

REGIONAL STRUCTURES IN THE ASIA-PACIFIC

EMBASSY OF AUSTRALIA

-

CENTER FOR STRATEGIC AND INTERNATIONAL STUDIES (CSIS)

THE MANDARIN ORIENTAL

WASHINGTON, DC

January 17-18, 2005

Conference Summary

On January 18, 2005, the Center for Strategic and International Studies (CSIS) and the Embassy of Australia in Washington, D.C., held an all-day Track 1.5 (semi-official) seminar entitled “Regional Structures in the Asia-Pacific.” Approximately 150 participants representing the United States and Asia-Pacific nations attended the seminar. They included current and former senior U.S. government officials, ambassadors to the United States from Asia, and other Asia-Pacific analysts, academics, journalists, and observers.

Participants addressed trends in Asia-Pacific regional structures; reasons for increasing interest in such multilateral forums; strengths and weaknesses of existing forums; regional challenges that such vehicles could address; and questions to consider concerning future Asia-Pacific “regionalism.”

The seminar was conducted on a non-attribution basis. The following summary seeks to capture the range of views expressed by speakers and participants.

The Character of Asian “Regionalism”

Participants noted several reasons for the recent proliferation of new Asian regional structures: growing Asian interest in developing a regional identity in the wake of similar developments elsewhere in the world; the vast expansion of intra-regional trade; the desire for confidence-building to reduce tensions in the region; the necessity to integrate and shape a rising China constructively into the international system; and the continued legacy of disappointment in the U.S./IMF (International Monetary Fund) response to the 1997 regional financial crisis.

Participants compared and contrasted multilateral structures in Asia with those in Europe. They noted that European countries generally are goal-driven: they identify a problem first and tailor a new regional structure accordingly to address that problem. By contrast, participants suggested, Asian countries are more process-driven, and tend to focus structures around form rather than function: they tend to construct a multilateral vehicle first as an important end in itself, e.g., for confidence-building, etc., and only define a substantive mission later. A U.S. participant observed that treaty-based multilateralism is

more prevalent in Europe, while consensus-based multilateralism is more prevalent in Asia.

Despite criticisms of Asia groupings as being all talk and no action, many participants did not view the Asian way of forming regional structures unfavorably. The lack of hostility among member countries, they noted, has established a quality of openness and constructive interaction that creates habits and expectations of continued such behavior over time.

Participants also noted that Asia-Pacific regional institutions have generally chosen to broaden membership—which has constrained concerted action due to the requirement of consensus—rather than deepen cooperation among a smaller number of like-minded nations. Likewise, such institutions have tended to focus on broad visionary goals rather than short- to medium-term practical steps to address immediate challenges.

China, the United States, and Asia-Pacific Multilateralism

During most of the development of Asia-Pacific multilateralism, China had little interest in and was almost completely absent from the development of regional institutions. An Asian participant elaborated on the reasons for changes in China's perspective over the past 20 years. While China formerly viewed regional institutions as entities attempting to control or contain China, or interfere in its domestic affairs, China has found that participation does not necessarily constrain its ability to defend its national interests. In fact, China now perceives regional institutions as entities that may promote “multipolarity” and thus mitigate U.S. regional influence. Beijing's involvement in such institutions provide China prestige, the participant noted, and a forum where it can present to others the image of a “good neighbor” willing to integrate constructively and “peacefully” into the region. Questions were raised about whether China sought to exclude the United States from new multilateral forums to dilute U.S. influence in the region over time.

A participant raised the question of whether the United States should in fact be considered an “Asian” nation. One U.S. participant contended that while the United States is both a European and a Pacific power, it is not an Asian power because it is not “interior” to Asian politics. However, a number of participants, including U.S. government officials, strongly disagreed. They argued that discussions of Asia-Pacific multilateralism must begin with the premise that, by any metric, the United States is both an Asian and an Asia-Pacific power. It was noted by one participant that Hawaii is geographically closer to Sydney, Australia, than it is to Washington, D.C. The United States conducted USD 1.3 trillion of trade with APEC economies—roughly the size of China's GDP—and 31 percent of combined APEC exports go to the United States. The growth in trade with the immigration to the United States suggests an ever-deepening U.S. interest in regional affairs. Moreover, as one regional participant noted, Asian regional institutions choose English as their official language, which facilitates U.S. involvement and reflects the continued criticality of the United States to the region.

Many participants viewed the trend toward exclusion and/or disinterest of the United States toward Asian multilateralism as worrisome to U.S. interests. Some U.S. participants lamented alleged U.S. “distraction” away from Asia in the wake of September 11, citing this development as weakening U.S. influence in the region in the wake of China’s rise in regional political and economic influence in recent years. A U.S. speaker cautioned that the United States should not rely on being back-briefed by participating countries on discussion that take place in its absence. Furthermore, while the United States has been the cornerstone of regional groupings and is still by far the most powerful actor in Asia in terms of GDP and military capabilities, a U.S. participant argued that in the hearts and minds of Asians, China has always been the great power of Asia despite the anomaly of the past 150 years. Japan was not viewed as a viable balance to China or substitute for U.S. membership within new regional structures.

Nonetheless, an Asian participant argued that among China, Japan, South Korea, and India, none would accept any of the others as regional leader or honest broker, helping the United States to retain that role. Another regional participant commented that the December South Asian tsunami relief effort demonstrated that the United States is an indispensable actor in East Asia and could work multilaterally when necessary. Many participants contended that the United States should be involved in regional discussions on how to shape new Asia-Pacific institutions. The goal should be to establish a regional architecture that is inclusive and transparent.

Issues of Common Interest in the Asia-Pacific Region

A U.S. participant raised several specific examples of critical unresolved security issues that currently prevent effective Asia-Pacific multilateralism, including the Taiwan impasse, North Korea, competing territorial claims in the South China Sea, and tensions between Japan on the one hand and South Korea and China on the other. Nonetheless, other participants commented on the many common challenges facing the region in coming years for which multilateral efforts may be required and effective. These include financial stability—participants debated the need for an Asian financial institution in the wake of the region’s disappointment with the IMF during the 1997 financial crisis—their aging societies, and energy security.

Energy security in particular was discussed in some depth. One participant addressed how access to reliable sources of energy would become an emerging area of common regional interest given energy’s critical importance to economic growth and thus political stability. While demand for oil remains strong, the participant commented that demand for natural gas will likely outpace that of oil over the next two decades for environmental and other reasons. However, demand for natural gas is threatening to exceed available supply, and natural gas resources are concentrated in regions far from the centers of demand. Moving this gas from remote areas to energy-hungry markets in the region will be a major common challenge.

The participant recommended: a cooperative regional approach to energy supply; conservation and improved energy efficiency through use of hydrogen and other

alternative fuels; further development of liquefied natural gas (LNG) resources and infrastructure; increased LNG imports to link Asian markets to the global gas supply; and establishment of a multilateral regulatory regime that promotes new energy sources and needed infrastructure investment.

A participant commented that as important sources of technology and resources, the United States, Australia, and even Russia should be part of this regional discussion on energy, perhaps through APEC or other such bodies.

Prospect for Northeast Asian Multilateralism

Meeting participants addressed the question of whether the Six-Party Talks established to deal with the North Korea nuclear weapons issue could potentially serve as the prototype for cooperation on other issues in Northeast Asia. It was noted that North Korea aside, the other five powers—the United States, Japan, China, South Korea, and Russia—include three major trade and financial powers, three nuclear weapons states, three key global currencies, the world’s largest energy consumers, three permanent members of the U.N. Security Council, and some of the world’s largest energy producers, cutting-edge science and technology innovators, and polluters. The involvement of these countries thus is essential to the management of virtually all major international challenges, it was contended.

One U.S. participant argued that a “Northeast Asia Forum” would only be possible after resolution of the North Korea problem, and could only handle so-called “second-tier” security issues such as energy, pollution, health, etc., rather than hard security issues due to continued tensions and fundamental mistrust among Northeast Asian nations. Another U.S. participant countered, however, that the region cannot afford to wait for the North Korea nuclear issue to be resolved before establishing a five-party forum, stating that such a plan would imply waiting indefinitely.

One participant commented that the five-party talks have already been field-tested in Beijing in fact when the North Koreans did not agree to attend a round of the Six-Party Talks. The meeting, according to this participant, was productive, interesting, and full of promise.

Ideas for Organizing Asia-Pacific Regional Structures

A. Multiple regional structures in a competitive environment

A U.S. participant recommended abandoning the idea of establishing one overarching regional or multilateral forum in Asia. Instead, he suggested, the region should allow for proliferation of such institutions and in essence create competition among them. Those institutions that best address prevailing challenges would naturally receive the necessary resources and commitment from member nations over time, while those that were ineffective or redundant would fall away into either extinction or at least irrelevance. In this way, the most effective institutions would emerge through constructive competition.

Participants questioned whether the East Asia summit idea, as well as future ASEAN +3 meetings, will reinforce APEC and WTO agendas or work at cross-purposes with them. In response, some participants commented that different institutions may perform different functions—economic, political, security, cultural, and technical—without being at odds with one another.

B. Layering of institutions

A regional participant proposed another vision for future Asian regional structures that involves a layered architecture. The participant likened this to the way federal governments operate, with overlapping responsibilities between different jurisdictions leading to consultative processes among the different jurisdictional levels. From this perspective, the United States should not be anxious about Asia-Pacific institutions to which it does not belong but should consider itself akin to a central government agency—just as a central government agency does not involve itself in every issue, the United States should not be concerned about certain institutions in which it is not a member so long as it remains active and influential in other important institutions that are involved in matters relevant to its interests.

C. Lesson of December 2004 Tsunami Disaster: Practical Ad Hoc Multilateralism

Some participants sought lessons from the December 2004 tsunami disaster for the prospect of future Asia-Pacific multilateralism. To these participants, the response to the December 2004 tsunami tragedy demonstrated the viability of *ad hoc* “coalition of the willing and able” vehicles. The group of countries most able to respond—the United States, Australia, India, and Japan—quickly organized themselves to provide immediate relief to affected countries until the broader international community was able to mobilize itself. The initiative was then folded into a U.N. umbrella. The group’s actions were not enshrined in joint communiqués, ceremonies, or structures, but instead remained flexible, informal, and inclusive, reinforcing U.N. efforts rather than competing with them. A participant noted that this type of *ad hoc* multilateral mechanism could be a model for future crisis response efforts, health threats, terrorist attacks, and natural disasters in the region.

D. Expanding Military-to-Military Contacts

Participants noted the need to strengthen regional military-to-military ties. Participants discussed the importance of using multilateral institutions such as the ARF as a place to bring together both defense and foreign ministry officials. A U.S. speaker, for example, raised NATO as an example of how benefits could be derived from having regular meetings not just among the foreign ministers, which has often been the case in Asia-Pacific regional institutions, but also among defense ministers.

Conclusion: Recommendations Concerning Future Asia-Pacific Regional Structures

Participants offered suggestions about how to bolster effective Asia-Pacific multilateralism. Among the recommendations were:

- Increasing the capacities of existing institutions rather than constructing new ones.
- Recognizing the importance of function over form in developing regional structures.
- Moving beyond the “ASEAN Way” of acting only by consensus and under a strict interpretation of “non-interference” in others’ “internal affairs,” which has often constrained effective common action on key regional challenges.
- Identifying functions new institutions could fulfill that existing ones have not, with a focus on results not just confidence-building.
- Tailoring institutions based on the principle that security and economic relationships are interrelated.

Participants seemed to agree on the importance for the United States to remain deeply engaged in Asia-Pacific affairs, including emerging multilateral and regional institutions. Finally, participants agreed that no single institution could address all of the region’s security and other needs. A range of “overlapping and mutually reinforcing” institutions is necessary for regional stability in the current environment. U.S. participants also noted that existing division, or compartmentalization, among Washington policymakers who focus on security and those who focus on economics should somehow be overcome. Such division slows U.S. efforts to form an integrated approach to the region and also impedes any potential U.S. strategy to support the establishment an integrated array of regional institutions.