism. The rise of China is the single most important factor that changes all the political and economic dynamics of the region. Because of its huge size, population that equals/exceeds all the other regional populations combined, and great pool of talents, it is merely a matter of 10 to 20 years before China dominates East Asia. In comparison, Japan has a declining and ageing population, and is now reluctant to accept immigration to reverse these trends. South Korea and Asean countries are too small and weak to counter-balance the Chinese giant. Thus in building the East Asian Community, this means in effect creating a China-dominated community. Its population of about 1.4 billion will comprise about 75% of the proposed community. Contrast this to the EU, where the largest member, Germany, is not as dominant in terms of population, economic strength or political influence as China will be in the EAC.



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Economic integration will be the force that drives East Asian regionalism, and the locomotive will be China, which is expected to become the world's largest economy by 2040. Over time, there will be ever greater economic links between the regional economies. East Asia has been the main beneficiary of China's booming economy: Japan, Hong Kong, Taiwan, South Korea and Singapore accounted for 47% of Chinese imports in 2002, whilst these five provided 59% of China's FDI, according to Oxford Analytica, 7 July 2004.

Asean countries will look increasingly towards China, if the US and EU do not help Asean in terms of trade and investments and security. There could even be long-term decline of some Asean countries unless China directly or indirectly assists by absorbing their exports. In some ways, the proposed EAC represents business opportunities to those who are entrepreneurial enough to seize opportunities in an enlarged regional market of two billion consumers. Within the EAC, China, South Korea and Japan will be the driving forces behind regional trade and investments. Observers have contrasted the shrewd way that China has gone about in cultivating Asean in contrast to the negative message that the US has sent in indicating its intention to remove one US division from South Korea and send it to Iraq. This reduction of US ground forces in Korea comes at a time of increased regional concerns over North Korea's nuclear weapons programs. In contrast, China has launched its concept of its peaceful development, as a way to reassure its neighbors that its rise will not cause any upsets, as it needs a peaceful external environment for its domestic economic development. Chinese General Cai Bing Kui stated at an ISEAS forum in June 2004 that: "China will not create obstacles or threats to anybody. It does not seek hegemony now, nor will it seek hegemony after it becomes powerful in the future." China has also taken other measures to reassure ASEAN eg. Issuing a declaration on the South China Sea; offer to double Asean-China trade; signing the ASEAN TAC; negotiating the Asean-China FTA; it became Asean's first strategic partner.

Thus the key question in my view is: what rules can the others negotiate with China so that the EAC can function effectively, whilst China will not feel too constrained? This effort to seek a political and economic balance between China and the Rest in the EAC has parallels in the history of the EU, between the Big Members such as France, UK and Germany and the smaller EU members. This process of accommodation will become doubly difficult if the other member states become economic satellites of China. The relentless rise of China propels China to become the Black Hole that sucks in raw materials and exert political gravitation pull. (This was a comment by Mr. D. Jargalsaikhan, Chairman of the Mongolian Mineral Resources Authority, reported in the IHT of 10 July 2004. Another Mongolian, L. Sumati, said that "China is the big brother you cannot avoid.") For Asean to insist on being the driver of the EAC may be practical for the Asean Plus Three but over the long run, it would be illogical that Great China would agree or accept this idea in the EAC. All China has to do is to with-hold its cooperation or funds, and this idea will soon collapse.

The only political and economic force that can counter-balance China is the US, which is likely to work with Japan, in order to check the rise of China, using such issues as Taiwan. Thus the key to building the EAC is the triangular relations between China, Japan and the US. We do not have the space or time to go into details of these complex relations. Suffice it to state that if the triangular relations are good, the EAC will be built; if not, the EAC will be a Hollow shell. Both China and Japan will need to reconcile the clash of their respective nationalism and ambitions to lead the region. As the dominant super-power, the



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US is the price-setter; as a rising power, China is still a price-taker: the US sets the regional agenda. It can block or slow down the efforts to build East Asian regionalism; for instance, it blocked Japanese efforts to set up an Asian IMF after the Asian Financial Crisis.

All three Great Powers are acutely aware of these political realities. China too understands the nuances. As a rising power, its current behavior will be different from that of a risen power. Whilst still rising and developing, it needs friends and is willing to be accommodating to the interests of others. Hence it has formulated and propagated its theory of "peaceful development". It is during this period of a rising China, that the others have the best opportunity to engage China and create acceptable norms of regional behavior. Only history will show whether China will be a different type of benign Great Power that is friendly, supportive and accommodating. The strong criticisms made by China about the private visit of Singapore's Deputy Prime Minister Lee Hsien Loong to Taiwan during July 2004 shows how sensitive China is about Taiwan, and its behavior makes one wonder if this is a signal of how China could behave in future when it is even more powerful and established. During the Cold War, when the USSR existed as a Check and alternative Pole of Power to the US, the US was benign and courted Asean. Once the Cold War ended, the US started behaving in an unilateralist manner, as shown in the cases of Iraq and Afghanistan. Its national security doctrine changed towards pre-emption after 911. Will China be any different from the US once there is no countervailing force? The behavior of China over the Taiwan issue will provide good insights into future Chinese policies. As states premise their policies on national interests and real-politik, we should be pragmatic about such trends.

The Taiwan Issue

In my view, the Taiwan issue is the single most important issue that could block the efforts to build an East Asian community. This could happen if China uses force to reclaim sovereignty over Taiwan by 2020. Currently, there are various signals of China's serious intent to block Taiwanese independence, such as its various statements, its war games in July 2004, simulating an invasion of Taiwan, as well as various US responses such as: US intentions to continue arms sales to Taiwan; sending unprecedented 7 aircraft carrier groups near to Chinese waters; US war games played at the US National Defence University in July 2004 etc. The use of force by China against Taiwan, even though China insists that this is an internal matter, would send wrong signals to Asean and Japan, all of whom have territorial disputes with China, over the Spratlys and Senkaku/Diaoyutai islands.

Engagement Processes

Building the Asean Community or the EAC will obviously take much political will, huge funding and capacity building over several generations. The EU was built over 50 years, starting from 1957 and is still on-going, with enlargement of membership and negotiations over an EU Constitution. Asean has been engaged in the socialization and engagement processes since 1967, with enlargement of membership in the 1990s. Thus the EAC should also similarly start these processes as early as possible. For instance, new Asean leaders now routinely visit the other Asean leaders as their first official foreign visits. To strengthen regional ties, sports and cultural activities should be used to build up an East Asian identity. Thus the Eurovision Song Contest, the Euro Football Cup etc are effective instruments in helping to build an European Identity. Other instruments such as an EU passport, the Euro currency etc came at a later stage in the regionalisation process. We should be as comfortable



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in visiting other regional countries as we would be in visiting siblings and cousins. We should automatically be mindful of the Good Neighbor principle when we try to prevent pollution, counter terrorism, or fight SARs, AIDS or Bird-flu or offer practical aid during natural disasters.

What Kind of Community?

What will be the nature of the EAC? Obviously, it is not a Sinic-based community, since the members practise different religions, speak different languages and follow different cultures. Thus it has to be multi-religious; multi-languages; multi-cultural communities, with respect, tolerance and understanding for differences. In this aspect, the multi-identities and experiences of Malaysia, Singapore and Indonesia may be relevant and useful. We are all familiar with slogans such as "Truly Asia" and "New Asia", which encapsulate certain approaches to identity- formulation. What would be the language of the EAC? Asean had pragmatically adopted English as the working language of meetings and documents; would this be also true of the EAC? How should the EAC go about constructing "trust, friendship, complementarity, responsiveness" mentioned by Dr. Amitav as the basics of community building? Also, there are important processes like socialization, identity building and creating norms which the EAC has to tackle.

Conclusion

Asean has begun on building an Asean Community. The vision is bold; the road is long and difficult. Its experience will be relevant and useful to the parallel efforts to build the East Asian Community. But the obstacles are many as a majority of Asean states are either least developed states or are trying to cope with serious socio-economic problems. They thus lack the capacity to engage in community building. Asean members will find these processes very demanding as many are still re-building their economies and societies in the aftermath of the Asian Financial Crisis, and they have been gravely weakened. They are also trying to cope with the insistent demands of modernization, globalisation and terrorism. Not all can cope with so many tough demands coming together at the same time. There is still much conceptual misunderstanding about the structures and processes involved. There are also misgivings about the roles and dominance and influences of the Big Powers, and how the balancing of interests would be achieved. Much cooperation, discussion and brainstorming to clarify ideas and processes will be needed. As for the EAC, perhaps the first step is to form a regional association, such as the Asean Plus Three, and through an evolutionary process of socialization and identification, over time via several decades, an East Asian Community may be formed. Whilst what form East Asian regionalism will take is still unknown, whether it be the APT, the ACD or something else like the East Asian Summit process, it is clear that East Asian regionalism is here to stay. Meanwhile, existing bodies like the APEC and ARF will remain active and useful. One key enabling factor is the need to achieve reconciliation between China, S. Korea and Japan. Declared intentions to cooperate as spelt out in various communiqués will be affected by the dynamics of economic integration and power dynamics.

Mark Hong,
July 2004.
10,000 words.

Asean Community Building and East Asian regionalism

Ambassador Mark Hong,
Visiting Fellow,

Institute of Southeast Asian Studies,

August 2004,

Second NEAT Conference, Bangkok

Founding Documents

- Bali Concord 2, which spelt out outlines of three Asean communities;
- Asean Vision 2020 Statement;
- “A concert of Southeast Asian nations, outward looking, living in peace, stability and prosperity, bonded together in partnership and dynamic development, and in a community of caring societies”.
- Question: What is a community of caring societies?

What is a community?

- Two key features:
- A Social relationship, based on Trust, Friendship and Responsiveness;
- Consists of people who display mutual responsiveness, confidence and esteem, and who self-consciously self-identify: I am an Asean citizen;
- A regional organisation mat grow into a community through an evolutionary process of socialisation and identification;
- A community can be socially constructed.

Processes

- Communities can be imagined: described by historians; argued for by intellectuals; envisioned by politicians and leaders: Singapore is example;
- Concept can be strengthened by media, culture, administration, by elite socialisation, education;
- Based on a sense of collective identity: who is in & who is Out; the bases of national/regional identity;
- Importance of Trust, Friendship & Responsiveness: “If you need my help, just call me”—instinctive bonding during crises;
- Question: Are these processes at work in Asean/East Asia?
- Question: Would visible symbols be helpful, like Asean Institutions – Parliament, Court, University, Passport, Currency, Books and Journals about Asean? On E. Asia?

Three Asean communities

- Bali 2 approved Security, Economic, socio-cultural;
- Inextricably linked, progress together, different impacts; target date 2020;
- Is it doable given weaknesses in governance/ development gaps/ ambitious agendas/ funding?
- How relevant to East Asian community building given the greater problems & bigger scale of wider region? Would they serve as precedents/experiments

Asean Security Community/ASC

- Definition: “A group that has become integrated; a community in which members regard their security as fundamentally linked to one another, bound by common perceptions of security threats, united by common objectives, they rely exclusively on peacefully on peaceful means of settlement;”
- Five areas identified: setting new norms & values; maritime security; counter-terrorism & trans-national crime; defence cooperation; WMD.
- Action Plan adopted in July 2004 at Jakarta AMMM;
- Example of maritime security cooperation: joint naval patrols in Straits of Malacca;
- Question: Can there be an East Asian Security community?
- On what basis – signing the Asean TAC?

Asean Economic Community

- AEC was approved at Phnom Penh summit, Nov02;
- Based on AFTA;AFAS;AIA;HPA;GMS;IAI; Ch I;
- Q: Would a web of FTAs between Asean & N.E.Asia create an EAFTA?
- Note: There is no provision of social safety net;
- 11 priority sectors identified;
- Roadmaps to be adopted at Vientiane summit 2004;
- Question: would the East Asian summit held in 2005 approve an East Asian economic community?

Asean socio-cultural Community

- Final draft report expected ready by Dec 2004;
- Based on national action plans;
- Focus on poverty eradication & human development
- Four key elements:
 - Building caring societies;
 - Managing social impact of economic integration;
 - Enhancing environmental sustainability;
 - Strengthening regional social cohesion.
- Questions: what do all these jargon mean? Is it doable? Where will funding and capacity come from? Based on what values: how about tolerance, compassion, family, education-importance? Need to strengthen voluntary and self help groups. What about considering Dr. A. Sen's support-led approach? Setting up kindness movements?

Connections between Asean community building & E. Asia

- No apparent connection as the Asean efforts are domestic consolidation, whilst East Asian regionalism is external relations;
- However, insofar as Asean members are strengthened as a result, they would be better able to take part in the wider regionalism;
- Asean efforts in community building may serve as interesting experiments or as negative examples in case of failure, or if successful, as inspiration & examples to emulate.

Involve the People

- True socio-cultural communities need to be bottom-up; initiatives and inter-action shd be people-based;
- True meaning of community involves popular identity: “We, the peoples of Asean...”
- Attitudinal change required: to be serious/committed, not just lip-service; walk the talk;
- Tendency to talk regionally and act unilaterally;
- People must see and feel the benefits of Asean;
- Asean still very much an official construct;
- These are lessons for East Asian regionalism.