

“Towards an East Asian Community?  
What ASEM and APEC can tell us”

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CSGR Working Paper No. 117/03

June 2003

THE UNIVERSITY OF  
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## **Towards an East Asian Community? What ASEM and APEC can tell us**

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### **Abstract**

The idea of an East Asian community is not a new one. Since the 1990s, it has gained considerable influence among regional policy makers. The initiation of the ASEAN+3 process as well as the Chiang Mai Initiative (CMI) indicate that Northeast and Southeast Asians have begun to formulate their own co-operative mechanisms of regional self-help. However, the rapid proliferation of bilateral and sub-regional preferential trade agreements in recent years does not correspond to the logic of building a collective East Asian identity. This paper examines the origins of the major barriers to community-building in East Asia. It challenges the common wisdom derived from constructivist theory that East Asia's political integration and its collective identity will evolve more or less automatically as long as East Asians interact with one another on various levels and through various channels and by adhering to shared norms.

Keywords: ASEM, APEC, East Asian community, ASEAN norms, regional integration

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## **Non-technical Summary**

The idea of an East Asian community is not a new one and may be traced back to the Japanese Meiji era. However, since the 1990s, starting with Mahathir's proposal for an EAEC, the idea has gained considerable influence among policy makers in East Asia. In particular the debate over Asian values appeared to indicate the increased influence of those who promoted the concept of a distinct East Asian community. After the Asian crisis, calls for greater unity and closer co-operation became more articulate. Northeast and Southeast Asians began to construct their own mechanisms of regional self-help. The initiation of the ASEAN+3 process as well as the Chiang Mai Initiative (CMI) indicate a move towards greater East Asian self reliance. However, this trend has been eclipsed by the rapid proliferation of bilateral, trans- and sub-regional preferential trade agreements (PTAs) that have blossomed over the past years. These agreements run counter to the logic of building a collective East Asian identity based on closer co-operation within the group of the East Asian states. Whether or not East Asians will succeed in building an East Asian community does not depend on whether they choose to co-operate in monetary or trade affairs in the first place. As APEC and ASEM show, if co-operation is to induce collective learning processes based on positive shared experience, then the crucial matter is how such co-operation is organised. The ASEAN norms of non-interference, informality and consensus which are generally accepted across the whole region are the major barrier to community-building in East Asia. There is growing evidence that owing to the ASEAN norms regionalization in East Asia, broadly defined as the growing interaction between state participants at various levels, a regionalism has emerged that is marked rather by suspicion, distrust and unwillingness to sacrifice at least a minimum of national autonomy for the sake of pursuing collective action. It is time to challenge the common assumption that in East Asia, due to the degree of political and economic integration already achieved, a quasi linear and automatic evolution of a collective identity can be observed. Interaction does not lead *per se* to a positive attitude among those who interact with one another. Also, norms-guided behaviour does not necessarily contribute to a spirit of community and moral obligation among those who abide by the collective norms. Only if the regional participants place less importance on regional heterogeneity and concentrate instead on harmonising some of their regulatory systems can they will build a community based on trust and positive identification.

## Introduction

In November 2002 the East Asian Study Group submitted its final report to the participants of the ASEAN+3 summit in Phnom Penh. The report states that the

"1997 Asian Financial crisis has awakened the urgent need for institutionalized co-operation and stronger economic integration that transcends the geographical distinction between Northeast Asia and Southeast Asia". (*Final Report of the East Asian Study Group 2002: 3*)

The essence of the report was to set out concrete recommendations to policy makers for building an East Asian community and an East Asian consciousness, and to discuss the advantages of an East Asian summit (EAS) which could provide the new institutional framework for the East Asian community.

The idea of an East Asian community was already a topic for discussion many decades before the famous 'Asian values' debate (on the debate, see, for example, Bessho 1999; Flynn 1999) took off in the 1990s. At the centre of that debate stood the argument supported by Asians as well as non-Asian elites (Wright-Neville 1995) that there was a direct causal connection between the putative singularly Asian values and social behaviour on the one hand and Asia's then exceptional and impressive economic performance on the other. Mahathir's East Asian Economic Caucus (EAEC) reflected the rising political awareness of East Asia's 'Asianness'. But the EAEC was also a response to a specific "competing conception of economic regionalism" (Higgott; Stubbs 1995) at that time, the Asia-Pacific community. The concept of the Asia-Pacific region itself also has a long history (Dirlik 1992), but it attained greater prominence as a result of the Asia Pacific Economic Cooperation (APEC) forum (Peng 1995: 21). Clearly, both concepts are socially constructed and serve different political and societal purposes, the 'Asia-Pacific' concept being the more elusive that is e.g., in terms of who is to be included.

However, Mahathir and the advocates of his idea were not the first to define an Asian community by delimiting Asia from the West. Calls for an East Asian community and Asian solidarity against the West can be traced back to the emergence of the Asianist school in Japan towards the end of the 19<sup>th</sup> century (Hummel 2000: 196). The rise of the 'school of the East' (*toyoshi*) was basically a reactionary movement conceived by Japanese scholars and intellectuals

who opposed Japan's current turning away from China. They rejected the imported Western liberalism of the Meiji era and the West's historical understanding and interpretation of the East (Koschmann 1997; Iida 1997).

Since the Japanese saw their country as Asia's natural leader (Koschmann 1997: 85) their notion of an East Asian community never gained politically relevant influence outside Japan. The Chinese revolutionary Sun Yat-Sen was allegedly China's most prominent advocate of an Asian 'family', but there are doubts as to whether Sun's pan-Asianism resulted from his cultural understanding of Asia, or if the roots of his engagement lay in his communist beliefs (Wong 1987: 17-32). In China, Asianist ideas rather constituted a single discursive (sub-) strand of the overarching discourse on the relationship between Sino and Western civilisation (Duara 2001). The aggressive and nationalistic strand of the Asianist discourse which predominated among the Japanese military elites during the 1920s and 1930s was an ideology that other Asian nations such as China or Korea found it impossible to identify with.

Further development and discussion of the concept during the twentieth century was marked by discontinuities and breaches caused by war, colonisation and de-colonisation, and nation building. The modern Asianist discourse which attracted wide attention in the guise of the Asian 'values and virtues' debate differed from the older Asianism in at least in two fundamental ways. First, modern Asianism includes Southeast Asia in a larger picture of East Asia. Partly for cultural reasons, the narrower Japanese elite definition of the East Asian community basically encompassed the North East Asian states of pre-war times. It was largely for strategic and economic reasons, in other words for reasons of warfare, that the Japanese included Southeast Asia in their concept of the *Greater East Asian Co-Prosperty Sphere*. After the war, the relationship between Japan and Southeast Asia began to change as a result of enhanced trade in the 1970s (Allison 1997; Hook 2001) so that from that decade onward the Asianist map was gradually widened to include Southeast Asia as an equal part. In addition, the Chinese communist system helped to weaken the former Japanese preoccupation with Chinese civilisation.

Secondly, defining and discussing an East Asian community is no longer a Japanese monopoly. The successful economic development and particularly the impressively high growth rates in other parts of East Asia led to a new self-confidence among their political and intellectual elites. Many of them participated in the Asian values debate of the 1990s and clearly contributed to the promotion of the Asianist ideas, above all the idea of a specific *Asian way* in terms of economic development, social life and diplomacy. The participation of other regional actors in the debate on Asian values and their adaptation and modification of the Asianist arguments have undoubtedly democratized the wider discourse on regional community building and given it region-wide legitimacy.

In short, the idea of an East Asian community taken up in the Vision Group's report is not new at all. Neither is the suggestion made by the study group of establishing a specific institutional framework for building and supporting this community, since Mahathir had already floated his idea of an EAEC at the beginning of the 1990s. What is new is the apparent change in East Asian deliberations regarding the political and economic utility of regional integration after the Asian financial crisis of 1997. Experts on East Asian regionalism would doubtless agree that the crisis had a somewhat cathartic effect on how Asian leading politicians and scholars think about the necessity for closer regional co-operation. The crisis made them recognise the advantages of combining regional financial and economic forces and expertise to pre-empt a similar crisis in the future (Koh 1999). Their perception that greater emphasis should be placed on developing their own mechanisms of regional self-help by re-organising regional financial and monetary co-operation was due to several painful experiences. First, the crisis had demonstrated dramatically that the high degree of interconnectedness between East Asian economies already achieved could very quickly turn into a drawback if the mechanisms of regional surveillance and self-help were only rudimentary. Even those economies that were not hit so hard had to deal with domestic disturbances. Secondly, APEC's ability to provide solutions was limited and therefore disappointing for the crisis hit economies. One difficulty which prevented APEC members reaching agreement on a satisfactory policy response to the crisis lay in the membership itself. Some members were less or not at all affected and therefore prioritised solutions other than those favoured by the immediately affected (Wesley 1999: 69). Furthermore, the IMF's rescue packages were suspected of being biased toward a primarily market-led approach that

emphasized deregulation and privatisation. Suspicion towards the IMF was particularly persistent since the prescribed reforms did not address the immediate financial sector problems, but were instead favourable to the interests of American business. In the end, they were perceived as aggravating the economic recession in the affected countries. A feeling of resentment (Higgott 1998a) arose in parts of East Asia and an awareness of the need for better-devised supplementary regional regulatory systems.

### **Closer East Asia Co-operation**

The ASEAN+3 (APT) process initiated in 1997 was the first sign of a new beginning. The first APT meeting was simply an informal gathering of heads of government during the ASEAN summit in Kuala Lumpur. Initially, Japan is said to have been reluctant about ASEAN's idea of holding an informal summit, but allegedly changed its mind after China displayed an open interest in the ASEAN initiative (Stubbs 2002: 443). The convened leaders did not use the occasion to issue a common declaration or to decide upon any collaborative measures. The meeting nonetheless carried a symbolic value because its participants corresponded to the core Asian members of the EAEC.

The APT meetings of heads of government have become part the annual ASEAN summits and a gradual process of 'widening' has been set in train. During the second APT meeting in Hanoi in 1998, China put forward the idea of regular meetings of finance ministers and central bank deputies (Kikuchi 2002: 31). In Hanoi, leaders decided that APT meetings should be held regularly. In addition, an East Asia Vision Group (EAVG) composed of private sector experts was set up in response to president Kim Dae-jung's proposal. The Manila summit in November 1999 issued the *Joint Statement of East Asia Cooperation* in which APT leaders endorsed an East Asia collaboration in the economic field, in financial and monetary affairs, in social and human resources development and various other areas. However, it is worth noting that the joint statement does not specify the intention of building an East Asian community. In order to promote the idea of an East Asian community President Kim Dae-jung proposed an East Asia Study Group (EASG) consisting of government officials which was set up in 2000. The East Asia Vision Group was to report to the East Asia Study Group, which in turn was assigned to

present a final report on concrete measures for building an East Asian community to the leaders of the APT process in Cambodia in 2002.

In 2001, the Malaysian government proposed the establishment of an ASEAN+3 Secretariat. South Korean president Kim Dae-jung brought forward the idea of an APT free trade area, but his attempt was considered premature by the other participants (Stubbs 2002: 444). However, in 2002, his idea was taken up again and leaders instructed their economic ministers to examine the feasibility of the gradual formation of an East Asian free trade area. Taking into account the economic and political distress in which many East Asian countries found themselves and their dissatisfaction with the IMF's rescue packages, the early years of the APT meetings may be seen as a tentative East Asian attempt to gradually step out of the shadow of APEC and to present themselves as an informal political entity. Some optimistic observers already reckoned that ASEAN+3 could potentially evolve into a regional economic bloc rivalling the United States and the European Union (Hew; Anthony 2000: 26). However, the fact that the meetings take place in the margins of the ASEAN summits is a matter that demands attention: it would seem that ASEAN intends to keep the profile of the event low in order to make it appear a rather harmless gathering.

The APT process is not the only regional event indicating a reinforced commitment toward a stronger East Asian regionalism. Another promising project of enhanced regional co-operation is the Chiang Mai Initiative (CMI) adopted in May 2000. Although the Chiang Mai Initiative was not formally promoted within the APT framework nevertheless it was APT members who embarked on this new initiative. The CMI is the first significant move toward a more autonomous and self-defined regional handling of monetary and financial affairs and is an important step towards regional currency stability. Technically, the initiative is an expansion of the existing ASEAN Swap Arrangement (ASA) to cover all APT members. The purpose is to create a mechanism of self-protection for Asian countries under speculative attack. Countries under attack can borrow from each other via short-term swaps of foreign currency reserves, usually US Dollars, and use the funds to buy their own currency in order to stabilize the exchange rate. According to a UN report on regional financial cooperation in East Asia the amount of liquidity under the CMI is “a drop in the ocean compared with the amounts that global



financial markets can mobilize”(Bulletin on Asia-Pacific Perspectives 2002/03: 93). Still, the report holds the view shared by many analysts that the CMI has a "strong symbolic effect" (Bulletin on Asia-Pacific Perspectives 2002/03: 93). It is also a sign that the underlying concept of the AMF had not disappeared (Kikuchi: 28).

### **Disaggregative tendencies**

However, these positive signs notwithstanding the prevailing East Asian perceptions regarding the concept of the region remain equivocal and surprisingly flexible. Even after the crisis, the idea of an East Asian region composed of Northeast and Southeast Asian countries who collectively attempt to overcome shared problems is but one among various alternative approaches to regional multilateralism. Even a cursory overview of recent collaborative developments shows that the APT process is only one of several other collaborative initiatives. Therefore, the empirical evidence about "East Asia becoming firmly embedded in the thinking and discourse of governments and opinion leaders around the region" (Stubbs 2002: 454) is highly contestable. For all the calls for unity and community building, clearly what is regional is not derived from a shared long-term vision or a bigger picture of East Asia. At least in the realm of trade facilitation and liberalization, regional multilateralism is determined rather by short-term considerations about the smoothest way to maximize individual utility. The proliferation of bilateral preferential trade agreements (PTAs), a development spearheaded by Singapore, demonstrates that regional integration can be sought on the basis of *ad hoc* alliance seeking and unilateral action when it comes to concluding trade agreements.

There is clearly a degree of unpredictability and uncertainty in this politics of bilateralism and it is seriously questionable whether this way of proceeding helps to enhance mutual trust and reduce old rivalries within East Asia. Aside from the fact that the politics of bilateralism neither represent nor foster a spirit of community, these PTAs do not support the idea of an East Asian community. They span the wide Pacific Ocean and include, for instance, the USA, Canada, Mexico and Australia. In trade issues therefore, the approach to regional cooperation encompasses the wider Asia Pacific region instead of the narrower 'East Asian community'.

Today, we find an asymmetric web of regional and inter-regional PTAs. Aside from the bilateral PTAs dominating the picture we can observe an upsurge of ASEAN+X agreements, the start of which was the announcement by China and ASEAN of their intention to establish a *China-ASEAN Free Trade Area (CAFTA)* within 10 years. Since Japan did not want to risk losing influence in Southeast Asia to the advantage of China, the Japanese government started a campaign for a *Japan-ASEAN Comprehensive Economic Partnership* in 2002.<sup>1</sup> But the Japanese have more far reaching ideas. Japanese officials are considering the establishment of an East Asia free trade zone to include Hong Kong and Taiwan which could in the future be extended to Australia, New Zealand and the United States.<sup>2</sup> Aside from that, in September 2002, ASEAN ministers signed, with their colleagues from Australia and New Zealand, the declaration on the AFTA-CER Closer Economic Partnership (CEP) which aims to encourage economic integration through practical and business-oriented activities.<sup>3</sup> Also, at their first ever summit in Phnom Penh ASEAN and India, which is not exactly an East Asian country, agreed to work towards a free trade agreement within the next ten years.<sup>4</sup> In addition, the Asia Cooperation Dialogue (ACD) was launched at Thailand's initiative in June 2002. The ACD participants originate from North East and Southeast Asia as well as from other parts of Asia such as Bahrain, Qatar, Bangladesh, Pakistan and India.<sup>5</sup> In a nicely ironical phrase, the *FEER* discussing the utility of a free trade area between South Korea, Japan and China stated that "[...] signing a commitment to a free-trade agreement, or FTA, has become the voguish way to show neighbourly love" (*FEER*, 18 April 2002). This emerging mix of bilateral, sub- and trans-regional initiatives may one day successfully lead to *de facto* economic integration in Asia. It may well be that the competition created today among Asians through this boom in PTAs and FTAs will eventually yield positive political and economic integration since both are causally intertwined (Breslin *et al.* 2002: 22). But there are reasons to be doubtful.

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<sup>1</sup> CNN.com/Business, 5 November 2002.

<http://edition.cnn.com/2002/BUSINESS/asia/11/05/china.japanfta.biz/index.html>, [May 2003].

<sup>2</sup> *Japan Times*, 14 April 2002. See: <http://www.globalpolicy.org/globaliz/econ/2002/0414asean.htm>, [May 2003].

<sup>3</sup> Homepage of the Australian Department of Foreign Affairs and Trade. See [http://www.dfat.gov.au/cer\\_afta](http://www.dfat.gov.au/cer_afta), [May 2003].

<sup>4</sup> BBC New World Edition, 8 November 2002. See: [http://news.bbc.co.uk/2/hi/south\\_asia/2422805.stm](http://news.bbc.co.uk/2/hi/south_asia/2422805.stm), [May 2003].

<sup>5</sup> Homepage of the Energy and Policy Planning Office, Ministry of Energy, Royal Thai Government. See: <http://www.eppo.go.th/inter/ACD/>, [May 2003].

Clearly, these latest developments show that within the region there is still no shared vision of what Asia is about in terms of 'belonging'. No matter what type of community arises, be it East Asian, an East Asian&South Asian one or one stretching across the vast Pacific Ocean, what is important in promoting any type of community is the quality of cooperation. A closer look at ASEM and APEC can account for the current scepticism inside as well as outside Pacific Asia regarding the ongoing process of 'community-building' and the value of APT or the Chiang Mai Initiative seen in this light. A community can only arise if cooperation contributes to mutual trust, helps reduce old rivalries and induces collective learning processes based on positive shared experience. Co-operative processes within ASEM and APEC indicate that a cautious assessment of future community building in Asia should be in place.

### **ASEM, APEC and community building**

ASEM and APEC are institutions of *inter*-regional co-operation which are different from one another in respect of membership, primary goals, political leverage, institutional structure, etc. Nevertheless, they share one major characteristic that makes them commensurate with one another as well as with regional co-operative arrangements in East Asia: both institutions operate on the basis of the so-called-ASEAN norms. The most formative of the ASEAN norms are those of voluntarism, of consent, of non-interference and of informality. There are of course more ASEAN norms (Hund 2001; Harris 2002: 125) but their influence on cooperation is not as significant. Northeast Asian states generally accept these same ASEAN norms (Kahler 2000), therefore we can call them an East Asian *modus operandi* for multilateral co-operation. Against this backdrop the results of an analysis of ASEM and APEC can serve as a frame of reference for assessing the value of regional cooperative arrangements such as the APT process as *social institutions*. The ASEAN norms of voluntarism, of consent, of non-interference and of informality play an important role in the process of community building although this role is not especially positive. In general these norms do rather not contribute to positive collective learning processes among members of a group. In other words, a gradual identification with the group by individual members based on positive experience is rather difficult under ASEAN norms.

### **ASEAN norms and shared interests**

APEC and ASEM are often assessed by measurement of their effectiveness/efficacy. The modest goals achieved by ASEM and APEC account for both members' and observers' general feeling of disappointment. Nobody who is familiar with APEC would seriously deny the discrepancy between members' (and observers') initial expectations of APEC and the shallow level of co-operation finally achieved within the institution. In the case of ASEM, expectations were relatively low from the beginning anyway. Still, disappointment and "forum fatigue" (Köllner 2000: 12) have afflicted the ASEM process as well. Its so-called chairman's statements (better known as 'laundry lists') contain comprehensive and rather kaleidoscopic listings of topics and issues that ASEM should deal with rather than precise goals and measures (Steiner 2000; Lehmann 2000). Basically, ASEM covers a whole host of areas and issues such as, for example the fight against transnational crime and terrorism, child exploitation, reform of the UN, strengthening of the WTO, assuring world peace, peace on the Korean peninsula, etc.

One major problem with ASEM and APEC and other institutions applying ASEAN norms lies in defining specific shared interests and elaborating an explicit working programme. Pursuing shared interests is definitely conducive to building a collective identity (Wendt 1994). Joint success or joint failure within a multilateral framework impacts on members of the group in a psychological way. Goals achieved jointly by a group help each member to identify positively with the group. Conversely, constant ineffectiveness or failure to achieve goals gives single group members little reason to see any particular value in the group.

However, under the condition of ASEAN norms devising and negotiating an specific and explicit working agenda becomes extremely problematic the more members a group has. The norms of voluntarism and informality do not allow any negotiation that aims at shaping a group's agenda. Together with the norm of consent they delegitimize the exertion of gentle pressure on single members, which is sometimes a necessary condition in reaching a compromise. So under ASEAN norms states do not work out an agenda that represents a compromise between members' individual interests and the overarching group interest and that at the same time is precise and explicit. The vague and overly general tone used in the official declarations

originating from the multilateral frameworks in which ASEAN norms apply, be they regional or inter-regional, is indicative of this.

With view to building a sense of community the effect is that no individual group member feels obliged to follow a commonly-defined goal or to subordinate particularistic interests under the umbrella of a shared agenda since there are no clearly defined goals. There are very few incentives for single group members to adjust their individual interests to those of the group. A spirit of community or even of collective identity is not directly fostered in this way. If politicians know from the beginning that it is absolutely legitimate not to agree to compromise they will feel no moral obligation to cooperate responsibly with the group's aims, nor any accountability to the group.

Today, it seems as if this prolonged struggle to define APEC's real purpose and the inability of its members to agree on a common and indisputable agenda has disabled APEC. For some, APEC should have developed into a platform for trade and investment liberalization with binding agreements, concrete collective timeframes and a dispute settlement mechanism. For others, APEC was no more than a discussion forum offering economic and technical cooperation. The ongoing struggle over this fundamental question was reflected in, for example, the comparatively late establishment of the ecotech subcommittee, in the struggle over the adoption of individual action plans for ecotech, and in members' attempts to use the summits to direct APEC either the on the path to liberalization or on the route towards ecotech. In consequence, regional participants prefer to seek trade deals outside APEC's multilateral framework today.

### **Quantity versus Quality**

The Asian style of diplomacy typically exhibits a preference for dialogue over binding decision making. Thus, to dismiss ASEM, APEC or any other regional institutional as mere 'talking shops' where little action takes places falls short of the truth. Above all, it does not account for the longevity of all the institutions under ASEAN norms. Their longevity is due among other things to the steady growth of collaborative projects. Over the years numerous projects have been conducted through ASEM and APEC. Sometimes, as in the case of the Asia-Europe Foundation

(ASEF) successful and useful institutions have been founded. So ASEAN norms do not impede the flourishing of co-operation in primarily quantitative terms. Multilateral frameworks in which ASEAN norms apply are surely more than simple 'talking shops'. Judging by the sheer number of projects it can surely be said that overall APEC and ASEM have been even fairly successful.

Key to this growth in projects and initiatives is the lack of explicitness prevalent under ASEAN norms such as the norm of informality. Lack of explicitness refers to two basic features of ASEM and APEC. First, it means the absence of explicit and binding positive behavioural rules agreed upon within the institution, that is, rules that prescribe behaviour within the group. Secondly, it means the vagueness, already mentioned, of the agendas of both institutions. These two features leave enough room for single members to broadly interpret a leaders' declaration in the light of its own individual interest. Lack of explicitness allowed participants to initiate projects without strict regard to the few existing general aims and principles of ASEM and APEC and instead to focus on their individual interests. As a result, many of the projects do not reflect the collective aims and goals stipulated in the official leaders' declarations and chairman's statements. The co-ordinator of ASEM on the European side, the European Commission, has tried to contain the unrestricted growth of projects by introducing the *Asia-Europe Co-operation Framework* (AECF) which attempts to define a more stringent understanding of the collective aims, priority areas, rules and mechanisms for cooperation. In addition, the EC also published a checklist for new initiatives in an attempt to order thematically the increasing number of projects. Likewise, the Budget and Management Committee of the APEC secretariat followed suit with a *Guidebook on APEC Projects* which basically serves a similar purpose as the AECF.

As a way of establishing mutual trust, the growing number of projects and thus the increased interaction on various levels, the effect was nil. An important precondition for the evolution of trust and stable expectation is predictability (Kohler-Koch 1989) which does not develop easily under the 'Asian' *modus operandi*. In a negative sense, what is predictable under the norm of informality is that everyone will pursue his/her individual interests rather than any group interests, since the latter have never been clearly defined. In addition, interaction in ASEM and APEC is often marked by arbitrariness. The more implicit and uncertain rules and expectations

are, the less group members understand and learn from each other (Kratochwil 1993) and the more difficult it is to establish mutual trust. This becomes salient at the level of implementation.

As a result of the norm of informality areas of responsibility are broadly defined and flexible and are open to *ad hoc* re-interpretation in ASEM and APEC. Often, areas of competence between the various working groups and task forces and the officials in the various committees are blurred; subcommittees, task forces and working groups responsible for implementation have plenty of scope for interpreting the aims and principles of cooperation. Their 'flexible' handling of the agenda is supported by the absence of explicit and binding procedural norms and rules. For instance, 48 so-called 'APEC fora' have been established over the years, each designed to accommodate a certain field of cooperation outlined in one of the several leaders' declarations. The Small and Medium Enterprises Working Group dedicated to the promotion and growth of SMEs in the APEC-region is an apparent example. However, many other working groups such as the Human Resources Development Working Group, the Trade Promotion Working Group, the Fisheries Working Group, the Telecommunications Working Group and the Economic Committee also organize projects on SMEs. If APEC ministers decide to foster the development of SMEs, which of these groups will be in charge? Theoretically, since tasks are not defined precisely, almost every working group, each with its egocentric interests, can claim funding for projects on SMEs. The confusion is exacerbated by the absence of even a notionally unequivocal vocabulary. Informality conflicts with the stipulation of a unmistakable working vocabulary. Therefore, there is no clear definition of what, for example, 'ecotech' means precisely.<sup>6</sup> 'Ecotech' and similarly 'tilf' are used as technical terms, but as in reality these terms are semantic facades that camouflage the vast space of interpretation that underlies them.

As a means of keeping the politically desired balance between projects on ecotech, on trade and investment liberalization and on trade and investment facilitation this weakness of definition can at times often be confusing. The question of whether a seminar on best practices belongs to

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<sup>6</sup> The Ecotech subcommittee (ESC) defines 6 broad ecotech themes that do not necessarily elucidate what ecotech is or should be about. These themes are developing human capital, developing stable, safe and efficient capital markets, strengthening economic infrastructure, harnessing technologies for the future, promoting environmentally sound growth, strengthening the dynamism of SMEs.

ecotech or to tilf remains *de facto* open to flexible interpretations. In consequence, every member tries either individually, or in conjunction with other members who are disposed to take part in a certain initiative, to squeeze as much money as possible out of the available budgets. One way to achieve this goal is to label projects according to their best chance of receiving funding and not primarily according to their original purpose. In practice, it can happen that an APEC member may organize a seminar for other members carrying the label of an 'ecotech seminar on human resources development', but which in the later stages and to the surprise of the participants turns out to be a seminar dedicated to promoting trade facilitation. Unsurprisingly, the 2002 Ecotech Report admits that although tilf-funded projects were primarily designed to meet trade liberalisation and facilitation objectives, they also fulfil ecotech objectives, notably in providing training, capacity building and information sharing.

Overall, ASEM and APEC demonstrate that members acting under the impetus of self-interest and *ad hoc* alliances may well get to know each other better, but this does not imply that they will learn to trust each other. Interaction does not lead inevitably to a positive attitude among those who interact. It can even have the opposite effect and increase suspicion and hostility among the actors. The fact that Singapore and Malaysia have been cooperating on the question of water supply for many years does not mean that suspicion and partial hostility have now been set aside as a result of this co-operation. Tensions between the two states have emerged recurrently and strained relations, with the result that Singapore has decided to diversify its sources of water supply. We cannot expect the rise of an Asian community simply by letting the web of regional interaction grow thicker (Buzan 1998: 70-71). Neither does the mere awareness that a group of states belongs to a single region lead directly to the search for mutually beneficial compromises in conflicts. Put differently, to expect an upsurge of community spirit because of the awareness that Asians share a single spot on the map also falls short, too. The South China Sea unifies several states that border the sea. The interconnectedness of which those states are undoubtedly aware has not yet led to any final settlement of territorial disputes. It is true that "the development of an 'imagined' or 'invented' understanding of region does not axiomatically imply a harmonious and consensual one" (Higgott 1998b: 56).



## Prospects

Close observation of ASEM and APEC reveals that ASEAN norms do somewhat impede the evolution of the kind of regionalism that is characterized by moral obligation, commitment and mutual trust. Cooperation under ASEAN norms lacks the normative and moral pressure on individual members to feel obliged or committed towards the group. Non-interference and national sovereignty delegitimize any claims made by group members to equate some of the group's interests with national interests. Consequently, ASEAN norms hardly give individual members an incentive to identify with the group as whole. It is time to put to an end the prevalent idea that in East Asia, due to its already-achieved degree of political and economic integration we can observe a quasi linear and automatic evolution of a positive collective identity. This is not to deny that collective learning processes have taken place, but these do not necessarily bolster a spirit of community among regional actors, at least none that is firmly based on positive identification since collective learning and the identification of single actors as part of the whole region can also happen *ex negativo*. Today, there is more evidence that regionalization in East Asia, broadly defined as growing interaction at various levels, leads to a regionalism that is marked by suspicion, distrust and an unwillingness to sacrifice at least a minimum of national autonomy for the sake of pursuing collective action.

Statements about moral obligation, solidarity and trust in East Asia such as "East Asian capitalism is also based much more on social obligation and social trust than on rule of law" (Stubbs 2002: 445) are problematic in two ways. First, it seems to be more myth than reality that states that prefer informal, non-binding and pragmatic cooperation must first and foremost be Asian. Variations of this pattern of regional co-operation are found in many parts of the world. Even the New Transatlantic Agenda, an agreement signed between US and Europe in 1995 that aims at improving and deepening US-European relations is in many respects comparable to alleged 'East Asian' multilateral agreements. Throughout the world, many multilateral agreements including Western and European states respectively are based on this 'loose', non-binding and informal kind of consultation. There is, therefore, nothing typically Asian about not choosing binding agreements.

Secondly, regionalism in Asia teaches us that social obligation and social trust are clearly not displayed when actors refuse to sign a formal agreement and to work on the basis of explicit and prescriptive rules and mechanisms of cooperation. This analysis has illustrated that ASEAN norms such as non-interference or informality do not demand any commitment or moral obligation toward the group. In consequence participants are not prevented from acting in a primarily self-centred and uncompromising manner when it comes to tackling real problems or 'sensitive issues'.

Also, the merits of informal dialogues in terms of contributing to a feeling of trust and reliability among members are often overstated. Take for instance ASEM's informal political dialogue. The principle behind it was that informal talks on all kind of politically important issues would help bring both regions together gradually. This underlying idea notwithstanding, informal political dialogue in ASEM did not prove to be overly helpful in preparing the ground for a frank and constructive exchange of views. Problematic issues were addressed, but to date talks on these so-called 'sensitive issues' have not yet culminated in any common declaration that goes beyond the usual set phrases. The political dialogue in ASEM did not even help to overcome old misunderstandings and obstacles in EU-ASEAN relations. As long as the norm of national sovereignty is regarded as sacrosanct, members of ASEM or APEC will not admit any moral necessity to be seriously committed to a constructive political dialogue.

In concluding, community building and collective identity can better arise from cooperation that meets certain preconditions. The rise of mutual trust and a feeling of moral obligation toward the group is not the result of a purely additive process. Under ASEAN norms, states can collaborate on a myriad of projects without intensifying their relations in qualitative terms. ASEM and APEC are the best examples: they will live on, cooperation within these frameworks will not stop, but their contribution to community building will continue to be negligible. APEC's political dialogue which has admittedly already played an important role in paving the way for appeasing East Timor is not comparable to the one in ASEM. However, whether APEC's success in that regard is due to ASEAN norms or to American diplomatic pressure is a debatable question.

Cooperation that is based on shared norms is often seen as conducive to community building (Schaber; Ulbert 1994:159; Jepperson; Wendt; Katzenstein 1996). In principle this may be true, but ASEM and APEC illustrate that a distinction has to be made between norms that primarily ban certain behaviour and those that prescribe positive behaviour in the first place. Behaviour that is guided by collective norms does not over time automatically change the attitude of participants toward the group in the sense that they gradually begin to act according to the expectations of the group. Collective norms do not lead to a spirit of community if the group expects only the preservation of national sovereignty and national interests. Clearly, as long as states do not share sovereignty to some degree in order to harmonize their policies the starting of a process of positive identification between single members and the group will remain rather unlikely.

Another detail we learn from the ASEM/APEC experience is to assess the meaning of discursive practice, which is sometimes overstated, too. The important thing to consider about discourses is that within a society there are different social groups competing for discursive hegemony (Hoffmann; Knowles 1999: 14). Structures and discourses are inseparable from one another because of their dialectic relationship. Discourses can have effects on structures which in turn can change and currently transform discourse and identities. The fact that the concept of an East Asian community is present in contemporary East Asian discourse does not mean that proponents of this concept have attained discursive dominance or hegemony over competing concepts of identity. At first sight it may look as if the APT process and the CMI are the structural inscriptions of the apparently dominant discourse on East Asian identity and community. But APT and CMI do not live up to the concept of an East Asian community as promised by the discourse: they do only at first sight represent a new collective move toward greater regional self-reliance.

Admittedly, the CMI is seen by many as an important element of a 'new regionalism in Asia' and as a proof of the emergence of an East Asian voice (Dieter; Higgott 2002: 30-32). Indeed, the CMI has the potential to develop into a forum where Asians formulate a common policy and create effective regional mechanisms of self-help. However, in order to deserve the hopeful epithet 'new' the CMI needs to be developed further. It is noteworthy that any assistance needed

beyond 10 per cent of the available funds is linked to IMF conditionality. The swap agreement is only supplementary to the existing IMF financing facilities. If the CMI is to function effectively, members of the initiative will need to establish an appropriate surveillance system as well as collective decision making for speedy activation and disbursement of the swaps (*Bulletin on Asia-Pacific Perspectives* 2002/03: 95). Furthermore, in order to develop a monetary co-operation that would enhance mutual trust among Asians a common policy for non-crisis periods must be developed. For instance, in the long term requirements regarding the fiscal balance, economic growth, inflation rate, capitals flows, international reserves, etc could be collectively devised (*Bulletin on Asia-Pacific Perspectives* 2002/3: 95). As an initial step, an effective monitoring system and information exchange could be set up. However, engaging in monetary cooperation of this kind would require some pooling of sovereignty, even if co-operation is only about exchanging data, their generation and processing. It remains to be seen whether Asian countries will one day stop emphasising regional heterogeneity. Once they decide to embark on a slow and careful path towards harmonization of national policies and regulatory systems will they enter into a new stage of regional integration and real community building.

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