

The Asia Pacific's Regional Architecture

Penary Session Two was co-chaired by **Amb Kishan S Rana**, Chairman of CSCAP India and **Amb Rodolfo C Severino**, Head, Asean Studies Centre, Institute of Southeast Asian Studies, Singapore. The presenters were **Mr. Hitoshi Tanaka**, Senior Fellow, Japan Center for International Exchange (JCIE) and former Deputy Minister of Foreign Affairs, Japan; **HE Mr Miles Kupa***, Australian High Commissioner to Malaysia (designate); **Mr Simon Tay**, Chairman, Singapore Institute of International Affairs (SIIA), Singapore; and **Dr Amy Searight**, Adjunct Fellow and Research Consultant, Center for Strategic and International Studies (CSIS) & Adjunct Professor, George Washington University, USA. **Susan Teoh**, Director of ISIS Information Services reports.



Participants at the Roundtable

Mr Hitoshi Tanaka said that the Asia Pacific region cannot expect to have a supranational or single architecture because it is so diverse. It should envisage a common architecture in which opportunities and prosperity are maximised. He proposed four guiding principles for Asia Pacific's regional architecture:

1. The 'functional' approach;
2. The multi-layered approach;
3. The open and inclusive approach; and

4. A balance in relation to the creation of architecture in the region.

Functional Approach

There are two basic functions in the 'functional' approach. The first is the security function, in which the US would have to be included because it is the resident military power in the region. The second is the economic function, wherein the

**HE Mr Miles Kupa's paper was read by Mr Arthur Spyrou, Counsellor for Political and Economic Affairs, Australian High Commission in Kuala Lumpur*

architecture should fulfil the requirements of the universal system established by the WTO.

Security Function

There are four layers in the security function of the multi-layered approach.

- First, there is the bilateral security system as seen between US-Japan, US-Korea and US-Australia.
- Second is a trilateral confidence-building mechanism in which there is a need for transparency in relation to China's military capability as well as the US-Japan security system.
- Third, there are semi-regional institutions such as the Six-Party talks which have security impacts on East Asia, denuclearisation, and the concord in Asean as an institution in the handling of the problems of Myanmar and Thailand.
- Fourth, there are joint military operations in the region with regard to non-traditional security issues such as disaster relief and counter-piracy operations. These joint operations should include countries such as US, China, Korea, Japan, Asean, Australia, New Zealand and India, following the East Asia Summit (EAS) format.

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Economic Function

Two different areas can be identified in the economic function:

- The Free Trade Agreement (FTA) Zone where EAS members should have equal

partnership to create maximum benefit for free trade and where the rules are compatible with the rules in WTO and OECD;

- The need for economic policy coordination on issues of the environment and the energy policy, based on the EAS context.

Open and Inclusive Approach

The third principle is the open and inclusive approach in which regional institutions or countries are willing and capable of making contributions towards regional integration. It includes only a selection of members.

Balanced Regional Architecture

The fourth principle is the creation of a balanced regional architecture so that the region will be prosperous. There is a need to establish the right balance between developed and developing nations as well as a balance between democracies and non-democracies. Including the US in the EAS membership would form a balanced architecture in this region.

Mr Miles Kupa stressed that Australia is committed to the strengthening of Asia Pacific cooperation. It became Asean's first dialogue partner in 1974, was a founder member of Apec in 1989 and of the Asean Regional Forum (ARF) in 1994. It has been an active member of EAS since 2005.

Australia's interest in strengthening regional cooperation stems from a belief that it has a role as a creative and coalition-building middle power, and that it has a stake in the region. The Asia Pacific region has been growing economically and strategically, with the increasing inter-dependence of countries creating more opportunities and challenges in the region.

With this in view, the regional architecture should be reviewed to meet the challenges of the

future. In June 2008, Prime Minister Kevin Rudd proposed the idea of an Asia-Pacific community (APc) so that the countries of Asia Pacific can begin a dialogue on a regional architecture that can meet future needs.

This proposal was not intended to criticise existing institutions such as Asean. On the contrary, Australia felt that the region has been well served by institutions such as Asean, Apec, ARF and EAS. Mr Rudd emphasised that an effective regional architecture needs to:

- Engage all countries that make up the region;
- Be able to traverse all major issues;
- Shape the habits of transparency and trust, and foster cooperation; and
- Meet at the leaders' level.

Miles stressed that Mr Rudd has recognised that Asean is an example of regional cooperation that has played an important role in building a stable, strategic foundation for Southeast Asia. It has not only assisted its member nations to grow from strength to strength but has also increased its influence in the broader Asia Pacific region.

Australia has welcomed Asean leaders' commitment to develop deeper engagement with the US and Russia, in evolving regional architecture via the EAS or the Asean+8. Australia will continue to cooperate closely with Asean and others in helping to reform and strengthen regional architecture in this region.

Mr Simon Tay, in discussing the regional architecture in the Asia Pacific, highlighted three fundamental issues in the region.

- First is the post economic crisis scenario where Asia is seen to be rising economically, continuing to regionalise and bringing itself closer together for cooperation;
- Secondly, within Asia there is the phenomenal rise of China and India. There is some doubt whether Asia can keep

rising economically when the Asia Pacific region has been interdependent in the areas of security and the economy;

- Thirdly, since the economic crisis, the US has been on a relative decline and Americans are coming to terms with the fact that the US is no longer in a position of dominance. While the US may lean towards a multilateral approach, some Americans have become more cautious towards globalisation.

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What should be the response in view of these three fundamental issues? Tay says that there is a need to look beyond a single institution because one institution cannot solve the problems. There is a need to have a multiplicity of institutions in the economic and security spheres.

He said that every Asean nation views Asean as the centre and the driving force. If that is the view, then the organisation must be able to fully lead this region. Asean, however, is unable to compete economically with China whose economic growth rate has outstripped that of the former.

The Asean-US Summit was inaugurated in 2009. The agenda, the building up and the sustaining of interest in the summit is still an open question. Currently, the date for the second summit is not confirmed yet, although the US President has said that he is open to the idea. Tay feels that with the US President also committed to Apec and his other priorities at home, his visit to Asia or attendance at the summit is questionable.

Even his planned visit to Indonesia has been postponed three times.

Tay shares Tanaka's view of an open and inclusive approach in regional architecture. However, he questioned Hatoyama's idea of an East Asia community and Rudd's APc as there is no in-depth discussion of the modalities of these two institutions. He favoured the idea of EAS plus US and Russia (EAS+2) with separate meetings with the two powers. This would be a better suggestion as it would be very difficult to expect the US President to be able to attend the yearly meeting of EAS.

Besides, EAS is now looked upon as 'a luncheon meeting'. It needs to have a more in-depth agenda. He felt that the Asean+8 or the EAS+2 would be better options for Asean to host and a more feasible commitment from the US in view of its many priorities at home or in other regional bodies. Tay concluded by saying that US engagement in Asean or this region is an important factor, not just for security but for economic reasons. There is no ready substitute for the US in terms of its market and its investments.

Dr Amy Searight presented an American perspective of the Asian regional architecture, particularly on the proposals from Japan and Australia. These proposals have been very useful in stimulating discussion on the current effectiveness and future development of regional architecture.

Her first comment was that there seemed to be a proliferation of forms of regional architecture in Asia, with too much focus on the over-arching design – that is, who should be in, and what issues are on the agenda. Little attention has been paid to how to achieve tangible progress on functional cooperation.

The European experience has served as an inspirational model to the region, including Hatoyama's and Kevin Rudd's proposals. She said

that 'regionalism works best when it is built up from the ground, on the basis of concrete progress in functional cooperation across the range of areas, before drawing up architectural designs'. However, these proposals have proved to be beneficial, such as in the formation of ARF, which was formed when there was a momentum to create a Northeast Asia peace and security mechanism that would exclude Asean.

She felt that the US would be spurred into action if it thought it would be marginalised or left behind. The US has always been highly reactive to Asian regionalism.

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Another constraint relates to the structural position of the US as a major power. The US has to keep its focus on several key regions in the world, including Europe and the Middle East. These other bureaucratic constraints have made it difficult for US government officials as well as the President to give sustained attention to developments in Asia.

In addition, the US Congress has been a serious obstacle recently because of its growing resistance to an active US trade policy, hampering an effective regional engagement strategy in Asia with regards to negotiating trade agreements.

Another important factor is the cultural predisposition of US policy makers to favour results-oriented multilateralism rather than Asean style multilateralism that emphasises consensus and a heavy commitment to frequent meetings and dialogues. Americans prefer substance over process, and action over dialogue; this is deeply ingrained in American foreign policy.

There are many reasons for this attitude, namely: Americans' pragmatism or 'can do spirit' of getting results; the short time horizons for political leaders to accomplish something before they leave office; and the influence of American legal culture. Even during Hilary Clinton's speech in January 2010 in Hawaii, she listed results-oriented multilateralism as one of her top priorities, saying: 'the formation of groupings should be motivated by concrete, pragmatic considerations. It is more important to have organisations that have results rather than producing more organizations.'

Searight said that Hatoyama's proposal served as a wake-up call to the US, indicating that the Asian region is ready to move forward, with or without the US. The Obama administration has thus come in to change its image from that of a power disinterested in regional multilateralism to one which is willing to sign the Treaty of Amity and Cooperation (TAC), and to hold the first US-Asean Summit. Eventually, it wants to establish an ambassadorial post in Jakarta linked to the Asean Secretariat.

The question whether the US should seek to join the EAS is still unanswered. Searight felt that there are advantages in the US seeking membership. It would demonstrate greater seriousness about US engagement in Asia's new regionalism, that will allow discussions on broad strategic issues. However, it is still a serious question as to whether the US can commit to send its President to the region twice a year every year, for the EAS in addition to other meetings like Apec.

The hosting of Apec by Japan this year and the US next, will see how Apec can be reformed to make itself more relevant. In addition, with the rise of the Trans-Pacific Partnership (TPP), some are in favour of US involvement in TPP as an incremental approach towards achieving an FTA Asia Pacific. It is still unclear which approach the US would really want to be deeply involved in. It is also unclear whether these institutional

frameworks can replace Apec in delivering meaningful results in regional economic cooperation. Too many questions still remain about US regional policy and the trade-offs of these various institutional approaches.

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