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## Whither East Asia? Political Will and East Asian Regionalism

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In November 2004, the leaders of ASEAN, China, Japan, and South Korea accepted a proposal put forth by the East Asia Vision Group (EAVG) and agreed to make the building of an East Asia community their long-term goal. This decision represented great progress in the regional process, showing the determination of these nations to work for peace, stability, and prosperity through community building.

Then, in 2005, the first East Asia Summit was held in Malaysia with the participation of 16 countries, including the ten ASEAN nations, the "Plus Three" nations (China, Japan, and South Korea), Australia, New Zealand, and India. That summit marked a further step forward in the process of East Asian regionalism, providing an important forum for strategic dialogue. At the same time, the ASEAN+3 process has continued to move forward, serving as the main vehicle for East Asian regional integration and for carrying out numerous cooperative activities in a wide range of functional fields.<sup>1</sup>

East Asian regionalism has been making significant progress, yet it now stands at a crossroads. On the one hand, there are strong dynamics that have been pushing regional cooperation forward and encouraging

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1. See the two declarations adopted at the first East Asia Summit at [www.aseansec.org/18098.htm](http://www.aseansec.org/18098.htm) and [www.aseansec.org/18101.htm](http://www.aseansec.org/18101.htm).

nations in the region to produce new initiatives and ideas. Many used to believe that the 1997 financial crisis would derail East Asian regional economic development, but in fact the post-crisis dynamic has provided even stronger impetus, encouraging the continued growth of the region. On the other hand, serious obstacles exist. Many of these have been brought up over the past few years—for example, the enormous diversity in the region, the low level of institutionalization, and the lack of spillover effects from economic cooperation to other fields. Disagreements also exist: opinions have differed both before and after the first East Asia Summit, and people have debated such questions as whether East Asia should have a geographical limit and how outside players should participate in the regional process, although everyone seems to agree on the need for open regionalism.<sup>2</sup>

Underlying all these arguments and disagreements is one question: “Whither East Asia?” Undoubtedly, East Asian regionalism has scored remarkable successes, but at the same time it is faced with uncertainty. Opportunities and challenges stand side by side.

## REGIONAL COOPERATION: PROGRESS AND PROBLEMS

East Asia as a region first showed itself to the world in 1996, when ASEAN, China, Japan, and South Korea together started an official dialogue with the European Union (EU), namely the Asia-Europe Meeting.<sup>3</sup> The awareness of the importance of regional cooperation was increasing at that time, and East Asia entered a new era of regional integration following the 1997 Asian financial crisis, which highlighted the importance of cooperation and enhanced the sense of a common fate among East Asian nations. Because of the seriousness and urgency of the crisis, leaders of the ASEAN nations, and of China, Japan, and South Korea, met in Kuala Lumpur to discuss how to deal with the crisis through joint efforts. Thus, 1997 marked the initiation of the East Asian regional process, which is characterized by cooperation in dealing with economic threats throughout the region.

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2. Yeo Lay Hwee, “The Nature and Future of East Asian Regionalism,” in *Emerging East Asian Regionalism: Trend and Response*, ed. Zhang Yunling and Wang Fan (Beijing: World Affairs Press, 2005).

3. Zhang Yunling, “New Regionalism and East Asian Community Building,” in *Emerging East Asian Regionalism*, 3.

The 1997–2005 period can be termed the first stage of East Asian regionalism, a period marked by the rapid development of economic and functional cooperation among nations within the ASEAN+3 framework. During these years, rapid and dynamic progress was made in terms of regional economic integration. These nations, which came together initially to mitigate risks, were now striving for a community of lasting peace, prosperity, and progress. Since the process began, the dynamic has been stronger than expected.

The year 2005 saw the beginning of the second stage of East Asian regionalism with the convening of the first East Asia Summit. Yet this is a stage in which new uncertainties have surfaced. At present, there are both opportunities and challenges in furthering regional cooperation. Outstanding achievements have been made in economic and non-traditional security cooperation and in institution building; at the same time, however, there are still many practical difficulties in all of these areas. This section offers an analytical review of the current situation in East Asian regional cooperation.

### *Economic Cooperation: Dynamic but Inadequately Integrated*

In the last ten years, economic cooperation in East Asia has been dynamic. Since the 1997 Asian financial crisis, regional economic cooperation has expanded from 6 to 16 economies, and the areas of cooperation have continuously broadened. East Asia has become the fastest-growing region in the world, now accounting for approximately 20 percent of the global economy, and the nations in the region are bound by increasingly close economic ties.

Intraregional trade development has been marked by the proliferation of free trade agreements (FTAs). In 2005, intraregional trade accounted for almost half of the region's total. The first steps toward creating an FTA that would cover all ASEAN nations were taken in 2002, with the start of the ASEAN FTA, which is intended to be the basis for the development of an integrated ASEAN market by 2020. Bilateral FTA negotiations between ASEAN and its partners are also underway and have shown step-by-step progress and promising results. China serves as a good example. In 2002, the China-ASEAN Framework Agreement on Comprehensive Economic Cooperation was reached, which stipulated that a China-ASEAN FTA would be completed by 2010. Since then,

the Early Harvest Program, a 2004 corollary FTA to reduce tariffs on certain agricultural and other products; the Agreement on Trade in Goods (2004); and the Agreement on Trade in Services (2007) have been launched or signed, one after the other. This has greatly facilitated the FTA process. South Korea and Japan are also expected to conclude FTA arrangements with ASEAN in 2009 and 2012 respectively.

East Asian financial cooperation has made headway as well, particularly in terms of the ASEAN Swap Arrangements that were outlined in the Chiang Mai Initiative, and in terms of the Asian Bond Markets Initiative. Since it was officially launched in 2001, the Chiang Mai mechanism has seen significant expansion, with the total scale of swap arrangements reaching almost US\$80 billion.<sup>4</sup> And post-Chiang Mai Initiative cooperation is moving ahead, as was clearly indicated by the agreement among the ASEAN+3 finance ministers to a reserve pooling arrangement, an important step toward multilateralization.<sup>5</sup> Driven by the Asian Bond Markets Initiative and the Asian Bond Fund, the overall size of the bond markets in East Asian economies (excluding Japan), expanded by 14 percent in 2005, the share of local currency bonds increased from 13 percent to more than 19 percent, and the Asian Bond Fund II officially started operations with a capacity of US\$2 billion. Moreover, efforts are being made to study the possibility of and conditions for an Asian Currency Unit. This is of course a long-term goal, but once realized, it could be a significant advance in regional monetary cooperation.

In addition, East Asian investment cooperation has been catching up. In 2005, the combined foreign direct investment (FDI) from ten East Asian economies to Mainland China accounted for 58.6 percent of the latter's utilized FDI. In the same year, FDI from Japan to eight East Asian economies, including Mainland China, amounted to US\$15.75 billion.<sup>6</sup>

Despite these achievements, however, economic cooperation faces a number of difficulties and practical problems as we enter the second stage of East Asian regionalism. The most prominent problem is that economic cooperation is not really integrated regionwide. In many

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4. For an overview of the current status of the network of bilateral swap arrangements under the Chiang Mai Initiative, see [www.mof.go.jp/english/if/CMI\\_0704.pdf](http://www.mof.go.jp/english/if/CMI_0704.pdf).

5. Naris Chaiyasoot, "Assessment of the Latest Development of East Asian Financial Cooperation" (conference paper, NEAT Conference on East Asian Financial Cooperation, Shanghai, April 7–8, 2007).

6. Jiang Ruiping, "Positive Interaction between China's Economic Growth and East Asian Economic Cooperation," *Foreign Affairs Review* no. 15 (2006): 15.

cases, we see a combination of bilateral arrangements instead of one integrated multilateral framework. There are reasons for this, one of which is the development gap among East Asian economies. Economies at different development levels vary in their capacities and expectations for economic cooperation, which certainly hinders the integration process of the region. Also, there is a relatively high degree of similarity in economic structures among East Asian nations, which causes rather serious competition in their exports as well as in attracting FDI. Looking at financial cooperation, for example, ten years after the 1997 financial crisis we find that the amount of volatile, short-term foreign capital, or “hot money,” in East Asia is even greater and still lacks effective surveillance and utilization; the financial systems in the East Asian nations are still vulnerable; bond markets remain underdeveloped; and intraregional exchange rate coordination is still far from adequate.

However, the most important reason for the lack of an integrated framework is perhaps the inadequate political will and lack of coordination among China, Japan, and South Korea. Since these three countries account for 90 percent of East Asia’s total gross domestic product, the region can hardly be economically integrated without their coordinated efforts.

### *Security Cooperation: Urgently Needed but Conspicuously Unbalanced*

East Asian security cooperation is mostly carried out in nontraditional security areas, triggered and facilitated by the growing prominence of such critical issues as infectious diseases, natural disasters, and terrorism. In 1999, China, Japan, and South Korea started sharing information on environmental protection, earthquake early warning and forecasting, and transnational crime, and this has yielded positive outcomes so far. Cooperation has also been enhanced under the ASEAN+3 framework in strengthening environmental protection; fighting communicable diseases such as severe acute respiratory syndrome, or SARS, and avian influenza; and responding to devastating natural disasters such as earthquakes and tsunamis. In 2004, ASEAN+3 held its first Ministerial Meeting on Transnational Crime, taking a concrete step toward nontraditional security cooperation. In 2005, ASEAN+3 signed the Beijing Declaration to strengthen coordination and cooperation among member nations’ police forces. At the 12th ASEAN Summit, held in January

2007, the leaders agreed to get tougher on terror. And at the second East Asia Summit, held immediately after the ASEAN Summit, member states adopted the Cebu Declaration on East Asian Energy Security, demonstrating their commitment to ensuring energy security in the region. Cooperation in the nontraditional security areas has thus been dynamic and fruitful.

In comparison, cooperation in the field of traditional security has lagged far behind. Perhaps the 2002 signing of the Declaration on the Conduct of Parties in the South China Sea can be regarded as one of the few examples of cooperation on traditional security. To some degree, the signing of the Treaty of Amity and Cooperation in Southeast Asia also shows at least a willingness by member states to cooperate in areas of traditional security. East Asian states also cooperate under other frameworks, such as the ASEAN Regional Forum and the Six-Party Talks. The recent achievements of the latter dialogue are encouraging, although the road ahead is still long and rough. Because of these efforts, East Asia has been fairly stable and the most serious problems and risks in the region are relatively under control.

In short, we have seen the unbalanced development so far in terms of cooperation in the fields of traditional and nontraditional security. One important reason for this imbalance is the lack of mutual political trust. Because of historical issues; territorial disputes; and differences in political systems, ideologies, religions, and cultures, it is difficult for states in the region to dispel doubts and suspicions toward each other. Without a sufficient level of trust, it is impossible to build a collective identity, which is critical for a community in the traditional security sense. Moreover, East Asia is a region in which the big powers have complicated strategic interests. Some other elements and mechanisms are also at play. For instance, the hub-and-spokes system that the United States set up during the Cold War years still has a significant impact on regional peace and stability. Under such circumstances, substantive cooperation on traditional security is a complicated issue indeed.

### *Institution Building: Plenty of Mechanisms but a Low Level of Institutionalization*

Since the 1997 Asian financial crisis, various regional cooperation mechanisms have been established at different levels and have provided

important platforms for the smooth implementation of cooperative measures in a number of areas. The main vehicle for East Asian cooperation and East Asia community building is ASEAN+3, which actually includes mechanisms at the ASEAN+3, ASEAN+1, ASEAN, and Plus-Three levels. In the last decade, ASEAN+3 has produced great achievements in institution building. ASEAN+3 Summits have been held regularly with the participation of heads of state and governments from around the region since 1997. Beyond that, however, ASEAN+3 covers more than 18 sectors, comprises 50 bodies, and includes more than a dozen ministerial meetings and even more director-general meetings. In short, ASEAN+3 has become “a web of cooperation spanning the cultural, economic, functional, political, security, and social areas.”<sup>7</sup>

The East Asia Summit is another significant outcome of institution building in the region. As a strategic forum with external countries, it has become a positive supplement to the ASEAN+3 mechanism and an important contributor to East Asia community building. In addition, there are many subregional arrangements and quite a few Track II mechanisms that are playing increasingly important roles in regional cooperation.<sup>8</sup>

However, despite the great number of high-level meetings, the level of institutionalization of the cooperation mechanisms and arrangements in East Asia is quite low. Many of them are limited to information exchange and expressions of goodwill and are therefore not very effective in producing tangible results. It seems that there is a lack of strong incentives for institution building even though there has been a lot of rhetoric. To institutionalists, ASEAN+3 is not a formal institution based on legal-rationalistic foundations but merely a cooperative framework or loose arrangement. It is often criticized for its lack of structure, formal agenda, or clear format for decision-making procedures and implementation.<sup>9</sup> Such a low level of institutionalization may have increased the comfort level and helped maintain the integration process, but it does not encourage further progress toward institutionalization and in fact loosens the efficiency and effectiveness of cooperation.

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7. Ong Keng Yong, “Foreword,” in *ASEAN+3 Documents Series 1999-2004*, ed. ASEAN Secretariat (Jakarta: ASEAN, 2005).

8. Su Hao, “Regional Institutional Building in the Process of East Asian Regional Cooperation,” in *East Asian Cooperation and Sino-American Relations*, ed. Zhu Liqun and Wang Fan (Beijing: World Affairs Press, 2006).

9. David Shambaugh, “The Evolving Asian System: A New Regional Structure?” (conference paper, East Asia Cooperation and Sino-US Relations Conference, Beijing, China, November 3–4, 2005).

This low level of institutionalization is often defined as one of the characteristic features of East Asian regionalism. It is sometimes called the “ASEAN way” or the “Asian way.” A comparative study of East Asia and Europe has pointed out the differences between the two regions. European regionalism is legalistically based and politically motivated, while East Asian regionalism is informally oriented and economically motivated.<sup>10</sup> It is true that because of the different regional dynamic and institutional order, East Asia cannot—and need not—be a copy of the EU. However, a sufficient level of regional institutionalization is needed if a region is to implement measures aimed at closer cooperation and the building of a community.

In sum, East Asian regionalism has made progress in all areas. In the political and security areas, the nations that have joined this regional process have not had military conflicts with one another. Even though many issues—especially territorial disputes—are yet to be solved, settlement through negotiation and dialogue seems to be accepted by most as the norm for behavior. The original five countries of ASEAN have not fought against each other since 1967, when the Bangkok Declaration was signed; the ASEAN 10 have not fought against each other since the ASEAN expansion; and the ASEAN+3 countries have not fought against each other since they became involved in the regional process. In nontraditional security areas, many mechanisms have been set up to deal with common problems and challenges. Energy security and conservation, public health, natural disasters, and environmental protection are all considered to be areas for strengthened cooperation. China and Japan, for example, have cooperated on many of these issues in recent years, even as the two countries were experiencing difficult times in their bilateral relations. Economic cooperation has been extremely dynamic as well, as joint efforts have been made and great successes achieved in trade, finance, and investment.

Given this peculiar situation in which East Asian nations are building a community while a Westphalian culture still dominates in the region, the achievements made to date in promoting the ideal of an East Asia community are even more remarkable. But at the same time, given this situation, we should not be surprised that disagreements on important regional issues have been surfacing and are looming larger than before.

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10. Peter Katzenstein, *A World of Regions: Asia and Europe in the American Imperium* (Ithaca: Cornell University, 2005).

## BUILDING A COMMUNITY OUT OF A WESTPHALIAN CULTURE

It is precisely now, when all this progress has been made, that East Asia faces new choices. It can go forward toward further regional integration and realize the ultimate goal of building a regional community. It can meander around the crossroads, maintaining a low level of functional cooperation without a further deepening of regional integration. Or it could even move backward toward a relationship of more suspicion and hostility among nations in the region. All the possibilities are there. If the region does not move forward, however, it is quite possible that it will move backward.

The key to whether the region moves forward or backward lies in the political will of all parties, which lags far behind the dynamic regional processes of economic and functional cooperation. Many have compared East Asia to Europe. If that comparison tells us anything, it is that there are conspicuous differences between the regional cultures. In particular, it highlights the fact that East Asia is still dominated by a Westphalian culture, which lies behind the lack of political will.

There are several features that characterize a Westphalian culture. First, there is a strong sense of sovereignty.<sup>11</sup> Almost every nation in this region is highly sensitive to national sovereignty and takes it as the property that protects the state and enables it to live and prosper. Two important factors play a particularly significant role in this respect. One is the recent history of the region. Colonization and aggression before and during World War II and hostility and confrontation during the Cold War have formed the recent memories of the Asian nations. It is therefore natural that many consider independence to be precious and view sovereignty—a Western concept and the most important principle in the modern international system—as crucial for protecting their national interest. The other factor, related to the first, is the sensitivity to territory. Unresolved territorial disputes among many of the countries in the region heighten this sensitivity. Related to that is the rise of irrational nationalism in various countries, which adds to both the sovereignty- and territory-related sensitivities.

A second feature is that military power is a highly sensitive issue for a Westphalian culture with the state at its center. The military strength of a

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11. Amitav Acharya, *Constructing a Security Community in Southeast Asia* (London: Routledge, 2001).

nation-state is seen as the most important means to guarantee its survival and to protect its interests because the regional system, as well as the international system, is anarchic. Although nations can gain a lot through cooperation, a Westphalian man is always worried about how much more others may gain in cooperation and about whether the gain by others will be used against him in the future.<sup>12</sup> Power, and especially military power, is therefore always at the forefront of his mind. As a result, nations are sensitive to the growth of overall capabilities in general and military might in particular.

In addition to the concern about growing power in the region—especially that of China—there is also the worry about the military alliances with the United States. The hub-and-spokes alliance structure in East Asia, including the formal US military alliances with Japan, South Korea, the Philippines, and Thailand, and the informal US alliance with Singapore, continues to exist as the dominant security framework in Asia, but some believe that US dominance has been declining and that US allies may no longer consider US interests a priority. Some even argue that the United States may be excluded from the region mainly because the rise of China will change the regional power structure.<sup>13</sup> Concern about hard power, therefore, reflects distrust among the nations in the region as well as worries on the side of the United States.

Third, the East Asian regional process is primarily a government-dominated process. It is true that regional cooperation in East Asia has been driven by economic need. However, in East Asia, the state has been strong and society weak, especially compared with Europe, resulting in a state-dominated regional program. Since the 1997 East Asian financial crisis, the governments in this region have realized that they need to cooperate to better meet the challenges and reduce the risks brought about by globalization, and that they should work together on the basis of common interests. Thus, most of the regional programs and initiatives have been started by governments.

For a community, however, sharing a popular society and a sense of identity is important. It is clear that economic cooperation has brought great

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12. Joseph Grieco, "Anarchy and the Limits of Cooperation: A Realist Critique of the Newest Liberal Institutionalism," in *Neorealism and Neoliberalism: The Contemporary Debate*, ed. David Baldwin (New York: Columbia University Press, 1993), 116–140.

13. Michael Yahuda, "East Asian Cooperation: Prospects and Challenges" (conference paper, East Asia Cooperation and Sino-US Relations Conference, Beijing, China, November 3–4, 2005); US-China Economic and Security Review Commission Report to Congress (July 2002).

benefits to peoples in the region in the past decade. Communication and exchange have been strengthened thanks to the efforts made by all nations in East Asia. But it would be a mistake to believe that geographical proximity can naturally bring about mutual understanding and trust. Sometimes we may live in close proximity but know little about each other. Since East Asia's regionalism has a very short history and since the efforts have mostly focused on economic growth, the level of people-to-people exchange is far from sufficient. The fact that nationalism has been on the rise in the region is an indication of the inadequacy of efforts to date to build a common culture and sense of community among the people of the region.

The Westphalian culture means that tensions exist between the effort to build a regional community and worries about each other's intentions in doing so, between a dynamic and profitable regional process and uncertainties about each other's intentions and future orientation. Considering these factors, we have to admit that the East Asian nations have made remarkable progress in the last ten years. But while community building is moving ahead against the Westphalian background, at the same time we need to see clearly that the Westphalian culture does have a strong impact at this crucial juncture and that disagreements exist as to how to build this community.

## DISAGREEMENTS ON APPROACHES TO AN EAST ASIA COMMUNITY

The efforts to build a regional community, while enormous, have been accompanied by all the considerations that naturally emerge within a Westphalian culture, as described above. Thus, when there are tangible common interests, cooperation gains dynamism; when the Westphalian concerns conflict with community-building efforts, political will becomes diluted and hesitation dominates. This is a most serious dilemma as East Asia reaches a crossroads. Since the first East Asia Summit, a number of disagreements have emerged, further reflecting the dilemma facing this region.

### *Disagreement on the Definition of the Region*

In the years since the decision to hold an East Asia Summit, a debate has been going on as to how to define the region. There are primarily two

different schools of thought. Some argue that the region has been clearly defined by the EAVG as including only ASEAN+3, and they believe that deepening is more important than widening at present. Others, however, believe that the definition of the region should expand to include other nations such as India, Australia, New Zealand, and more. In 2001, for example, then Japanese Prime Minister Koizumi put forward the idea of an “enlarged East Asia community,” which would include Australia and New Zealand.<sup>14</sup>

The insistence on ASEAN+3 is based on the belief that certain geographical limits should be set to make the process effective and substantial. The advocacy of expansion and the inclusion of outside powers to establish a larger region, on the other hand, might be based on political considerations rather than a mere geographical consideration.<sup>15</sup> The disagreement seems to be one of different approaches and ideas about how East Asian regionalism should go forward. At the same time, it perhaps implies a consideration of power relations in the region, for example balancing a rising China or maintaining a certain balance of power. Although the first East Asia Summit was held after all sides had agreed with the ASEAN consensus on its membership, the disagreement has only been shelved rather than solved.

### *Disagreement on the Leading Force for the Regional Process*

East Asian regionalism has been led by ASEAN, the group of small and medium-sized nations that started the process and set up its rules and norms.<sup>16</sup> Since 1997, the process has been enlarged to include China, Japan, and South Korea, and the ASEAN+3 mechanism was thus created. That new mechanism, however, has been accompanied by a debate as to who should lead the process. Some argue that the European integration process has been successful because two major powers on the European continent, namely France and Germany, have played a crucial role and provided the leadership. The situation in East Asia differs from Europe in that it lacks effective leaders. With the involvement of the “Plus Three” countries, should China, Japan, or South Korea, or the three together, play the leading role?

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14. Qin Hausun, Wang Shunzhu, and Gu Yuanyang, eds., *Roadmap for Asian Regional Cooperation* (Beijing: Shishi Press, 2006), 49.

15. Katzenstein, *A World of Regions*, 6–13.

16. Acharya, *Constructing a Security Community*.

With the holding of the East Asia Summit in 2005, the leadership debate moved beyond a mere argument about the lack of major power leadership. Now that the two processes, ASEAN+3 and the East Asia Summit, are moving ahead together in the region, what functions and roles should they play respectively? The East Asia Summit, which includes Australia, New Zealand, and India, seems to illustrate the very nature of East Asia's open regionalism.<sup>17</sup> ASEAN+3, on the other hand, continues to develop more substantive cooperation among a smaller group of members. At the ASEAN+3 Summit and the East Asia Summit in 2005, the roles of these mechanisms were defined respectively as being the main vehicle for community building and a forum for strategic dialogue. But since that time, another round of debates has gotten underway, questioning which mechanism will play a more important role and whether the East Asia Summit should be strengthened to provide the major platform for regional community building.

Thus, the leadership debate has been moving along two tracks: one focuses on which player or players should lead, while the other centers on which process, ASEAN+3 or the East Asia Summit, should play a more important role in the regional process. The debate is far from over.

### *Disagreement on Institutionalization*

As discussed above, East Asian regionalism is characterized by its low level of institutionalization and informality.<sup>18</sup> Over the past several decades, this informal style—the “ASEAN way”—has helped to bring together nations in the region and to maintain the process of prosperity and progress. Especially in light of the complexity and diversity that exist in almost every aspect of life in East Asia, it is fair to say that without following the ASEAN way to some extent, it would have been impossible for East Asian nations to cooperate so successfully.

However, along with the rapid development of East Asian regionalism, and particularly with the decision made by the ASEAN+3 leaders to make the building of an East Asia community their long-term goal, the question of institutionalization has arisen again as an important topic.

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17. The conditions for participation are that these countries must 1) join the Treaty of Amity and Cooperation or have agreed to join it, 2) be a formal ASEAN dialogue partner, and 3) have substantive cooperative relations with ASEAN.

18. Acharya, *Constructing a Security Community*.

On the one hand, some believe that the low level of institutionalization in the East Asian regional process is more beneficial because it has managed to work and because East Asian cultural characteristics are unique. On the other hand, some warn that European regionalism has succeeded because it is rules based and thus stress that East Asian regionalism should be more institutionalized.<sup>19</sup> When East Asian regionalism was in its early stages, a loose arrangement was more beneficial, but as it continues to develop, it will require more formal institutions to provide a binding effect on the nations concerned. The ASEAN Secretariat has complained many times that the low level of institutionalization makes the implementation of ASEAN+3 Summit decisions and other important measures extremely difficult. While the Europeans have produced one treaty after another, Asians prefer to have declarations that do not have a strong binding force. On the surface, the present disagreement over institutionalization is about whether a high level of institutionalization will create a democratic deficit as is thought to have happened in Europe, but the underlying worry is perhaps more about the erosion of national sovereignty.

### *Disagreement on Areas for Cooperation*

There is a de facto disagreement over the areas in which nations should cooperate, although all sides have expressed a willingness to have wide-ranging cooperation. The consensus is that cooperation should be carried out in whichever areas are easiest, implying that in some areas, such as traditional security, cooperation is still very difficult. So far, the majority of the cooperation has occurred in terms of economic and functional issues, and it is in these areas too that the greatest progress has been made to date. It is very difficult, however, to have any spillover effect from successful cooperation in these areas to highly political issues.

European regionalism's greatest achievement is that it has made war among the European nations "not merely unthinkable, but materially impossible."<sup>20</sup> For this purpose, the Europeans have built up their institutions in both functional and political areas. East Asian regionalism differs in that it was initiated as a result of urgent economic needs. Considering the security problems the

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19. Qin, Wang, and Gu, *Roadmap for Asian Regional Cooperation*, 54–55.

20. Robert Schuman's "Schuman Declaration" (May 9, 1950) can be found online at [www.europa.eu/abc/symbols/9-may/decl\\_en.htm](http://www.europa.eu/abc/symbols/9-may/decl_en.htm).

nations face in East Asia, multilateral frameworks for traditional security cooperation are not easy to come by, even though everyone seems to agree that the Korean nuclear issue endangers regional security and that some multilateral framework is needed to maintain peace and stability.

These disagreements show that a consensus on the roadmap for building an East Asia community is yet to be reached. Sometimes, we use the European model as a term of reference, but in fact the East Asian approach is very different mainly because of the clear existence of a Westphalian aspect to regional interactions. Some may argue that Europe five decades ago was in a similar, or even worse, position in some regards. But one thing is worth particular attention: European regionalism, which was supported by the United States, started after World War II, when the European nations were all allies and needed only to overcome the historical legacies. In Asia today, we have both bitter memories of the past and strong levels of distrust about each other's intentions in the present to overcome, while the United States is somewhat suspicious and hesitant. This is a fact to deal with and not something to complain about. These disagreements reflect the tenaciousness of the Westphalian culture that has existed in the region. If we are to overcome these difficulties and realize the goal of building a community, our political will must be stronger than the tension produced by the region's Westphalian culture.

## POLITICAL WILL AND A SUSTAINABLE REGIONAL PROCESS

East Asian regionalism is still in the initial stages and remains quite weak. Considering the presence of a Westphalian culture in this region, it is natural to have disagreements—and more can be expected. We must admit this fact and realize that it is impossible to change this overnight. The crucial question at present is how to maintain the momentum on the one hand and reduce the intensity of the Westphalian culture on the other, thereby relaxing the tension between the two. We must amass sufficient political will to at least maintain the momentum of regional cooperation and integration. In this regard, there are a number of measures that are important to the further progress of East Asian regionalism.

First, the regional cooperation process must be maintained. Since East Asia has neither a strong legalistic foundation like Europe nor

a clear power structure like North America, East Asian multilateral regionalism is primarily process oriented. More often than not, keeping the process going is the most important work facing the region. There are complaints that the East Asian regional process often fails to produce tangible results and that therefore the various mechanisms continue to be like so much loose sand. But we must remember that the process itself is of great significance, for the process of building an East Asia community is valuable for confidence building and suspicion reduction, for the creation and learning of norms, and for the expansion of common interests and convergence of expectations. Only by maintaining the process at this initial stage can we hope to achieve tangible results in the future.

To say that the process matters does not merely imply that the process is important because the rules and norms (both regulatory and constitutive) that it produces matter; rather, it also means that often the process itself is the focus. Once nations are involved in the process, they are integrating and being integrated. Therefore, "process maintenance" in East Asian multilateral regionalism is often more important than producing results. For East Asia, where diversity is so conspicuous and where small and medium-sized nations hope to "socialize" major powers through regional community building, the regional process itself is often the end as well as the means. It is the process that has woven a regional web, entangling all concerned as stakeholders. This attention to process maintenance and trust building may be called "soft institutionalism."

Second, integration rather than containment or balancing should be the way to achieve a community. Very often, words like balancing or containment come to mind and the Westphalian culture makes this inclination even more pronounced. Especially in light of China's rapid development, various concepts of balancing have emerged, and policies made by countries in the region are sometimes influenced by such ideas. But balancing China (or India, in a similar sense) is highly risky. China is not the Cold War Soviet Union and is hard to define as an enemy. It is China's own will to join the process, and the changing identity of China serves as an important variable that has made the region more stable and prosperous than before. China's rapid development has provided more opportunities for the nations in the region. Australia, for example, hopes to join the regional process for the gains it can make from the strong economic dynamic rather than as a way of balancing China. Integration is a vastly preferable means to build a

community, as the expansion of ASEAN to include Vietnam and Lao PDR has shown. Traditional strategic thinking with regard to balancing and counterbalancing would fail East Asian regionalism and push the region back to a Cold War scenario, a scenario that nobody would like to see.

Third, nations in this region should work harder to set up a regionwide FTA, or an East Asian FTA (EAFTA). The East Asian regional process was started with the specific purpose of dealing with the East Asian financial crisis. It was a common threat that made these nations aware of the importance of regional cooperation. Although this process did not have a clear political goal as the EU did in the early 1950s, cooperation aimed at economic development has produced norms and rules during the course of its evolution. Continued cooperative efforts in the economic arena are the most effective way to push the regional process forward, and the most effective measure is to work on the earlier completion of the EAFTA, which will produce greater benefits than will bilateral FTAs.

Fourth, major powers should exercise restraint. The political will to work together, to settle disputes through consultation and dialogue, and to make concessions if the regional process itself threatens to be derailed must be the norm we follow. In this respect, self-restraint on the part of the major players is indispensable. The agreement that ASEAN should take the leading role and sit in the driver's seat is not mere rhetoric. In a Westphalian culture, suspicion among major powers could doom regional cooperation. Neither China nor Japan, for example, can take the lead, for it could start a malignant spiral of competition and increase the level of suspicion and distrust. Their self-restraint and support for the leading role of ASEAN is a practical measure to hold the regional process together. Community building, by definition, rejects the use of hard power while requiring the smart use of soft power and influence to move the process forward.

In this respect, relations between China and Japan are crucially important. In the past few years, voices at various conferences in the region have expressed concern about the relations between the two countries, as well as hope that China and Japan will improve relations. It is a general belief that tension and hostility between the two countries hinders regional cooperation. The visit of the Japanese prime minister to China in October 2006 and the joint statement by the leaders of the two countries were good signs, and the visit of the Chinese premier to

Japan in April 2007 brought further improvement, but relations are still very fragile. Competition between China and Japan for regional leadership could destroy East Asian regionalism. In addition, major actors outside of the region need to show their political will to support a healthy regional process. Unfortunately, neither the United States nor Europe seems to have come up with a clear policy toward East Asian regionalism.

Fifth, within the region itself, public awareness of and popular support for the building of an East Asia community must be strengthened. The political will of nations in the region is not only reflected in their regional policy but also in their domestic arenas. If the building of the East Asia community is to be sustainable, it cannot be an elite program forever. Strong political will is needed to raise public awareness and gain popular support so that a more favorable environment can be created and sociocultural ties enhanced among peoples across the region. This will lead nations to go beyond the mere calculation of their immediate gain from the process and enable them to develop a sense of “we-ness” and of community identity. In this respect, more attention should be paid to young people in the region. Since the East Asia community is a long-term goal, it is important to nurture friendship and trust among the young, who will carry the cause forward.

## CONCLUSION

East Asia is a dynamic region, and cooperation among its nations has been fruitful. The building of a regional community has been accepted as our long-term goal, but East Asian regionalism has now come to a crossroads. The answer to the question “Whither East Asia?” lies in the tension between inadequate political will—a result of the dominant Westphalian culture in the region—on the one hand and the strong dynamic that has propelled the regional process forward over the past decade on the other. At present, this tension is a most formidable obstacle to East Asia community building; whether the process of community building will continue or not depends very much on whether this obstacle can be overcome.

The recent improvement of Sino-Japanese relations shows what an important role political will can play in bilateral relations. At the same time, the disagreement on the definition of the region, the low level

of institutionalization, and the sluggishness of the spillover effects all indicate that the political will is not up to expectations and falls short of the practical needs. It also shows that political will rests on the determination of politicians, the support of the people, and the nurturing effect of the regional process.

Just a few years ago, people had many doubts about an East Asia community. When the EAVG put forward the idea, it was even taken as a rosy dream. Today, it has become very much an accepted term and a common goal. This is why we should be optimistic about the region's future. At the same time, we need to understand that East Asian regionalism is weak and fragile, that the process is of ultimate importance at this stage of regional cooperation, and that great care should be taken to help the region progress toward a more peaceful and more prosperous East Asia.

As for the future development of East Asian regionalism, Jusuf Wanandi has identified two views, one pessimistic and the other optimistic. He discusses the latter view as follows:

The more optimistic view is based on close observations of developments in East Asia, where efforts are being taken to establish new regional institutions. Obviously these observers are mostly from East Asia, and are not only following these developments closely but are also involved in the efforts . . . . They are optimistic because they see the great opportunity of, and are given the chance to participate in, an emerging East Asia that might become the center of development and progress in the mid-21st century.<sup>21</sup>

He is quite right. We must be optimistic, not only because we have made great achievements but also because we cannot miss this golden opportunity in the modern history of East Asia to build a community of peace, prosperity, and progress. The road ahead is still tortuous, but the future is very bright. Seizing this historic opportunity and achieving this vision will require greater political will if we are to overcome the region's Westphalian culture and push the process of East Asia community building forward.

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21. Jusuf Wanandi, "Keynote Speech" (NEAT Conference on East Asian Financial Cooperation, Shanghai, April 7-8, 2007).