Emerging New East Asian Regionalism

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East Asian regionalism is emerging starting with a process of “ASEAN plus three” cooperation and moving to a final East Asian Community. The foundation of East Asian regionalism lies in increasing regional common or shared interests. The significance of East Asian cooperation and integration is its developing process. “10+3” framework is not just an economic cooperation process but also has political significance. The process of East Asian cooperation plays a dual role in community building: reconciliation among the countries, and cultivation of each member itself. The major role of regional institutional building is peace making through cooperation under a regional framework. The cooperation between China and Japan is crucial for East Asian Community building.

In geographical terms, East Asia includes five northeast countries and 10 ASEAN countries. The countries in this region neighbor closely either the land or the sea. East Asia as a region has gradually built up common or shared interests in the areas of economy, politics, security, society and culture, which constitute the foundation of “East Asian regionalism.”

Nevertheless, great diversity, historical grievances, as well as some current contradictions among the countries weaken the consensus building of regionalism. East Asian regionalism is still very weak in the sense of building a real East Asian Community with a clearly defined direction, approach and goal.

The great significance of East Asian cooperation and integration is its developing process. The process itself becomes irreversible, a factor that will facilitate formulating consensus in searching for an appropriate approach and defining the long-term goals.

The emergence of East Asian regionalism

The idea of East Asian cooperation has a long history. In the modern age, it was the Japanese who earliest put forward the concept of East Asian regionalism. By the
late 19th century, Japan had become the first industrial country in Asia. A rising Japan wanted to use regionalism to enlarge its interests in Asia and strengthen its status in dealing with other big powers. Thus, Japan was very active mobilizing the spirit of “Asianism” and tried hard to establish an East Asian identity. But as the sole emerging power in East Asia, Japan’s regionalism was nurtured with expansionism and ended as militarism.¹ In China, some early revolutionists also intended to call on East Asian unity to oppose Western colonization and to save China from colonial carving up. However, this voice was too weak to be influential. After the Second World War, East Asia was divided by international politics. As a result, the voice of East Asian regionalism totally vanished.

Starting from the 1960s, the voice of regionalism in East Asia was raised again, firstly from Japan and then supported by the “Four Dragons.”² But this time, it was more characterized by “Asia-Pacific regionalism,” which aimed at establishing institutional linkage between Japan and other East Asian newly emerging economies and especially with the American economy. Several fora were organized in the Asia-Pacific area, including the Pacific Basin Economic Council (PBEC, 1967), the Pacific Trade and Development Conference (PAFTAD, 1968), the Pacific Economic Cooperation Council (PECC, 1980) and the Asia-Pacific Economic Cooperation (APEC, 1989).

In the early 1990s, there was a new call for East Asian regional cooperation. Dr. Mahathir Mohamad, then Prime Minister of Malaysia, called on East Asia to unite to balance the international economic order by “including economies in East Asia and establishing an ‘East Asian Economic Group’” (EAEG) in 1990, which was later changed into “East Asian Economic Caucus” (EAEC). His idea was not without foundation since an emerging ASEAN and East Asia as a whole required a more favorable international economic system to reflect its interests. The proposal of establishing EAEC was supported by ASEAN since it could make ASEAN the core of the organization and allow it to play a pivotal role in the process. However, Japan did not give support to such an initiative with an anti-Western background.³

Interestingly, East Asia as an economic region was first recognized by the international community in the early 1990s through a World Bank report about the “East Asia Miracle.” Following issue of this report, East Asia became increasingly considered an integrated region due to its economic success. The first time that East Asia as a region presented itself in world affairs was in 1996 when ASEAN together with three Northeast Asian countries, i.e. China, Japan and Republic of Korea (ROK), opened official dialogue with the EU, known as ASEM.

However, the real East Asian cooperation process started only after the Asian financial crisis. An historical step was made on December 15, 1997 in Kuala Lumpur when leaders from ASEAN, China, Japan and ROK came together for cooperation in dealing with the financial crisis and for supporting recovery of the regional economies. In the following year, a joint statement was issued by

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¹ For East Asia in the 1930s, see Zhang Yunling, “East Asia’s Militarism...”
² Asia-Pacific Economic Cooperation (APEC) and the Economic Cooperation Organization (ECO) were organized in 1989 and 1968, respectively.
³ The idea of an East Asian Economic Caucus (EAEC) was inspired by the establishment of the EEC, the European Economic Community.
the leaders that clearly indicated the shared interests for pressing forward with East Asian cooperation. Following this statement, annual informal meeting by leaders and ministers were formalized under a coordinated framework of “10+3.” Although these meetings were only dialogue-oriented in nature, a new spirit of East Asian regionalism began to be nurtured.

In a regional sense, financial cooperation made significant progress through the “Chiang Mai Initiative,” which established a regional framework through “SWAP arrangements.” This framework provides a foundation for further institutional development in the area of monetary and financial cooperation in the East Asian region.

In the trade and investment area, FTAs proceed in a multi-layered approach: ASEAN FTA (AFTA), China–ASEAN FTA (CAFTA), Japan–Singapore Close Economic Partnership (JSCEP), and Japan–Thailand, Japan–Philippines, Japan–Malaysia FTAs (undergoing negotiation), as well as the intended Japan–ASEAN FTA (JAFTA) and ROK–ASEAN FTA (KAFTA). In theory, the benefits from an East Asian FTA (EAFTA) are much larger than any bilateral or a sub-regional one, but so far it has not been on the leaders’ agenda though it seems that the pressure, especially from the business community, has intensified on an early starting of EAFTA.

As a matter of fact, the “10+3” framework is not solely an economic cooperation process. It also has political significance. It will help to improve the relations among the countries in the region. “10+3” serves as a unique regional platform for all parties to engage and cooperate through dialogue and joint activities. China and ASEAN have significantly improved their relations in the process of establishing an FTA and comprehensive economic partnership. The two sides have now defined themselves as a strategic partnership. China, Japan and ROK started their informal leaders’ dialogue annually under this framework, and a joint declaration on strengthening economic cooperation was issued in 2003 by three leaders for the first time in their history.

Based on such progress, a new concept, i.e. an East Asia Community (EAC) has emerged and seems to be accepted by all sides. EAC is both considered a long-term goal and a gradual process for cultivating partnership among all parties in the region.

**Development of East Asian regionalism**

East Asian cooperation originated from a pragmatic need without a well-designed political goal; to some extent, it can be said that even consensus building was weak. However, as a process, consensus seems to be gradually strengthening.

Economic cooperation and integration provide a fundamental stake for East Asian regionalism. But high-level economic integration can be achieved only
step by step due to the great differences among countries in the region. A fully liberalized and integrated East Asian market requires effort of at least a decade or more.

In facing current multi-layered efforts in building FTAs, it is necessary to consolidate to lead eventually to an EAFTA. Based on the current three “10+1” FTAs formula (CAFTA, JAFTA, KAFTA), the rational choice is that EAFTA will be a combination of the three “10+1” FTAs. Thus it would seem advisable to let the three “10+1” FTAs be completed first. This is possible since ASEAN announced that it will start negotiations with Japan and ROK from 2005 and complete them in 2007. If it follows this approach, EAFTA negotiation may start from 2008 and finish by 2010, with complementation of the agreement by 2020. This would require political determination on the part of the leaders of East Asian countries.

The success of developing EAFTA is essential. As mentioned above, it is desirable to design and initiate an EAFTA at an early time. The significant role of an EAFTA is to harmonize the East Asian market system through legal agreements according to recognized international standards. China and Japan should work together in forging an EAFTA, rather than competing “for leadership in East Asia in which each maintains its influence on ASEAN by promoting its own individual relations with ASEAN.”

Regional financial institution is an important part of an East Asian economic community. The Chiang Mai initiative provides a starting foundation based on the bilateral SWAP arrangements for East Asian financial cooperation, but this effort must go further. The subsequent step is to establish a regional framework for the SWAP arrangements and also enlarge the scale; if this works, it is necessary to move it to a regional fund with the idea of pooling some of the large foreign reserves in East Asia. The main role of this fund is to back up the confidence of the financial market and to serve as rescue capital in the event that a crisis emerges. Nevertheless, it should also help to enhance regional financial institutions and the level of the financial management.

The political significance of East Asian regionalism is to realize regional political reconciliation and peace making. Considering its great diversity, East Asia should find its own model for political unity, with the principle of respecting the differences in political systems, social structures and culture colors.

Regional institutional building needs to be strengthened. A further step from the current “10+3” dialogue framework to an East Asia Summit and then possibly to a regional organization (for example, East Asian Organization) is absolutely necessary. The major role of regional institutional building is peace making through cooperation under a regional framework. For this purpose, the region does not need simply a security dialogue, but it also requires some kind of security mechanism. In fact, a pivotal role for the process of East Asian cooperation is that East Asian countries learn how to live together peacefully and to make rules for their relations.
In forging an integrated approach for the current multi-layered processes, it will not end up that existing sub-regional institutions like ASEAN terminate individually initiated programs. However, the new approach will have to coordinate all the various progress into a single East Asian framework, rather than having them compete with each other.

The development of East Asian regionalism has to overcome many difficulties. Great diversity within the region is clearly an obstacle since economic integration is based on high-level economic convergence. For example, EAFTA will have to respect the differences in economic interests on the one hand and establish a standard system for liberalization of the regional market on the other hand.

East Asian integration and market liberalization started from sub-regional and bilateral arrangements. East Asian institutional building has to overcome the difficulty in balancing regional institutions and sub-regional formalities. For example, ASEAN’s identity and role in East Asian institutional building must be respected, but ASEAN itself has to adjust to the new development in East Asia. Furthermore, East Asian regionalism needs to include political cooperation. This requires collective wisdom about how to define and establish an East Asian political cooperation mechanism and security institution without hurting the existing relations both within the region and with those outside the region.

A key factor for the progress of East Asian regionalism is China–Japan relations. East Asian identity will not be built up if China and Japan fail to share common interests and coordinate with each other in the areas of EAFTA, financial cooperation, security strategy and regional institutional building. The current “cool atmosphere” in political relations between China and Japan will restrain the progress of East Asian regionalism.

China’s active participation and role are also crucial in promoting East Asian regionalism. Nevertheless, China has to clear its own house at the same time. The Taiwan issue does not influence just China’s role but also the whole East Asian community building process. China will not allow Taiwan to be involved if its government will not give up its pro-independence policy, and a regional community will not be realized if China and the region fail to find an acceptable way to let Taiwan be part of the regional community process. The division and confrontation on the Korean Peninsula is another factor that should not be underestimated.

As a matter of fact, the process of East Asian cooperation and integration plays a dual role in community building, i.e., reconciliation among the countries (new partnership), and cultivation of each member itself (towards a new mindset). However, we have already witnessed some new development in East Asian regionalism. As mentioned above, a significant step forward is the understanding and acceptance of the “East Asian Community” recommended by the “East Asian Vision Group”(EAVG). The consensus has been reached in pushing forward the
current “10+3” dialogue structure into an “East Asia Summit.” If this is to be realized, the embryonic identity of East Asian regionalism will be created.

The current East Asian regionalism has shown new characteristics. Thus, we may give it the name “new East Asian regionalism.” The current process of new regionalism is economics-centered, has equal participation and is built on consensus, which is totally different from the ancient and modern regional order. We have already found some new features in this process as follows:

Firstly, institutional building will not be meant to develop as a regional organization with a super-regional power. Regional cooperation is characterized rather by a kind of “functional institutional building.” Gradualism and pragmatism are two important principles in the process of regional cooperation and integration. The functional mechanism will help to reinforce the foundation of East Asian regionalism.

Secondly, the new East Asian regionalism finds its embryonic structure in ASEAN. ASEAN provides a unique way (the ASEAN way) to bring all countries gradually in the Southeast Asian region together and to turn the region from a divided one into a united and integrated one. The valuable spirit of ASEAN is to realize the regional reconciliation through a gradual process based on functional cooperation. ASEAN becomes a pioneer in developing regionalism in the East Asian region. The ASEAN process is not just economic cooperation and integration, but also it is political and security community building. It has played a key role in bringing Southeast Asia and Northeast Asia together. The ASEAN way may be the chief approach in the development of a new East Asian regionalism.

Thirdly, the new East Asian regionalism will follow a kind of “new open regionalism.” While intra-regional cooperation and integration will be advocated, development of bilateral or sub-regional cooperation with outside members by individual members or sub-groups will also be encouraged. Economically, this will allow a multi-layered FTA process while recognizing existing bilateral alliances or other agreements in the political and security areas. Thus, East Asian regionalism will not intend to create an exclusive or inward looking regional identity.

Fourthly, the political motivation of East Asian cooperation is to improve regional relations and to create peace for the long-term stability and prosperity of the region, rather than urging a super regional organization. However, gradual institutional building on a regional level is an integrated part of East Asian regionalism. The fundamental role of East Asian cooperation and following institutional progress is to make principles and rules for regional relations in a new international and regional setting, which will provide a platform for East Asian countries to live together peacefully and cooperate for prosperity based on equal participation and shared interests for the first time in history. The roles of China and Japan are crucial in securing the progress of East Asian community building. But it seems neither side will be accepted as the sole leader.
East Asian regionalism is still in its early stage. The above trends are not set principles but are some important shared understandings. East Asian regionalism will continue to develop and enrich its programs. However, to secure successful development, East Asians must find their own approach, i.e. an “East Asian way.”

The role of East Asian regionalism

Europe has provided a successful model in reconsolidating a divided region through regional cooperation and integration. The EU has become a super regional institution to manage regional economic, political and social affairs. The valuable experience that EU illustrated to East Asia is that regional integration helps to realize reconciliation and peace, and the key to community building is regional institutional building. East Asia will not copy the EU model but rather needs gradual institutional building in its own way.

An important role for the East Asian cooperation and integration process is to make rules and to develop the legal mechanism among countries in the region through all kinds of arrangements. Those arrangements and agreements both on the bilateral or sub-regional levels are rules formulated in consideration of the principle of international standards, or in other words, are “WTO consistent.” In East Asian relations, this has profound significance since both “rule of standards” and “rule of law” will help to improve the systems of the regional members and to create a reliable foundation for the regional cooperation process.

East Asian cooperation and integration will help to develop a new regional order based on increasing common or shared interests among all parties. China and Japan will find greater difficulty in managing their relations in a changing situation of “a rising China” and “a normalized Japan” if there is not a common framework for the two countries. The two may find a larger space to be together under East Asian Community building, and pressure from the others will also help to prevent the two from competing for predominant influence or leadership.

East Asian institutional building creates “public property” for regional countries to maximize their interests. In a context of globalization, East Asian regionalism may help to identify its regional role and strive for its interests, and also help to create a more balanced world order.

New East Asian regionalism is still weak in nature due to its short history and embryonic structure. In comparison of the time required by Europe to develop the EU, East Asia may require a longer time to realize its dream of building an East Asian Community.

Notes

1 See Wang Ping: Japan’s Asianism in Modern History, ShangWu Publisher, 2004, p. 55, 144, 25.
2 Australia, together with Japan, played an important role in promoting the concept of the “Asia-Pacific” with the aim of identifying itself as a member of the region.


4 EAC was firstly recommend by the East Asian Vision Group to “10+3” leaders in 2002. In 2003, Japan and ASEAN leaders formally called on development of an East Asia Community in their joint statement.

5 Chinese leaders announced that China will take initiative to coordinate an academic study on the feasibility of EAFTA from 2005, and this proposal was supported by other east Asian leaders during the leaders’ meeting in November 2004.

6 Some less-developed ASEAN members and some of the most sensitive sectors may be extended to 2025.

7 Some Japanese experts recommended launching EAFTA in 2005 and signing a treaty for an East Asian Economic Community. See Japan’s initiative for Economic Community in East Asia, JFIR report, June 2003, p. 9.


9 The same group of Japanese experts proposed establishment of the “Organization for East Asia” (OEA). p. 9.


11 The summit will be held in 2005.

12 Dr. Prapat Thepchatree called it equality, consensus and comfort level. Towards an East Asian Community, paper presented on NEAT II, 2004, Bangkok, p. 5.

13 Simon Tay from Singapore suggested that the emerging East Asian sense of community be founded on a functional interdependence and institutional identity without exceptionalism. Reader, Singapore Institute of International Affairs, Vol.4, No. 1, p. 32

14 Mark Hong argues that East Asian regionalism was driven by market forces and guided by the principles such as open regionalism, flexibility and liberalization. Mark Hong, ASEAN community building in the context of East Asian regionalism, Paper presented on NEAT II, p. 11.

15 Simon Tay proposed that East Asian regionalism be led by issues since he argued that the regional lacks a single leader who is acceptable and able. Reader, p. 39

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