

**Grand Designs?
The Promise and Pitfalls of Asia's New Multilateralism**

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Introduction

Over the last five years there has been a renewed debate about the efficacy of Asia's regional institutions. While ASEAN, the ARF and APEC have long had their critics, what is new in the recent discourse is advocacy on behalf of alternative - more exclusive - forms of regional cooperation. Various proponents have offered their own ideas about the need for a new 'regional architecture', with specific initiatives ranging from a small concert of powers in Asia through to ambitious plans to create an over-arching 'Asia Pacific community.' This paper evaluates some of these new proposals, and briefly notes their prospects for success and what they might for existing arrangements.

What's driving change?

There are at least four factors driving the interest in new forms of regional cooperation. The first and most important is a growing sense of frustration with the status quo. There is a large and often polemical literature critiquing ASEAN.¹ APEC has been widely criticized for straying too far from its original role as a forum to promote trade liberalization. Over the last decade its annual summit has focused less on trade and economic issues and more on terrorism, the threat of pandemics, and climate change.² Even strong advocates now admit the organisation is "at a low ebb

¹ For example, Michael L R Smith and David Martin Jones, (2007). "Making Process not Progress: ASEAN and the Evolving East Asian Regional Order" *International Security*, vol.32, no.1.

² John Ravenhill, 'Mission Creep or Mission Impossible: APEC and Security' in Amitav Acharya and Evelyn Goh (eds.), *Reassessing Security Cooperation in the Asia-Pacific: Competition, Congruence, and Transformation* (Cambridge, Ma.: MIT Press, 2006), Chapter 7.

or at least is lacking in the dynamism which has sometimes characterized the process.”³ Similarly, the ARF has been criticized by some members (notably the United States, but increasingly others) for failing to live up to the ambitious claims made in its chairman’s statements. It has been painfully slow in making the transition from confidence-building to preventive diplomacy as anticipated in the original ASEAN Concept Plan.

Apart from a perceived lack of progress, there is a more fundamental problem with existing forms of multinational regional security cooperation. There is a lack of belief across the region that institutions are important in solving the most important economic, political and security challenges. Regional elites have much greater faith in either global institutions or national self-reliance than they do in regional bodies.⁴ Put simply, the abundance of meetings in Asia has not been matched with meaningful multilateral action. The region is, in the words of one observer, “over organised and under institutionalised.”⁵

A second factor driving interest in new structures for cooperation is the changing balance of power in the region. As Asian states have become more powerful, they are demanding a greater involvement in shaping the norms and institutions that make up the regional order. Barry Desker has talked about an emerging ‘Beijing Consensus’ that is in tension with the post-war norms of the Washington consensus.⁶ It should not be surprising that one aspect of this is a desire to take a leading role in shaping regional organisations, their agendas and their modalities.

Third, the election of new leaders in Washington, Canberra and Tokyo has given impetus to calls for change. Asia was a comparatively bright spot for the George W. Bush administration, but it was not an ardent supporter of regional multilateralism.⁷

³ Gary Hawke, Report on APEC Cluster Group meeting, 20 August 2009

⁴ Michael Green, Bates Gill, Kiyoto Tsuji and William Watts, *Strategic Views on Asian Regionalism* (CSIS, Washington, February 2009) available online at: <http://csis.org/publication/strategic-views-asian-regionalism> (accessed 26 August 2009).

⁵ CSIS’s Michael Green, personal communication, Singapore 18 March 2009

⁶ Barry Desker, ‘Why war in Asia remains unlikely’, Speech to the IISS Jubilee Forum, Tokyo 2-4 June 2008; see also Joshua Cooper Ramo, *The Beijing Consensus* (Foreign Policy Centre: London, 2004)

⁷ For a good debate about the performance of the Bush administration in Asia, see T. J. Pempel, ‘How Bush Bungled Asia: Militarism, Economic Indifference and Unilateralism have weakened the United

ARF meetings were skipped and Washington showed no interest in the East Asian Summit or signing ASEAN's Treaty of Amity and Cooperation (TAC). The election of President Barack Obama, has seen the signing of the TAC and a renewed interest in engagement with ASEAN. This paves the way for the US to potentially join what have until now been East Asian institutions. Perhaps more importantly, the election of the DPJ government in Japan is a signal of momentous change taking place inside Japan that has implications for its foreign relations. It has prompted discussion about closer relations between Japan and its Asian neighbours. Prime Minister Hatoyama's call for an East Asian Community (EAC) and the recent China-Japan-Korea summit have given proponents of Asian regionalism ideas to build on.⁸

Finally, the global financial crisis has called into question the institutional status quo at the systemic or global level. The G20 has become the most important new forum for meetings between leaders and finance ministers. The systemic upheaval of the past eighteen months has also been a 'window of opportunity' for prospective norm entrepreneurs floating new initiatives to challenge the institutional status quo.⁹

With a combination of global crisis, underperforming and overlapping regional institutions and increasingly assertive Asian states, it is little wonder then that have been many voices calling for reforms and new initiatives in regional security cooperation. For the sake of brevity, I argue the proposals for reform fall into two broad camps, those advocating small, exclusive arrangements like concerts of power, and those calling for a reorganised somewhat more inclusive Asia Pacific Community.

Clubs, Caucuses and Concerts

States across Asia', *The Pacific Review*, Vol.21, No.5, 2008, 547-581; Michael J. Green, 'The United States and Asia after Bush', *The Pacific Review*, Vol.21, No.5, 2008, 583-594

⁸ For a discussion of what the DPJ election means for Japan's relations with the US and its neighbours, see Aurelia George-Mulgan, "What the Hatoyama government means for the US-Japan Alliance", *East Asia Forum*, 12 November 2009. On the EAC and its relation to the APC, see Amitav Acharya, 'Competing Asian Communities: What the Australian and Japanese ideas mean for Asia's regional architecture' *East Asia Forum*, 30 October 2009

⁹ See David Capie, "When does Track Two Matter? Structure, Agency and Asian Regionalism", *Review of International Political Economy*, vol. 17, no.1 (February 2010). See also the essays in Vinod K. Aggarwal and Min Gyo Koo (eds.) *Asia's New Institutional Architecture: Evolving Structures for Managing Trade, Financial and Security Relations* (Springer-Verlag, Berlin, 2008).

A common theme in almost all proposals for change is the assertion that the existing regional institutions have become too unwieldy. APEC has 21 members. The ARF has 27. With such large and diverse memberships these organisations have struggled to achieve consensus, held back by the objections of what Brian Job has called the “lowest common denominator”.¹⁰ As a solution to this frustration, one group of reformers has proposed a shift towards a more exclusive institutional arrangement.

At its most exclusive, the solution is seen as a club of just two, an arrangement comprising simply the United States and China. The idea of a G2 – sometimes summed up with Niall Ferguson’s neologism *Chimerica* - was endorsed in Beijing January 2009 by former US National Security Adviser Zbigniew Brzezinski.¹¹ The G2 idea has an obvious appeal at some levels. The US is the world’s largest debtor, China its largest creditor. Their extraordinary interdependence means they are uniquely placed to lead proposals for change in the global institutional order.

But the G2 idea has found little support where it needs it most – in Beijing or Washington. A G2 would be hard to reconcile with Beijing’s long-stated preference for multilateralism. It also suggests greater, global responsibilities that China may prefer to avoid for the time being. As Henry Liu notes, it runs counter to Deng Xiaoping’s idea of “hide capacity, bide time” (*tao guang yang hui*), a strategy of “keeping a low profile to avoid attracting unnecessary hostility”.¹² From a US-perspective it grants China equality with the United States, an idea that is anathema to some. The notion of the G2 also raises questions about the role of American allies in the EU, not to mention Russia.¹³

Assuming a *formal* G2 is unlikely to emerge, some advocates have called for a somewhat larger, but still small grouping, either implicitly or explicitly invoking the notion of a new concert of power in Asia. In a speech to the IISS in Tokyo in June 2008, Hugh White argued that a concert arrangement made up of China, India, Japan and the United States was the only alternative to a destabilising balance of power

¹⁰ Brian L. Job, ‘The Substructures of Regional Security Architecture: Some Cautionary Notes’, paper presented to the 23rd Asia Pacific Roundtable, Sheraton Imperial Hotel, Kuala Lumpur, 4 June 2009

¹¹ ‘China wary of G2 with US – analysts’, Agence-France Presse, 8 April 2009

¹² Henry C K Liu, ‘Obama, Change and China: Brzezinski’s G-2 Strategy’ *Asia Times*, 22 April 2009

¹³ Jonas Parelló-Plesner, ‘The G-2: no good for China and for world governance,’ East Asia Forum, 23 May 2009

system that could lead to war in Asia.¹⁴ Jusuf Wanandi has similarly called for the creation of a “G8 for East Asia” that could “accommodate the three big powers – China, India and Japan – in a kind of concert of power that will be able to maintain a future equilibrium in the region, together with the United States.”¹⁵

There have also been calls to use the G20 as the basis for a new Asian grouping that, while not strictly a great power concert, also seeks to restrict membership to a small group of leading states. Soogil Young, Chair of South Korea’s KOPEC has called for the creation of an East Asian caucus within the G20 that would include ROK, Indonesia, China, the rotating ASEAN representative in the G20 (currently Thailand) along with Australia, India and Japan. This group could “provide leadership for all the emerging economies participating in the G20 process” and “lead international efforts to fight the protectionist backlash from the global recession.”¹⁶ It would also provide a regional-global link that could help with the “strengthening of the world’s economic governance structure.”¹⁷

Again, the idea of a concert has some intuitive appeal. It offers the efficiency of small group decision-making. Concerts are informal in nature and they recognise the realities of power. They also work on the basis that *relationships* between the key actors are crucial to building a sustainable peace. But the advantages of an Asian concert are overshadowed by an even greater set of obstacles than would face a G2.

First, concerts only have a limited record of keeping the peace. As Kal Holsti notes, although the Concert of Europe was successful in averting war between major powers, it could not prevent conflicts between major and minor powers, or intervention by major powers in the affairs of smaller states.¹⁸

¹⁴ Hugh White, “Why War in Asia Remains Thinkable” speech to the IISS conference in Tokyo, 2-4 June 2008 (reprinted in *Survival*)

¹⁵ Jusuf Wanandi, ‘The ASEAN Charter and remodelling regional architecture’, *The Jakarta Post*, 3 November 2008

¹⁶ Soogil Young, ‘The case for an East Asian Caucus on global governance,’ East Asia Forum, 12 April 2009

¹⁷ Hadi Soesastro, ‘Architectural momentum in Asia and the Pacific’, East Asia Forum, 14 June 2009

¹⁸ Kalevi J. Holsti, *Peace and War: Armed Conflicts and International Order 1648-1989*, (Cambridge University Press, Cambridge, 1991) 142-143

Second, any future concert for Asia runs into a problem faced by all the proposals for a new architecture, that of membership. As Susan Shirk concedes, concerts are not ‘politically correct’ because they assign membership based on raw material power.¹⁹ It is not hard to imagine the likely core of an Asian concert: the US, China and India, but after that, the difficulties arise. Japan would have a strong claim based on the size of its economy and its growing military capability. But what about Russia? It is also hard to imagine that formidable middle powers like the so-called “KIA” (Korea, Indonesia and Australia) would permit a concert to dictate their place in regional affairs.²⁰

More problematically, concerts require more than just a particular structural configuration of power to emerge. They require a strong degree of unit-level convergence, some sense of shared values. It is hard to make the case that any such shared ideology or vision for the region exists among the likely members of an Asian concert.²¹ Rather, they continue to view each other in largely negative ways, complicated by questions about history, territorial disputes and competing ambitions.

Finally, a concert requires a notion of equality. As Benjamin Miller notes, “for a concert to emerge, the great powers have to be ready to accept the other powers as co-equal managers of international conflicts.”²² Hugh White has called for Asia’s great powers to “build a dialogue of equals on strategic questions despite differences in values.”²³ But to occur this would require a remarkable shift in the relations between China and Japan and to a lesser extent China and India. ‘Equality’ might require Japan to spend significantly more on defence and call into question its alliance with Washington. Ultimately, it might even force it to move down the path towards acquiring nuclear weapons. For the most part, these do not look like desirable outcomes for regional states. Little wonder then even an advocate like White is pessimistic about the prospects for a concert to emerge.

¹⁹ See Shirk, ‘Asia-Pacific security’

²⁰ Jonas Parellø-Plesner, ‘KIA – Asia’s middle powers on the rise?’ East Asia Forum, 10 August 2009

²¹ See for example, Amitav Acharya, *Constructing a Security Community in Southeast Asia*, (Routledge, London, 2001)

²² Miller, 341

²³ Hugh White, ‘Regional architecture and the reality of power politics’, East Asia Forum, 19 June 2008

An Asia Pacific Community?

At the same time that calls for a concert of powers have begun to percolate, ideas for a consolidation on a slightly different basis have also attracted attention and debate. The highest profile initiative has been Australian Prime Minister Kevin Rudd's call for the creation of an 'Asia Pacific Community', which he made in a speech in Sydney in June 2008 and modified in his keynote address to the Shangri-La Dialogue in Singapore in late May 2009.²⁴

Rudd's original conception was for a "regional institution which spans the entire Asia-Pacific region – including the United States, Japan, China India, Indonesia and the other states of the region" and which is "able to engage in the full spectrum of dialogue, cooperation and action on economic and political matters and future challenges related to security."²⁵ While the idea was vague from the outset, the implication seemed to be initially that a new institution was needed to facilitate deeper cooperation.

The APc concept had a difficult birth. The lack of prior consultation within the region led a leading Southeast Asian analyst to call it "dead in the water".²⁶ But despite criticism of the clumsy way in which it was launched and the frosty reception that has awaited in some parts of the region, the Asia Pacific community (APc) idea remains alive and an ongoing source of debate and discussion. It has acquired advocates outside Australia, including some key figures in Indonesia.²⁷ The Australian government will host a Track 1.5 summit on 4-5 December in Sydney to explore how to move the concept forward.²⁸

Like proposals for a concert of powers however, there are a number of obstacles to be overcome if the APc idea is to advance. One is that, as originally conceived at least, it

²⁴ Kevin Rudd, 'It's time to build an Asia Pacific Community', speech to the Asia Society, Sydney 4 June 2008, available at <http://www.pm.gov.au/node/5763> (accessed 28 August 2009); Kevin Rudd, 'Address at the Shangri-La Dialogue', speech to the 8th International Institute of Strategic Studies Asian Security Summit, 29 May 2009 available at: <http://www.pm.gov.au/node/5128> (accessed 30 August 2009).

²⁵ Rudd, 'It's time to build an Asia Pacific Community'.

²⁶ Patrick Walters, "Kevin Rudd Asia plan "dead in the water"", *The Australian*, 4 July 2008; see also Hugh White, 'Regional architecture and the reality of power politics'.

²⁷ See for example, Soesastro, 'Architectural momentum in Asia and the Pacific'.

²⁸ Daniel Flitton, 'Movement on Rudd's Asia Plan', *The Age*, 5 September 2009

challenges ASEAN's role in the driving seat of regional cooperation. Not surprisingly, many (but not all) ASEAN states do not welcome what they see as a threat to their central role in regional diplomacy. Rudd's Shangri-La and APEC speeches acknowledged as much, ruling out the creation of a wholly new institution and paying homage to ASEAN's achievements in institution building to date.²⁹

A second challenge is, again, membership. Australian officials have not offered a clear indication of who they see as part of this new community. Indeed, they have been reluctant to identify potential members asserting they will become "naturally" evident as the process moves forward. Rudd's Singapore speech seemed to concede that ASEAN would have to play a role in any APc. Representatives from all the states visited by Rudd's special envoy for the APC, Richard Woolcott, will apparently be invited to the Track 1.5 meeting being held immediately prior to this track two dialogue. The invitees include Mexicans and Canadians, reopening questions about the Americas' place in the wider Asian regional order.

Third, existing institutions are sticky or resistant to change. They are not likely to be easily transformed or have their membership, mandate or key functions altered in fundamental ways. Most ASEAN members look warily on any new initiatives that might diminish the organisation's driver's seat role. Proposals that APEC might become a ministerial-level meeting on economics and trade and give up its Leaders' Meeting would deeply alarm states that are not members of arrangements like the EAS (for example, Russia, Mexico and Canada).

More broadly, the APc idea suffers from what might be called the 'Goldilocks' assumption. Some institutions are too big, some are too small, but the APC will be 'just right'. If you get the membership question right, so the thinking seems to go, then the other pieces of the puzzle will fall into place. This assumes that institutional structure determines the regional security order, rather than the other way around. Unfortunately, the problems evident in regional cooperation go far beyond the cast of characters. They reflect deeply divergent value systems, political norms and ideas about sovereignty.

²⁹ Dobell, "Asia Community: Rudd Moves On".

Where to from here?

What then is the likely outcome of all this discussion about architecture? I argue that any change is likely to be evolutionary not revolutionary. Although there may be some changes in membership, we are likely to see existing institutions remain in place. ASEAN will retain an important role in the near term. There will continue to be duplication and tensions between trans-Pacific forms of cooperation like APEC and East Asian institutions like the EAS and 10+3. Within East Asia, differences will remain between China's preference for cooperation through 10+3 and Tokyo's interests in working in a Plus-Six framework. The ARF will remain the principal venue for security dialogue, but will not be able to solve the most pressing problems like the Korean peninsular, Kashmir or cross-Straits issues. Some commentators have predicted the emergence of a "hybrid" or networked regionalism, but muddling through is perhaps a more accurate expression.³⁰

Looking into the medium term, however, ASEAN's central role in regional security cooperation will face serious challenges. The growing role of the G20 and talk of concerts of powers supports Gideon Rachman's claim that "international politics has turned against small countries."³¹ Within ASEAN, there are likely to be tensions between larger states like Indonesia who make the cut when it comes to membership in the G20 or an Asia-Pacific G6 or G10, and those that do not. The attention Jakarta gives to ASEAN may decline. Unless managed carefully, these tensions could further undermine ASEAN's cohesion and effectiveness.

More broadly, as initiatives like the China-Korea-Japan Summit process develop, they will undermine the rationale that ASEAN is the only acceptable leader when it comes to regional security cooperation. It may be possible for a CJK summit to be expanded into an ad hoc concert, for example, by inviting the US to attend while Japan hosts APEC in 2010. But fundamental change is not likely to occur soon. And even if the 'drivers' of Asian regionalism were to be Northeast Asia's big powers, radical change

³⁰ Richard Weixing Hu, *Building Asia Pacific Regional Architecture: The Challenge of Hybrid Regionalism*, Center for Northeast Asian Policy Studies, Brookings Institution Washington, DC (July 2009).

³¹ Gideon Rachman, "How small nations were cut adrift", *Financial Times*, 19 October 2009

in the normative basis of regional cooperation is unlikely. Many of the ideas that have come to be known as the 'ASEAN way' (non-intervention for example) are largely shared by the Northeast Asian states. 'Hard' forms of regional security cooperation will remain elusive unless there is a transformation of the underlying normative structures, particularly ideas around sovereignty. This will require leadership we have not seen so far from within the region and significant compromises on the part of the major powers, something that does not look likely in the foreseeable future. For these reasons, while important changes are taking place and the debates about a new regional architecture will go on, I suspect the implications for existing regional institutions may not be as great as some have suggested.