

**Fourth High-Level Conference on
Asian Economic Integration:
Towards an Asian Economic Community**

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$(10 + 3) + (1 + 2) + (? + ?) =$
Asian Identity?#/

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The Nation



Issues to be discussed:

- Where is Asia?
- Asia: Exclusion vs inclusion (- or + syndrome)
- Changing geographical footprints of Asia
- “East Asian Summit-EAS” versus “East Asian Community-EAC”
- India-China-Japan ties and their impacts on future of Asia
- Will there be Asia Community?



Asian exceptionalism

- Asia posits one of the world's oldest civilizations, where globalization got started
- Strong sense of history, nationalism and how they related to others and among themselves
- Centuries of interactions still fail to instil mutual trust and confidence
- Lack common political/security values due to conflicts in WWII, Korea, Indochina, Cambodia, China-India India-Pakistan)
- Media role in Asia Community building



Asian I.D. and whereabouts?

- From East of Suez to Kamchetka Peninsula
- 64 Asian members of UN (NW Asia, Central Asia, South Asia, Southeast Asia, Northeast Asia)
- Asian Games in Doha 2006 has 45 countries including Palestine, Syria, Jordan, Oman, Tajikistan
- East Asian Games 2005 in Macau has Japan, South Korea, China, Taiwan, Mongolia, Hongkong, Macau, Guam
- From Europe, Asia is Far East and South Asia



Changing geographic footprints

- During the Cold War: 3-Southeast Asia-- Indochina, non-communist Southeast Asia and Burma
- Sri Lanka was invited to join Asean as a founding member in 1967 but declined
- Brunei joined Asean in 1984, VN in 1995, Laos/Burma in 1997, Cambodia in 2000
- Before 1997, East Asia referred to Northeast Asia or China (Taiwan+Hong Kong), Japan, Korea
- After 1997, EA encompasses China, Japan, South Korea and 10-member Asean or 10+3



Changing geographic footprints

- Before joining Asean Regional Forum July 2004, Pakistan was not in the geographical footprint of Asia
- India is not in Asia as far as 39-member Asia-Europe Meeting (ASEM) and 21-member Asia-Pacific Economic Cooperation (APEC) are concerned
- But India is in East Asian Summit (EAS)
- On 14-12-2005 in KL, East Asia is 10+3+1+2
- Russia wants to join EAS but Asean declines (Russia is in Apec but not in Asia-Europe Meeting)
- Mongolia want to be another plus one, so is Kazakhstan
- Will East Timor (South Pacific Forum) join Asean/EAS?



Discussion on EA Economy

- EA Economic Cooperation proposed by former Malaysian PM Mahathir Mohammad in 1991
- Increase trade leverage negotiations, strengthen cooperation among East Asian countries within APEC
- Japan/South Korea were reluctant to support but China fully backed EAEC, which changed to EA Economic Caucus
- US strongly opposed EAEC perceiving as an anti-US trade bloc
- Asian economic crisis 1997
- East Asian Vision Group was established



Multilateral regionalism?

- EAEC became East Asian Economic Caucus in 1994 to calm down the US
- Seeing itself as a caucus within APEC
- Asean did not have common positions in APEC
- First Clinton Administration was not in the mood
- The Pacific Century troubled US but after 1997 Asian economic crisis, US is quite happy



1997 Asian economic crisis

- Japan led in assisting affected countries: Thailand, Indonesia and South Korea
- China also helped with small loans to Thailand/Indonesia and keeps *yuan* value
- US failed to gauge the scope of Asian economic calamities and consequences
- Region viewed Washington with apprehension
- With the economic crisis, EA and Asean get closer, helping each other more (including SARS, bird-flu)



Emergence of Asean+3

- Leaders of China, Japan, South Korea, Asean met Dec 1997 in KL (Celebration of 30-year of Asean)
- Asean plus three was born
- Economic crisis brought them together
- Asian (not East Asia) must help and can help Asian better—where is India?
- First time discussed closer economic integration and future security concept
- Asean fears EA domination, identify China, Japan, South Korea by a numerical figure of 1,2,3. Can India be No. 4?
- Russia wants to join EAS but Asean declines (Russia is in Apec but not in Asia-Europe Meeting)



East Asian Summit (EAS)

- Asean + 3 leaders meeting need institutionalizing after nearly 10 years
- Malaysia proposed EAS and wanted to host the first EAS (14 Dec 2005) and its secretariat office
- No consensus, secretariat idea was dropped
- At first, Asean divided on EAS modality fearing US objection: Asean plus three summit or EAS forum
- After Sept 11, US attitude towards Asia/SEA changed, more region-wide cooperation desirable: anti-terrorism, SEA as second front for terrorism



Different views on EAS

- CLMV countries want Asean plus three summit in place of proposed EAS, keeps Asean as a driving force
- Philippines/Thailand backed strong China's role
- Singapore/Indonesia opted for EAS as a new entity to increase Asean's level playing field in global politics
- In March 2005, Asean agreed EAS as a new forum complimenting Asean+3 process
- But India, Australia, New Zealand prefer EAS as a community building in East Asia



EAS modalities

- EAS is a separate entity from Asean+3, it is non-exclusive for now (Asean+3 Declaration at EAS)
- EAS discusses regional/global issues i.e. energy, terrorism (but top-down or bottom-up agenda)
- Asean+3 process: bilateral issues and cooperation
- Criteria of EAS members: 1) substantive ties with Asean; 2) support of Treaty of Amity and Cooperation (TAC); 3) Asean dialogue partners (Is Russia qualified?)
- Australia and NZ join EAS followed TAC accession July 2005 in Vientiane, Laos (10-year too late)
- India and China signed TAC at the same time—a great move—inner ring of Asean



US attitude towards EAS

- Unhappy but willing to “wait and see”
- Messy, overlapping with Asean+3
- View any East Asian initiative as anti-US
- Two US views: 1) EAS is good, engaging emergence of China; 2) EAS is negative, diluting importance of US bilateral ties with Japan, South Korea, etc
- Australia and New Zealand in EAS will pacify US



Level of engagements

- Asean-China, 1996, with 48 mechanisms (need to deepen and strengthen)
- Asean-Japan, 1977, with 33 mechanisms (need more technological/know-how transfers)
- Asean-India, 1995, with 14 mechanisms (need more money, of course)
- US-Asean, 1977, with 7 mechanisms (need to have their first Asean-US summit)



EAS and EAC dilemma

- Can EAS become EAC and beyond?
- South Korea was first to go for EAC, followed by Japan in 2002, revived at Japan-Asean summit in Dec 2003
- Japan views EAC as a bridge to US
- China views EAC as an Asian club
- Geography of EAS: From India to Mongolia?



Prospects of Asian Community

- Indian PM Manmohan Singh proposed Asian Community (AC) in May 2004
- No response from Asian, esp Asean, nations as a whole
- Highlighting India's eminent role as an economic driving force in Asia, a regional IT and software hub
- EA only in name, AC has already come?
- Numbers mattered: Asean Regional Forum has 25 members (including East Timor in July 2005), only 10 Asean members vs 15 non-Asean members
- AC versus ACD (Asian Cooperation Dialogue)--Thai PM Thaksin Shinawatra's brainchild?



Unsettling issues in EA--1

- Asianization vs Sino-nization: Common Asian identities (citizen's awareness and understanding passport, currency)
- China-Japan relations (can they become France-German ties), not to mention Sino-Indian and Japan-Indian relations and their impacts
- How to reconcile: China's "peaceful rise"
Japan's "normal country's rise"
India's "just rise"
- Economic driven integration (FTAs) only? (bilateral globalization—a hub-and-spoke system)
- East Asian Security Community (by US in 2002)?
- Common foreign and defense policies?



Unsettling issues in EA--2

- Asian Human Rights mechanism (agreed in 1993 not yet implemented)
- Participation of civil society organizations (Asean leaders will meet CSO representatives for 15 minutes on 12 Dec in Kuala Lumpur)
- Asean Charter (to be signed in Bangkok 2007 where Asean was found?)--
- Commonalities over Diversities (overcoming differences)
- Multistakeholderism—in decision-making



Symptoms of Asian media

- **Parochialisms:** writing about themselves without common regional themes
- **Fear of interference:** tow government lines, adopt non-interference principle
- **Mutual ignorance:** no common understanding of Asian history—individually or as a group
- **Fixed mindset:** Asia too diverse too cooperate, China-Japan rivalry, Taiwan Straits



Reports by Asian media

- Most of Asian news reported and agendas set by Western wire services: Reuters, AFP, AP, DPA and NYT, WP, WSJ, etc.
- Less Asian news by local news agencies: Press Trust of India, Antara, Bermana, Thai News Agency, Philippine News Agency
- Asian-wide wires report Asia/Asean sporadically: Xinhua (more), Jiji, Kyodo—one dimensional report, not comprehensive
- Focus on bilateral issues, not Asia-ness or Asean as a whole
- No real investigative reports on Asia and Asean, albeit growing regionalization
- Lack understanding of Asian and Asean schemes of things both structures and objectives (Track-1, Track-2, Track-3) i.e. Apec, Asem, the Bali Concord II, SEANWFZ, AFT, TAF, the Vientiane Action Plans, the Security, Economic and Social Communities, etc, etc