

EMERGING REGIONAL ARCHITECTURE IN THE ASIA PACIFIC

Speaking Notes for a Round Table: Asian regional integration

What emerging regional Asian architecture?

No debate on Asian regional integration can begin without acknowledging past policies, initiatives and outright invasions in order to draw or force the nations of Asia together. Some examples of this are quite distant in time.

Various Chinese dynasties famously organized a Tribute System of adjacent states, including some not so near (e.g. Ryukyu Islands), offering a first regional integration model, centered on China.

Late 19th century Indian and Japanese intellectuals, notably promoted a spiritual, anti-materialist 'Pan-Asianism', views most famously advanced by Nobel prize winner Rabindranath Tagore and his friend Okakura Tenshin.

Japanese imperialists promoted an entirely self-serving and ultimately disastrous Greater East Asian Co-Prosperity Sphere, which, among many other consequences, put paid to any notion that regional integration could be led by one country alone.

The United States build the South East Asia Treaty Organization after WWII, seeking to parallel the North Atlantic version, with much less success.

Good ideas have a life of their own

But ideas favouring a cooperation framework, leading to various models of integration fails to disappear, even as no single vision has succeeded in taking hold.

Since the 1960s onward, the debates on integration began by acknowledging the vast differences – historical, cultural, geographic – between Asia and the variously defined ‘West’, and thus suggesting that there were unbridgeable limits on the extent of centripetal dynamics that could underpin productive pan-Asian cooperation. The issue remained alive despite these misgivings, largely because of realities on the ground. These realities took various forms.

The rapid expansion of trade and economic relations within South and Southeast Asia, including Australia and New Zealand and across the Pacific, provided an irresistible dynamic for closer ties. Japanese ‘Flying Geese’ development model played a part. The economic growth of the Asian Tigers from the late 1970s onward was based increased trade and investment inter-dependence. China’s Four Modernizations 1978 led, in the 1990s onward, to a development model based heavily on FDI, especially from the broad Asia Pacific region, including the United States.

The reality and implications of increased trade and investment and attendant stirrings of economic integration were first given shape in the 1970s by academics, notably from Australia and Japan. Their research gave substance to the argument, increasingly heard across the region and the Pacific that policy led economic integration would further optimize opportunities for growth and development, as well increase regional public goods.

Further unprecedented and in some ways unexpected economic development in a number of national economies, starting in the 1980s among the original ASEAN states, and then notably by China and now with India, has added an important geopolitical dimension to the architecture debate.

Where it has led...

The result of all this, over the last 45 years, has been a set of successful and not-so-successful institutional responses that try to take into account both the benefits of increased integration both generated by and arising from rapid regional economic development, while recognizing the different geopolitical interests of the main participants, notably the United States and China, but also players such as Japan, Indonesia and Australia.

The first institutional and structural responses were business and 2nd track groupings such as PBEC and PECC and the APEC Business Advisory Council;

These were followed by government to government institutions, today consisting of ASEAN itself, APEC, Asia Europe Meeting, ASEAN + 3, East Asia Summit, and the ARF, to name only the most important.

The reason that this institutional geometry is so complex and, ultimately unsatisfying to many, is that there is a tension between the objective of promoting economic integration which is shared to varying degrees by all, and the objective of promoting single or multiple regional polarities, which is driven by only a few. The balance between these competing trends has yet to be struck.

And where it is leading...

Thus, the creative juices continue to flow: we have ever newer concepts such as PM Hatoyama's vague East Asia Community i.e. the US and trans-Pacific out; and PM Rudd's Asia Pacific Community i.e. the USA and maybe the trans-Pacific in.

What this snap shot reveals is that one size does not fit all; that there is tension between Asia-centered concepts and Asia Pacific-centered formula; that there are structural limitations to integration due to such factors as unequal economic development, weak commitment to region-wide political and security cooperation, as demonstrated by the weakness not to say irrelevance of the ARF, the vicissitudes of crisis management, especially of a financial nature; the competitive potential of the G20 and so on and so forth.

I believe that some sort of neo-Kantian, all-encompassing, geopolitical-economic-security, supra-institution is not in the cards. It would require the USA giving up its legitimate leadership role in the region, or Japanese and Indian acquiescence to Chinese leadership, or either the US or China sitting out the kind of natural competition that arises when the clash of interests between two great powers become inevitable. In today's context, none of these macro options is not realistic.

Still, the rise of Asia provides to the countries in the region of either hanging together or hanging separately, especially in economic interests terms, so the search for an over-riding regional formula continues.

Thus, I believe that two things will happen.

Some form of adjustment to a more comprehensive Leaders' Summit, of countries from India to North and South

America will emerge. India, China, ASEAN and the United States have one thing in common: they are 'incontournable', countries and economies whose interests have to be taken into account, no matter what. And these Leaders must talk to each other about the common agenda that comes naturally from economic integration.

Secondly, there will be further development, already well advanced, of issue- and sub-region specific economic groupings to respond to the evolving, more local needs. We already have a lot of that, notably Jagdish Bhagwati's noodle bowl of FTAs, RTA, CEPAs, EPAs and so on and so forth. India alone, a relatively late joiner in this game, has 30 of these either in effect, or under negotiation, or some sort of schedule. This is representative of the region as a whole.

We will thus continue to have a complex of architectures, reflecting the continuing diversity of the region, and competing political visions.

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