

Co-operation in Asia

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Argument in ten points:

1. It is reasonable to consider “East Asia” or “Pacific Asia” as a region that is distinguishable from South and Central Asia. This is because there is more trade and communication between the Pacific Asian nations than between those nations and other Asian regions.

2. From a geopolitical viewpoint, Southeast and Northeast Asia do not form regions of their own, but are parts of “East” or “Pacific Asia”. There is more international trade and communication between Southeast and Northeast Asia than there is within Southeast Asia itself.

3. Although there is much interaction within Pacific Asia, the institutional infrastructure for co-operation in the fields of security, politics and economic regulation remains weak. The lack of regional co-operation is the greatest impediment to realising the dream of an “Asian century”.

Several factors explain the lack of co-operation:

- the traditional hostility between Japan and China;
- the continued division of Korea;
- the dispute over Taiwan’s status;
- the conflict over maritime delimitation and sovereignty to islands in the South China Sea;
- a general apprehension as to China’s long term intentions.

It will probably take a long time to overcome these obstacles to increased co-operation.

4. Because regional co-operation within Pacific Asia is so weak, the presence of the US Navy and of American troops in Okinawa and South Korea remains essential to ensuring international stability. At the same time the US presence, and the US-Japanese alliance, have a divisive effect on the region since they tend to perpetuate suspicion and hostility not only between China and Japan, but also between other states and political factions within them.

choose their own form of government (Malaysia, Singapore, Brunei, Myanmar, Vietnam, Cambodia, Laos). The same conflict developed within the decision-making elites of each country, with US-oriented liberal reformers being opposed by “stabilisers” defending traditional values and wanting a higher degree of state control in the economic and cultural fields.

- Inability to manage the dispute over sovereignty in the so-called Spratlys, and to proceed towards negotiations concerning maritime delimitation in the South China Sea. A workshop process sponsored by Canada, and also discussions in the ARF, have contributed to containing the dispute through most of the 1990s and prevented a military conflagration, but lately there have been disturbing incidents not only between China and the Philippines, but also between member states of ASEAN.
- A new independent state, East Timor, is emerging, who is likely to be strongly dedicated to “Western”, democratic values, to seek a close relationship with Australia, and to refrain from seeking membership in ASEAN. It now seems possible that Aceh will emerge as yet another newcomer on the international arena, with a different, islamist profile.

The present summit in Manila represents a new chance to build a regional co-operative agenda, but the task will be extremely difficult.

7. While ASEAN has been in crisis, and Japan has been hampered by its own financial problems as well as US opposition to Tokyo’s proposals for regional crisis management, the People’s Republic of China has increased its leverage and influence in the region. This, also, has several reasons:

- So far the Chinese economy has got relatively unscathed through the Asian crisis, with high growth figures (although many experts say they are inflated, and that the long economic boom may be heading for a hard landing).
- China has successfully taken over Hong Kong, without major disturbances, and the inclusion of Macau in a month’s time will further add to China’s strength.
- The PRC has significantly improved the quality of its regional diplomacy, with a new generation taking over important diplomatic posts abroad. The new diplomats have no background in the old ideological struggles within the greater Chinese community, but represent a normal (although very big) state in relations with other states. At the same time they are more conversant in other Asian languages than their predecessors.

5. To the extent that there has been progress towards more regional co-operation in Pacific Asia, this has been enhanced by the existence, since 1967, of the Association of Southeast Asian Nations (ASEAN), who has been organising dialogues between its Southeast Asian member states and the states of Northeast Asia, played a leading role in the ASEAN Regional Forum (ARF), and initiated the ASEM process with Europe. The willingness of Southeast Asian states to put aside their own differences in order to promote regional co-operation has been essential to improving regional relations in the whole of Pacific Asia in the 1980s and 1990s.

APEC (Asia Pacific Economic Co-operation) and ASEM (Asia Europe Meetings) constitute another kind of co-operation. They cut across the Pacific Ocean and the Eurasian continent. Thus they are cross-regional, with the US, Canada and Australia playing important roles in APEC, and the EU in ASEM. As cross-regional organisations, they represent a kind of institution between the regional and the global level which does not seem to fit well into the emerging global order. Their *raison-d'être* is based on the lack of regional co-operation within Pacific Asia itself. In the long run, APEC and ASEM are likely to be superfluous.

6. At present, however, on the verge of the summit in Manila, ASEAN is in crisis, and can hardly play its role as instigator of regional co-operation in Pacific Asia at large. This has several reasons:

- ASEAN was unable to get in the forefront of fighting the regional financial and economic crisis during 1997–99. This task was mostly left to individual states, with assistance, advice and pressure from the IMF and the World Bank. ASEAN lost relevance and prestige.
- ASEAN broadened its membership to include Vietnam, Laos, Burma (Myanmar) and Cambodia, thus increasing the risk of internal division.
- Indonesia, the largest state in ASEAN, entered a period of crisis, democratisation and a difficult leadership succession. Thus Indonesia could no longer play the stabilising role in the region that it had played during Suharto's long reign (1965/67–98). (It is interesting that Indonesia's new president, Abdurahman Wahid, is seeing this so clearly, and is trying to reinstate Indonesia as a stabilising power by improving relations with China, the overseas Chinese community, the USA and Japan.)
- A deepening wedge between a minority of member states committed to liberal democracy (the Philippines, Thailand, perhaps now Indonesia) and states defending the right of Asian nations to

- China has embraced and benefitted from the “Asian Values” discourse of Malaysia (and partly Singapore) which has consisted in defending regional regimes against Western intrusion in Asian affairs.
- China has also enlisted support from Russia and the new Central Asian states for its defence of national sovereignty against external interference (the non-intervention principle). Thus China has become the leader of a camp defending a principle which used to be considered as worthy and important also in Europe and the United States.
- China has acted with a certain degree of restraint in its regional environment and has thus managed to promote its national security interests, and embark on the modernisation of its military forces, without serious damage to relations with other states, except the Philippines, and the (province of) Taiwan.

8. It is possible that Pacific Asia will gradually slide into a soft version of the “cold war”, with China taking the lead in a camp opposing Western interventionism, and the US trying to bolster the nations who have adopted electoral democracy: Japan, South Korea, Taiwan, the Philippines, and Thailand (It will be interesting, in this respect, to see the profile of the new Indonesian regime). The problem for China, and other states in that camp, is that they are in such a strong need of access to loans from multilateral agencies, investments from transnational companies with basis in the US, Japan and Europe, and unimpeded access to American and European markets (the importance of the European market is increasing) that they will be inclined to avoid open conflict with “the West”, at least as long as western economies continue to grow. For the next few years, China will most probably try to combine a reasonably friendly relationship with the US and Europe with actions to maintain domestic political stability, and diplomatic manoeuvres to build alliances behind the non-interference principle. The recent trade agreement with the United States, which may soon allow China to get WTO membership, is the latest indication of the Chinese inclination to seek accommodation rather than conflict with the USA, Japan and the European Union.

9. Two different scenarios can be discerned for regional multilateral relations (both assuming that there will be increased co-operation and not a breakdown of multilateral relations in the region):

The first is one where APEC and global institutions become the most important vehicles for the Asian states in their quest for co-operation. This would either be based on a pattern of general improvement in the relationship between East Asia and America, or in

competition and rivalry among the Asian states, who all seek American support. Under this scenario, Pacific Asia will not have an independent voice or significantly improve its influence in world affairs. US dominance will instead be confirmed.

The second scenario is one of renewed co-operation among the Asian states themselves, the majority of whom will probably seek to mark a distance between themselves and “the West”. In this scenario, China is likely to play a leading role. The scenario is not necessarily incompatible with democratisation, but if it is to be combined with democratisation, China itself must democratise. The second scenario can also be combined with active Asian participation in global organisations such as the UN and the WTO. Asian countries will launch an increasingly vigorous campaign for changing the composition of the UN Security Council.

10. The European approach to the region is ambivalent because the following goals and interests are difficult to reconcile:

- Promote humanitarian values (this tends to align Europe with the USA, and with democratic opposition movements in Asia).
- Play up to home audiences critical of authoritarian regimes (this works in the same direction).
- Promote regional co-operation in Pacific Asia, under inspiration from the European Union (this induces Europeans to take a conciliatory attitude to Asian regimes, since state to state co-operation must build on existing regimes).
- Increase Europe’s short term influence (works in the same direction).
- Sell European products in Asia, in competition with Japan and the USA (this increases the temptation to downpedal criticism of Asian regimes).

Conclusion: A scenario where APEC plays a dominant role is not in Europe’s interest. If APEC dominates, then Europe will need to bolster ASEM as a Euro-Asian alternative, but ASEM will never be able to match APEC in importance. Rather than trying to further develop its own mirror image of APEC, Europe should formulate a strategy for enhancing the influence of Asian nations in global, multilateral institutions, while leaving room for increased regional co-operation in Asia itself. Such a strategy must, however, be combined with a principled defence for European social and democratic values.

Notes for paper on regional cooperation in Asia, to be presented in Brussels 24.11.99

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MALAYSIA

Mahathir renews plea to Japan

IAN STEWART in Kuala Lumpur

Prime Minister Mahathir Mohamad has portrayed his proposed East Asian Economic Caucus (EAEC) as a panacea for such Asian problems as the East Timor question in a new bid for Japanese support for the concept.

He urged Asians to disregard American objections to the EAEC, which would comprise the 10 countries of the Association of Southeast Asian Nations (Asean) together with China, Japan and South Korea.

China and South Korea have responded positively to Malaysian overtures but Japan has been unwilling to take part because of American opposition.

Dr Mahathir implied that the EAEC could be more effective in dealing with such issues as East Timor than Asean, which he surprisingly described as "split up".

Analysts said his disparagement of Asean, which he has long championed, reflected his belief that the region needed a stronger organisation to counter Western influence.

In his regular monthly column for Japan's Mainichi Shimbun, Dr Mahathir said the West seized the opportunity presented by the economic and political turmoil in Indonesia to "break up" the country.

Asean was "split up" and unable to do much to counter the campaign to break up Indonesia or the "onslaught against the economies of Southeast Asia".

Dr Mahathir said EAEC would be prepared to provide permanent protection for East Timor, which might "become Australia's Vietnam".

"If the EAEC is in place, we would be able to resolve the East Timor problem eventually. Then East Timor would not be anyone's Vietnam."

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