The future of East Asian regionalism: forging a common vision

Richard W. X. Hu

Follow this and additional works at: https://digital.car.chula.ac.th/arv

Part of the Asian Studies Commons

Recommended Citation
DOI: 10.58837/CHULA.ARV.18.1.2
Available at: https://digital.car.chula.ac.th/arv/vol18/iss1/2

This Article is brought to you for free and open access by the Chulalongkorn Journal Online (CUJO) at Chula Digital Collections. It has been accepted for inclusion in Asian Review by an authorized editor of Chula Digital Collections. For more information, please contact ChulaDC@car.chula.ac.th.
The future of East Asian regionalism: forging a common vision

Richard W. X. Hu

East Asian regionalism was largely driven by trade liberalization within the APEC framework in the 1990s. Yet after the 1997 Asian financial crisis the core ideas and institutional structure based on APEC seemed to become less appropriate. The ASEAN+3 process and trade bilateralism have become the main driving forces for regional community building. However, forging a common vision for an East Asian community has become a major challenge. Should there be an Asian-only grouping based on the ASEAN+3 process or a pan-Asian Pacific community embedded in the APEC design? Sino-Japanese power rivalry adds further complexity. I argue that East Asian regionalism should not follow the European Union model of a highly institutionalized community, but rather a relatively loose, neighborly type of regional cooperation based on the ASEAN+3 process. Moreover, the future course of East Asian regionalism should not be hijacked by the Sino-Japanese rivalry. Regional states should continue to push issue-based functional cooperation and manage the Sino-Japanese rift within the regional community building process, and not let the Sino-Japanese competition derail the course of regional community building.

The momentum of East Asian regionalism has clearly picked up since the Asian financial crisis in 1997. From the ASEAN+3 to the first East Asia Summit (EAS) in December 2005, East Asian states have initiated a flurry of diplomatic and functional cooperation projects to institutionalize their community building measures. At

the ASEAN+3 summit meeting in 2001, the regional leaders endorsed a study report submitted by the East Asian Vision Group, which maps out future measures that could bring Northeast Asia and Southeast Asia into an “East Asian Community” in the future. Intergovernmental projects have been complemented by a variety of nongovernmental activities across the region. In so doing, East Asian states have clearly demonstrated their determination to build a meaningful regional community. Yet, although functional cooperation in East Asia has developed smoothly in recent years, moving from issue-based functional cooperation to a rule-based regional institution is still elusive, and the path ahead is likely to be difficult. East Asian regional cooperation mechanisms are still far too loose or informal by European and North American standards. As the first EAS in December 2005 showed, the regional leaders are still lukewarm about taking measures to build a more institutionalized regional community. They still have substantial disagreements on what should be the vision for building a future East Asian community. The vision problem not only hinders cooperation strategies, but also affects the future trajectory of East Asian regionalism.

At the heart of the vision problem lie different views on what is the basis of a future East Asian community: should East Asia build an Asian-only grouping based on the ASEAN+3 process, or should a pan-Asian Pacific community be erected in the APEC design. According to the East Asian Vision Group’s report, the goal of East Asian regionalism is “[moving] from a region of nations to a bona fide regional community where collective efforts are made for peace, prosperity and progress.” In achieving this goal, cooperation in the “economic field, including trade, investment, and finance, is expected to serve as the catalyst in this community-building process.” After the end of the Cold War, East Asian cooperation was largely driven by trade liberalization projects and APEC’s open regionalism. However, after the Asian financial crisis, the core ideas and institutional structure based on APEC seemed to become less appropriate. The rise of the ASEAN+3 process and trade bilateralism has created an alternative path to an APEC-centered open regionalism and multilateralism in East Asia. Thus, forging the consensus on a common vision has become a major challenge for
future East Asian regionalism.

However, the vision problem is further complicated by major power relations in the region. Although China and Japan have yielded the central stage to ASEAN in pushing forward East Asian regionalism by supporting the ASEAN+3 process and EAS, the course of East Asian community building is increasingly overshadowed by the power rivalry between these two countries. The ASEAN+3 process is a good intergovernmental project for East Asian regionalism, but the potential of the process would be much limited if China and Japan cannot break out of the tough neighborhood in Northeast Asia. Under the shadow of Sino-Japanese rivalry, the first EAS produced little concrete progress in community building other than inaugurating another ASEAN-led platform for general regional dialogue within an ASEAN+3+3 framework.

This paper advocates two major positions about forging a common vision for future East Asian regionalism. First, the vision of East Asian regionalism should not be a European Union type of highly institutionalized community but rather a relatively loose, neighborly type of regional cooperation based on the ASEAN+3 process. Future regional community building should continue to focus on issue-based collective mechanisms to bolster inter-state functional cooperation and, through functional cooperation and mutual reassurance measures, to manage inter-state disputes in the region. Second, the future course of East Asian regionalism should not be hijacked by Sino-Japanese rivalry. Issue-based functional cooperation has become one of the major driving forces behind East Asian regionalism. But where economics unites the region, politics divides it. The political rift between China and Japan poses a serious challenge to the process of building an East Asian community. East Asian states should find ways to manage the Sino-Japanese rift, and not let Sino-Japanese competition derail the course of regional community building.

**After the Asian financial crisis: new momentum and new look**

The growing East Asian regionalism in the last two decades has substantially bolstered interdependent economic linkages in the region and helped to forge a common sense of shared destiny
among East Asian countries. East Asia is composed of extraordinarily diverse religions, ethnicity, cultural and civilization roots, political systems, and national economies. There exist centuries-long interstate territorial disputes, wars, ethnic and religious conflicts, and political divides on top of internal political, ethnic, religious, and even linguistic divisions defying resolution within nation-states. Given that East Asia is such a vast and diverse region, any institutionalized attempt at community building is certainly a difficult task.

Since the end of the Cold War East Asian regional cooperation has been largely driven by rising trade liberalization, neoliberal economic policies, the APEC process, and the end of superpower conflict in the region. Yet in terms of regional institutionalization, East Asia is still far behind Europe and North America, being the “weakest link” in the tri-polar world of regionalism. To move East Asian regionalism forward, Malaysian prime minister Mahathir proposed in 1990 to form an East Asian Economic Group (EAEG) between Southeast Asian and major Northeast Asian states. But Mahathir’s idea did not fly because of Washington’s impediment. At the time Washington was very concerned with the possibility of itself being left outside an Asian-only regional institution.

However, the Asian financial crisis in 1997 created a new opportunity for regional cooperation and community building in East Asia. The financial crisis seriously undermined East Asia’s confidence in IMF and APEC-based regionalism. To East Asian states, the Pacific-wide APEC proved to be irrelevant in the regional financial crisis and failed to produce an institutional response to regional economic problems. Although the crisis provoked a short-term retreat from trade liberalization, it actually created far-reaching consequences for reorganizing the regional political economy. The multitude of developments after the 1997 crisis shored up a new wave of regionalism in East Asia. This new wave of regional cooperation initiatives has served as a catalyst to jump-start and re-orient the direction and format of East Asian regionalism.

East Asian regionalism is largely advanced by three drivers and from two directions. At the transitional level, the major drivers for regional integration and community building are market forces and
non-state actors. East Asia is full of economic dynamism and enjoys one of the highest growth rates in the world. This dynamism is a major force for regional integration. Despite political impediments to regional cooperation, market forces, regional and subregional, were able to create a complex transnational web of linkages across political boundaries among regional states. The rising intra-regional trade, investment, production networks, banking and financial links, technology transfers, communications, cultural and personnel exchanges have all helped to increase regional cohesiveness, connectedness, and interdependence in East Asia. The non-state actors, including multinational corporations, NGOs, private citizens engaged in track-II activities, cross-border media as well as individual workers, students, rock bands, athletic teams, and dance troupes, are the “key spinners of East Asia’s web of cooperation (and occasionally conflict).” Given the fact that the region is still highly diverse and governments remain suspicious of each other, more conscious community building efforts by transnational and problem-oriented bodies are essential to foster a deeper mixture of regional identity and region-wide networks of cooperation. This is something inter-governmental actions may not achieve.

At the intergovernmental level, state-sponsored East Asian community building in East Asia, though still far weaker and less legalized than counterparts in other regions, has seen a substantial progress since the 1997 crisis. The number of bilateral trade agreements in Asia Pacific grew from twelve in 1995 to 64 in 2005. Given the failure of the WTO Doha Round, it would not be a big surprise to see a sharp increase in the number of regional bilateral agreements in the years to come. Multilateral bodies have also gained in strength. Almost all East Asian states have been involved in APEC. National governments in the region have also institutionalized cooperation through a complex network of regional organizations and forums, such as ASEAN, ASEAN+3, ASEM (25+), ARF, and SCO (Shanghai Cooperation Organization). These organizations, together with subregional cooperation projects, growth triangles and quadrangles, cross-border arrangements, and various track-II channels, have created a multi-layered web of political and economic ties across the region. Though new, East Asian community building is already
complicated enough. This complex structure of multilateral cooperation bodies is what Paul Evans calls a “noodle bowl” effect. In his words, this “noodle bowl of Asian regionalism—ASEAN, ASEAN PMC, ARF, SAARC, SCO, APEC, PECC, CSCAP—is not quite as thick or rich as its spaghetti-bowl counterparts in Europe. But in a post-Cold War setting, the noodle bowl is filling quickly.” Nevertheless, if we carefully look at the structure of regional multilateral organizations, ASEAN is at the central position, knitting the regional web of cooperation.

East Asia countries are heading steadily toward the creation of a regional economic community or at least an East Asian free trade area. Although the eventual entity created by East Asian countries may not be formally called the “East Asian Community” or “East Asia Free Trade Area,” and may not be managed by centralized institutions as in the European Union, the core East Asian group—consisting of ASEAN, China, Japan, and South Korea—has already been formed since the 1997 Asian crisis. A series of bilateral free trade area agreements (see Suthiphand in this volume) and subregional FTA agreements have either been signed or are in negotiation, emulating China’s FTA framework agreement with ASEAN in 2002. Therefore, the future possible configuration of East Asian regionalism may not be a grand institution along the lines of the European Union, but rather a messy combination of bilateral, multilateral, and subregional components including regional trade liberalization agreements and a loose regional institution. This regional institution building will probably be centered on the current ASEAN+3 grouping. With its spinning-top activities, ASEAN plays the role of agenda-setting, dialogue facilitating, and a role model for this so far imaginary East Asian regional community. By creating the mechanisms of ASEAN+1, ASEAN+3, and ASEAN+x, this regional grouping provided a much-needed institutional venue for East Asian community building. The ASEAN+3 process, bridging Northeast and Southeast Asia and serving also as a platform on which both China and Japan can talk to each other on an equal footing, helped to “draw a blueprint for institutional cooperation that could have a profound impact on the global ‘three bloc world’ configuration.”
Moving ahead in the “ASEAN way”

I believe the vision of East Asian regionalism should not be a European Union type of highly institutionalized community but a relatively loose, neighborly type of regionalized cooperation based on the ASEAN+3 process. The rationale for this kind of vision can be found in the literature of institutional design and the debate on what is the fittest institution for future East Asian cooperation. Regional institutional design has long puzzled students of international relations. Given the international society’s experiences with the UN, European Union, WTO, NATO, Nonproliferation Treaty, and dozens of other regional organizations, institutional design is an interesting topic of inquiry for academics as well as a policy-relevant discourse. In contrast to the realists’ suspicions about institutional solutions to international relations problems, liberal institutionalists believe institutions and institutional designs matter in conflict resolution and regional cooperation. By exploring the raison d’être of institutions and their designs either from a regulative or social constructive perspective, the most suitable format of institutional building can be identified. Since the process of East Asian regional cooperation has greatly benefited from the “ASEAN way” of diplomacy, it is the most appropriate entry point for us to answer why a relatively loose, neighborly type of regional cooperation based on the ASEAN+3 process is suitable for the future development of East Asian regionalism.

The essence of the “ASEANized” process of regional cooperation is its empowerment of regional states to engage with each other at a level of comfort. This has created a unique trajectory of intra-regional diplomacy between ASEAN, China, Japan, and other East Asian states. Over the past decade, the ASEANized pattern of intra-regional diplomacy has emerged as a successful showcase of regionalism in world politics. The ASEANized process of regionalism tells a successful story where small states (ASEAN and South Korea) lead and big powers (China and Japan) follow, in contrast to the European and North American cases where big powers lead and small countries follow. Small states in East Asia have motivated and empowered China and Japan to participate in ASEAN-led institution building. They have initiated ideas and projects to prompt the big powers to act in the interest of the
region, rather than pursue their narrowly defined national interests. Indeed, ASEAN’s dialogue partnership arrangements with China and Japan have functioned to keep the two big powers engaged and informed about the small states’ wish for regional stability and prosperity. Since most initiatives for regional cooperation originated in ASEAN, it has been easier for China and Japan to respond in kind, because the two big powers have less reason to see such initiatives from the prism of their bilateral political relations, which have been difficult over the past decade. In a similar vein, in Northeast Asia, South Korea has played a role much larger than its size would suggest in making APEC include China, Taiwan, and Hong Kong as equal members.

The emerging East Asian community is still very loose by European and North American standards, but the dynamism behind community building is quite spirited and energetic. Everyone agrees that East Asia is a very diversified region, and that explains why regionalism, especially regional institution-building, is difficult to start and sustain. However, as the process of building a neighborly community over the last fifteen years indicates, nation-states in the region have finally come across a new, pertinent way to engage each with other. This “ASEAN way” of intra-regional diplomacy is modeled on ASEAN’s culture and codes of conduct, and the essence of this intra-regional engagement emphasizes consultation, mutual respect, consensus building, informality, and refraining from exerting influence and coercion over one another.

The ASEAN way of diplomacy comprises a set of rules or a subculture used by the organization to deal with internal conflicts as well as to engage external states. Some scholars argue the ASEAN way is a distinctly Malay cultural approach to the process of interaction, emphasizing that a decision must be made through a careful and equal deliberation among participants. Although scholars differ on how exactly the ASEAN way of diplomacy works, and on how effective it is, most of them agree that its major features include informality, consultation, consensus building, and an incremental approach to conflict resolution. The ASEAN way is particularly suited to conflict management and conflict resolution. It is imperative in conflict management that consensus is reached before any official decision is adopted. No matter whether there are
shared values, and cultural and religious identity, the ASEAN way of dialogue is a significant procedural rule of the game. To some people, it is a slow process of incremental deliberation, in which an organization moves toward collective decisions based on group thinking. Yet the ASEAN way requires a non-confrontational attitude, a genuine willingness to see the points of view of others, a conscious refraining from exerting influence or coercion over other member states, and a willingness to be patient and to persevere in reaching consensus. Adherence to these norms produces slow and time-consuming decision making.\textsuperscript{14} This distinct ASEAN-styled process of diplomacy is evident in the high frequency of meetings between heads of states and governments, ministers, and senior officials, when they consider political, economic, and social issues. The number of meetings reaches 230 to 250 annually.\textsuperscript{15}

From a constructivist point of view, the ASEAN way is a set of norms, attitudes, principles, and procedural guidelines for multi-lateral engagement and conflict management which has proved to be useful for East Asian community building. To retain a collective strategy and group-thinking type of consensus building, it is important for regional countries to share values and to have a common identity. The ASEAN way can help to form a sense of common identity among East Asian countries. The ASEAN way rejects legalism and emphasizes socialization and consensus as the nucleus of ASEAN’s institution-building strategy in Southeast Asia and the wider Asia-Pacific region.\textsuperscript{16} ASEAN has become more confident in relying on this approach, and has avoided establishing a central coordinating institution to maintain its unity and to engage other powers. The ASEAN way requires each member state to observe some basic norms, including: the principle of seeking agreement and harmony; the principle of sensitivity, politeness, and agreeability; the principle of quiet, private, and elitist diplomacy versus public washing of dirty linen; and the principle of being non-legalistic.\textsuperscript{17} In addition to these procedural principles, ASEAN’s substantive principles of non-interference, enshrined in the Treaty of Amity and Cooperation, are also significant for relations among its member states. In the ASEAN+3 dialogues in the last decade, Northeast Asian states have embraced the principles and dialogue modalities established by ASEAN. This regional cooperation at the
pace and in the degree comfortable to every country involved has proved to be practical for East Asian community building.

However, the ASEAN way has long been criticized for being ineffective and inefficient. Regional integration centered on ASEAN is therefore said to be inherently weak. ASEANized consultation is said to be fragile because meetings are informal, because there is no infrastructure and little in the way of a paper trail, and because agreements are always reached on points of principle with no functional detail. However, it is precisely because of this “ineffective” and “inefficient” way that ASEAN has successfully engaged the Northeast Asian big powers in regional community building at a level they are comfortable with. Both China and Japan have come to feel comfortable with each other and with the ASEAN states in ASEAN-led regional dialogue. To most East Asian leaders and officials, this is the greatest strength of ASEAN, and it is this asset that has allowed community building to take root in such a vast and diversified region. The beauty of ASEAN-style consultation and consensus building is that it allows participating states to agree to disagree and escape sanction at the same time. To attain some form of consensus, member states in consultation pursue the lowest common denominator. There is little support for creating the type of supranational institution that exists in Europe. Within the context of consensus building, no nation-state can expect to behave in the kind of hegemonic manner the United States adopts in North and South America to obtain regional cooperation. The result, then, is that the sense of regional belonging and community comes from appreciating one another’s positions and policies. That appreciation, in turn, prevents the imposition of retaliatory measures when one nation-state’s behavior is not in tune with other nation-states’ expectations.

Forging a common vision: future challenges

While the 1997 Asian financial crisis fully exposed the institutional problems and pitfalls of APEC and ASEAN, the rise of China and the resurgence of Japan simultaneously have basically changed the East Asia geopolitical structure in which East Asian regionalism is embedded. On the geostrategic front, although the
US-centered “hub-and-spokes” regional security architecture will remain and will continue to anchor the regional security order, Washington is no longer in the position to manage the course of change in intra-regional political and economic relations. Although East Asian states do not seek to challenge US predominance in the military sphere, they do intend to form platforms for regional cooperation in order to advance their common interests without Washington’s involvement or endorsement. The rise of China, on the basis of its “soft power” and economic clout, does pose a challenge, in different dimensions, to the United States’ dominant position in East Asia. Thus, the traditional balance of power no longer characterizes the dynamics of the relations between the big powers and the small states in the region. Instead, a balance of influence has been redefining the rules of the game, and that has a great impact on forging a common vision of East Asian regionalism.

The future course of East Asian regionalism will be full of twists and turns. The future success of regionalism should not only be measured by its degree of institutionalization and regional identity formation, but also by how well it can accommodate power rivalry within the system. The neighborly community in East Asia has a relatively low degree of institutionalization. Miles Kahler suggests that the diversity of legal systems in East Asia prohibits a more legalized framework of Asian regional institutions. Although there have been various programs and activities to institutionalize regional cooperation, East Asian states have not translated them into legally binding treaties and regulations, and they are still far from having a shared vision of acting in unison. Regional identity requires cultural as well as normative elements to be shared by all states. As some scholars point out, the driving force behind East Asian regionalism is nationalism. Compared with European regionalism, the East Asian version lacks a convincing and acceptable normative framework for regional institutionalization. The further growth of Asian regional institution-building will be constrained by East Asian countries’ persistent concerns regarding erosion of their national sovereignty. It would be difficult for these states to give up their sovereignty for a regional order and a supranational structure which looks after regional security. Moreover, regional cooperation and community building is not just about free
The future of East Asian regionalism

trade, exchanges of goods and services, and security dialogue. In the EU case, a common ideology and shared concepts of democracy, human rights, individual freedoms, and the rule of law form the normative foundation of its regionalism and regional institutions.

The strategic, political, and economic interactions in East Asia defy simple description. Looking at future challenges to regionalism, we must consider how major power rivalry can be accommodated in the community building process. While Washington’s pursuit of strategic influence in the western Pacific was a key exogenous factor in the growth of the regional economy and alliance formation during the Cold War, the end of the Cold War has seen the United States having difficulty in forming a consistent East Asian strategy. Washington’s “friendly ignorance” of the regional integration process and its strategic distractions to other regions after September 11 have created new opportunities for East Asian states to cultivate intra-regional community building. The US remains vital for the region’s security and stability, but Washington has become less capable of forcing “regime change” in East Asia, and often has to rely on collective actions to resolve regional problems. Thus, the policy orientation of the US in the post-Cold War era has left space wide open for East Asian states to initiate more inward-looking regional activities among themselves without upsetting US dominance in the security field. Washington’s Asia policy has often prompted East Asian states to lessen their differences and enhance regional welfare by themselves. But while Washington is somewhat detaching itself from East Asian regionalism, the rising Sino-Japanese competition in East Asia is increasingly a force that could derail the future course of East Asian regionalism. How to manage the competition between these two rising powers in regional cooperation is an issue that has direct impact on the common vision of regionalism.

Managing Sino-Japanese rivalry

Most people agree that while the US is not in a position to shape East Asian regional integration in the post-Cold War era, China and Japan are the two major players with the potential to shape change in the region. The end of the Cold War in many
ways threw China and Japan back into the complexities of the regional geostrategic rivalry that existed before the Second World War. The most significant post-Cold War change in the East Asian geostrategic landscape is the rise of China and a corresponding relative decline of Japan. The “rise of China” and the decline of Japan are perceived to be relative to one another. The image of Japan on the decline since the end of the Cold War largely stems from the lost momentum of economic growth after Japan’s bubble economy collapsed in the early 1990s. As a result of the changing balance of power between the two countries, both Beijing and Tokyo face the same challenge of how to respond to their changing relative positions in the regional geopolitical and geoeconomic setting in the post-Cold War era. In response to concerns over the growing “China threat,” Beijing found defensive rhetoric was ineffective. In order to assure other countries, especially its Asian neighbors, of its peaceful intentions in foreign policy, the Chinese leaders decided to take a more sophisticated, friendly and soft approach, bilateral and multilateral, to its Asian neighbors by providing economic aid, by participating in multilateral forums, by declining to press its territorial claims, and by enhancing mutual trust. These measures and a “peaceful rising” posture have helped China to expand its strategic space in East Asia.

As for Japan, since no East Asian states, including China, South Korea, and Southeast Asia, would welcome a more assertive Japanese role in shaping the regional order, as seen in the Greater East Asian Co-Prosperity Sphere of the 1930s, Tokyo considers the consolidation of the Japan-US alliance as the foundation of its Asian policy. Yet Japan increasingly feels pressure from China when Beijing intensifies its efforts to reach out to other East Asian states. Against this background, both China and Japan feel compelled to woo Southeast Asian states to their side and both strive to be included in any regional networking initiative. By participating in the community building, they can at least try to shape the course of change in the region in their own interests and according to their own designs. For ASEAN states to avoid becoming a victim of Sino-Japanese rivalry in East Asia, they find they must take the initiative to socialize China and Japan through the ASEAN way of diplomacy, and put themselves in the driver’s seat of East Asian
Today's Sino-Japanese rivalry is not the same as the traditional power competition in the nineteenth and twentieth centuries, but is more about a “balance of influence” in the regional arena. Both want to expand their influence, not their military power, to Southeast Asia. They compete intensely for future regional leadership, but neither of them can afford to upset regional stability for the fear of losing ASEAN’s support. On the one hand, both China and Japan have tried to enlist ASEAN's support against the background of increasing tensions in their bilateral relations. On the other hand, both powers want to use the regional multilateral diplomatic platform to hedge against each other's influence in the region. The US-Japan alliance helps to prolong Sino-Japanese rivalry, as it makes it difficult, if not impossible, for either China or Japan to become the regional hegemon in East Asia. It also prevents China and Japan from exercising joint leadership in the region. Thus the most likely course of regional diplomacy and community building that can bring the two giants together will continue to be the ASEAN+3 process. Against this backdrop Sino-Japanese rivalry is more about a subtle balance of influence in the region, rather than traditional struggle for regional hegemonic dominance. Rivalry of this nature, instead of disrupting regional cooperation, will likely allow East Asian states to continue living in peace and building a neighborly community.

From the 1970s to the mid 1990s, Japan enjoyed a de facto leadership role in the East Asian region mainly through its economic strength. Japan’s growing economy and massive foreign direct investment in the region became the invisible hand in regional economic integration. However, with China’s increasingly visible status in the region since the mid 1990s, Beijing has become a more significant driving force for regional economic integration, and this has made Tokyo rethink its role in East Asia. Before that, Japan’s regional thinking was anchored more in the Asia-Pacific framework, rather than a grouping of only East Asian countries. The rise of China and its growing influence in regionalization have compelled Tokyo to be more positive about joining an East Asian community to face the challenge of a future Chinese leadership role in the region. However, the structural nature of Sino-Japanese
rivalry implies that the prospect of joint leadership for deeper economic integration in East Asia is quite unlikely at least for the foreseeable future. In regional community building, ASEAN states have thus become targets for Beijing and Tokyo to win over to their respective sides. Against the background of their continuing political difficulties, China and Japan have each quickened the pace of their engagement with ASEAN. Neither Beijing nor Tokyo would allow difficulties in their bilateral diplomacy to affect their engagement with ASEAN. Both have found ASEAN a necessary podium for promoting regional community building and contending for a future leadership role. In the process, the various institutional mechanisms centered on the ASEAN way of diplomacy have served as an alternative means for China and Japan to pursue the pragmatic aspect of their bilateral diplomacy. As ASEAN has taken the liberty to lead the multilateral community building process, it has increasingly become a key stakeholder in Chinese and Japanese designs for the regional community.

Given its strengths such as the culture of informality, consensus building and open regionalism based on the ASEAN+3 process, the ASEANized way of regionalism should play a facilitating role in accommodating power rivalry in the region. As the ASEAN+3 process relies on consultation and consensus building to achieve cooperation, closeness and openness with each other to whatever degree is comfortable, this distinct culture helps to lessen East Asian states' concerns over transferring sovereignty to regional institutions when the degree of institutionalization is on the rise. The ASEAN consultation culture has also proved positive in easing and accommodating power competition between China and Japan. It is so far the best possible mechanism to coordinate interactions within the region. To be sure, the ASEAN+3 process has not and will not overcome Sino-Japanese bilateral disputes, but it can add a layer of precaution for both countries when they think about escalating these disputes. It is not in their interest to have their bilateral problems get out of control. Although ASEAN as a group has not taken up lessening Sino-Japanese rivalry as a key mission, individual ASEAN state leaders have on various occasions made public their preference for an improvement in Sino-Japanese relations. In that sense, the ASEANized regional community building process should
hold China and Japan together in a long-term process of regionalism, though the prospect of East Asia reaching the level of EU institutionalism is still quite remote.

**Conclusion: looking ahead**

Given the complexities of community building in the region, the course of East Asian regionalism will benefit from the ASEAN way of dialogue and functional cooperation. In the ASEANized community building process, consultation and consensus building is more important than rule-making because it fosters mutual acceptance in such a diversified region. Through consultation and consensus-building, states practice conflict avoidance and mutual accommodation. Despite the fact that Sino-Japanese diplomatic tensions are on the rise, thus casting doubt on the future of regionalism and community building in East Asia, we have reasons to believe that the basic pattern of conflict avoidance will prevail. East Asian community building is a multi-level, multi-layered construction process in which state cooperation and competition take place simultaneously. The interaction between regional power politics and the regional integration process (such as the ASEAN+3 and EAS) has given a unique trajectory to community building in East Asia. An ASEAN-led, momentum-driven, multi-layered functional cooperation, centered on the ASEAN+3 process, has shaped a loose, neighborly type of regionalism between ASEAN states and their Northeast Asian counterparts – China, Japan, and South Korea. It will continue to serve as the driving force for future regionalism.

The ASEAN+3 process, together with other pan-Asian initiatives in recent years, has become a good platform on which Beijing and Tokyo can engage with each other in regional cooperation, rather than breaking away from the regional community. By participating in the regional forum, both China and Japan can keep their options open and not be left out of the regional organization process. Without the ASEAN+3 forum, the political atmosphere for Sino-Japanese relations may have become worse. Bilateral meetings between Chinese and Japanese leaders at the ASEAN+3 summit and APEC meetings have not led to great
improvement in bilateral relations, but they provide a necessary mechanism for both Chinese and Japanese leaders to regularly reassure each other and to discuss their common policy concerns.

Notes

1 The East Asian Vision Group was commissioned by the ASEAN+3 leaders in 2000 on a proposal from the South Korean President Kim Dae-jung to produce a blueprint for future East Asian community building. The Group’s report, Toward an East Asian Community: region of peace, prosperity and progress, was submitted and endorsed by the ASEAN+3 summit in Brunei on 31 October 2001. The full text of the report is available online at the ASEAN Secretariat’s website, http://www.aseansec.org/pdf/east_asia_vision.pdf (last accessed April 2006).

2 The EAVG report Toward an East Asian Community is available online at the ASEAN Secretariat’s website, http://www.aseansec.org/pdf/east_asia_vision.pdf (last accessed April 2006).


6 See, for example, Edith Terry, How Asia Got Rich: Japan, China and the Asian Miracle (Armonk, NY: M.E. Sharpe, 2002).


8 Pempel, Remapping East Asia, p. 12.

9 Data was drawn from United Nations Economic and Social Commission for Asia and the Pacific (UNESCAP) website.


11 Cited from Pempel, Remapping East Asia, p. 14.

12 Youngmin Kwon, Regional Community Building in East Asia (Seoul: Yonsei University Press, 2002), p. 29.

13 See, for example, Philips Jusario Vermonte, ‘China–ASEAN Strategic Relations: a view from Jakarta,’ in James K. Chin and Nicholas Thomas, eds., China and ASEAN: Changing Political and Strategic Ties (Hong Kong: Centre of Asian Studies, University of Hong Kong, 2005), p. 95.
The future of East Asian regionalism

14 Husin Mutalib, ‘At thirty, ASEAN looks to challenges in the new millennium,’ *Contemporary Southeast Asia*, 19, 1, 1997, p. 79.
22 Tahashi Terada, ‘Constructing an “East Asia” concept and growing regional identity: from EAEC to ASEAN+3,’ *Pacific Review*, 16, 2, 2003.