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## IDSS COMMENTARIES (32/2005)

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### **RIDING THE EAST ASIAN TIGER: WHAT NEXT?**

Yang Razali Kassim\*

16 June 2005

SOMETHING needs to be done about the East Asian security landscape, which has not improved very much since the 19<sup>th</sup> Asia Pacific Roundtable in Kuala Lumpur. Malaysian Prime Minister Abdullah Ahmad Badawi, who kicked off the meeting on June 1, described the evolving regional security picture as “depressing”.

The Asian financial crisis of 1997 and the tsunami of 2004, not to mention the bilateral problems of early 2005, reminded of how threats to the region could come in many forms. A graver worry to the future security and stability of the Asia Pacific, he said, were the alarming developments in Northeast Asia. For the first time, the US and its ally Japan issued a joint statement declaring Taiwan a matter of mutual security concern. Until recently, China had never been openly declared a military threat or a potential threat. The joint statement was a response to China’s anti-secession law designed to stymie a Taiwanese drift towards independence. Regional think-tank chiefs later noted that China’s anti-secession law had caused some nervousness in the US and Japan. The joint US-Japan response had subsequently raised questions whether there was a new big-power play between a hegemonic United States responding to an emerging China.

Complicating matters, Sino-Japanese relations have also taken a nosedive over a range of issues, driven by rising nationalism in both countries. Manifesting this was China’s “snub” of Japan over Prime Minister Koizumi’s visit to the Yasukuni shrine. The visiting Chinese vice-premier Wu Yi’s decision to skip her meeting with the Japanese premier was as audacious as it was unprecedented, raising Sino-Japanese tensions to a new level. At the same time, the nuclear threat from North Korea is adding a new dimension to the already complex relationship between China and the US. Beijing’s softer stance towards Pyongyang, some worried, could be misread by Washington as an attempt to minimize US influence in the region, which will, in turn, provoke an American counter-response.

#### **Reshaping East Asia**

Prime Minister Abdullah described the “hardening” of the strategic alignments in the region as both “unnecessary and destabilising”. The Asia Pacific region therefore should work towards strengthening the regional order. But how? For someone who will be hosting the first-ever East Asian Summit (EAS) in December, he surprisingly stayed away from making any references to the EAS. His silence belied the sensitive and still fragile nature of the emerging grouping, whose form and function are still being intensely debated. But there is no doubt that the summit will finally give concrete shape, no matter how tentative, to the elusive creature called East Asian regionalism.

The ASEAN-endorsed EAS is, in a sense, a logical follow-through of the old East Asian Economic Group (EAEG), later known as the East Asian Economic Caucus (EAEC), first floated by then Malaysian prime minister Mahathir Mohamad in 1990. The proposal had serious problems taking off given the strong opposition from the US and its Asian allies, namely Japan. The US feared that the EAEC was designed to keep it out of an emerging East Asia dominated by a strong China. Working around the problem, ASEAN evolved an alternative process involving the three Northeast Asian states - China, Japan and South Korea – which has since come to be known as “ASEAN plus Three”. To all intents and purposes, the ASEAN Plus Three (or APT), was the EAEC in all but name. Since then, all the reasons that Mahathir had cited to justify why an East Asian club was badly needed bore themselves out. The Asian financial crisis of 1997, and then SARS, exposed the impotence of East Asia due to the weak habit of cooperation among the regional states, especially the “Plus Three” countries.

### **How to avoid old mistakes**

As the debate over the EAS’ final shape rages beneath the surface, it is important for the region not to let old issues re-emerge to further divide the region. Two big stumbling blocks have to be resolved. The first is how to reconcile and accommodate the competing strategic interests of the US and China. The second - a related sub-text - is how to bring in other emerging powers, such as India, or parties which do not want to be left out of this highly significant process, such as Australia and New Zealand. So far, the key players are learning from past mistakes.

To begin with, no one is trying to block the emergence of an East Asian bloc this time. The US, as a key player, is no longer insisting to be included in the EAS, believing - quite rightly - that there are other ways to project and preserve its strategic interests. Secondly, no one in ASEAN is trying to shut anybody out. As proof, India, which is more South Asian, has been invited. And so have they Australians and the New Zealanders. All they have to do is sign ASEAN’s Treaty of Amity and Cooperation (TAC) which upholds the principles of mutual respect and non-interference. This condition will however be tricky for Australia because of its controversial support for the Bush-inspired doctrine of pre-emption. Yet, if the Australians are sincere about wanting to be part of Asia, they should have no problems acceding to the TAC. This could pave the way for a new East Asian club emerging in the mould that they have always wanted – a redefined East Asia that is geographically, though not culturally, Asian.

The old argument that East Asia cannot or should not have its own grouping is passé. There is no reason why the East Asians – the ASEAN 10 and the Plus Three countries (China, Japan and South Korea) – cannot form their own association of sorts, or be the core of a larger outfit. After all, the North Americans have the North American Free Trade Area (NAFTA) and the Europeans the European Union (EU). There is equally no way that the US and Australia can be kept out of East Asia. Their security, political and economic interests are too deeply enmeshed with those of regional partners such as ASEAN, Japan, China and South Korea. Besides, there are many overlapping processes that have evolved over the years to further lock these interests. Apart from the “ASEAN Plus Three”, there are also the ASEAN Regional Forum (ARF) for security matters and the Asia Pacific Economic Cooperation (APEC) for largely economic affairs.

But except for the ASEAN Plus Three, a uniquely East Asian entity – a club for East Asia by

East Asians – has been the missing puzzle. This lacuna had proved to be disastrous when the Asian financial crisis and SARS struck. The challenge now for the region is three-fold: how to draw the diverse states of Northeast Asia into a new habit of dialogue and cooperation – on their own or together with ASEAN; how to reconcile, or differentiate, the EAS from the ASEAN Plus Three; and how to create the East Asian club without making the US, as the sole superpower, and other parties feel that they will be disadvantaged. In this context, two ideas have surfaced from the 19<sup>th</sup> APR talks.

### **Keeping EAS constantly relevant**

Barry Desker of Singapore's Institute of Defence and Strategic Studies was of the view that the US could recover ground in two ways if the EAS emerged in a manner that would sideline it. The first is to create a new five-power entity in Northeast Asia, involving the US, China, Russia, Japan and South Korea, to deal with Northeast Asian security. This could arise out of the Six-Party Talks dealing with the North Korean nuclear issue. This new entity can later link up with ASEAN to create a new security architecture called the East Asian Community. The second way is to expand APEC from an economic-centred process to one that also handles security issues. This is not impossible as it is something that has been done before. Jusuf Wanandi of the Jakarta-based Centre for Strategic and International Studies believed that the East Asian Community should evolve step-by-step and accommodate the strategic interests of the US and China. But for the East Asian Community to be credible, ASEAN has to be in the driver's seat. This is because neither China nor Japan can play that role without making the other uneasy, given their mutual distrust.

Singapore's Senior Minister Goh Chok Tong, speaking at an Asia Society conference in Bangkok on June 9, had expressed the belief that the EAS was a creature whose time had come. But it cannot be the only pillar supporting the entire architecture of East Asian regionalism, he said. There was also no need for the US to be involved in every East Asian institution, though "the US must be an integral part of the overall architecture". In his view, what is needed is to supplement the EAS, the ASEAN plus Three and America's web of bilateral relationships with other institutions that will include the major powers. East Asia, he suggested, should also not think in terms of only a single structure. It could develop an array of institutions which could be deployed according to the issue and need.

East Asia is clearly at another critical juncture. The problem now is not how to flesh out the East Asian club. It is how to ensure that, once created, the new East Asian entity – or process – can be kept intact and sustained. The lessons of the ARF and Apec are instructive. Both started off well, but they have to struggle to keep themselves constantly relevant. The East Asian Summit will face the same challenge – unless it is very clear about what it wants, and unless it can ride the East Asian tiger with great skill.

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