

The Emerging East Asian Regionalism

A new paradigm of regionalism is emerging in East Asia. Within ASEAN, an appeal was heard to re-consolidate in order to face the challenges of its enlargement and of globalisation, and to cooperate more closely with Northeast Asia. Further north, a new triangular rapprochement appears to be emerging amongst the three North-East Asian protagonists (Japan, China and South Korea), thanks to converging internal and external factors – the process of Korean reunification, the post-Asian Crisis context, ASEAN's promotion of »East Asian regionalism«, the assertiveness of American policy in Asia, and domestic considerations in both China and Japan with regard to their respective roles in the 21st century.

Triangular Rapprochement in Northeast Asia

The historic Korean Summit between Seoul and Pyongyang on 13–15 June 2000 has clearly brought an air of rapprochement to Northeast Asia. The five-point June joint declaration on reconciliation and peace had led to a reunion of separated families on 15 August 2000, bilateral meetings of Ministers of Economy and even Defense at Cheju Island, the re-establishment of a defunct railway (Kyongui Line) as well as a road link, the march-past of Korea as a »combined« team at the recent Sydney Olympics, the setting-up of a joint committee to promote economic cooperation and trade, and the eventual establishment of a Seoul–Pyongyang hotline. These can be regarded as »major signs« of a political breakthrough. The nominal North Korean Head of State, Kim Yong Nam is set to visit Seoul in Winter 2000/2001, ahead of a »return« visit of Pyongyang strongman Kim Jong II to Seoul.

China has indeed played a key role in the success of the Summit and Korean rapprochement. In March 2000, Prime Minister Zhu Rongji had

reportedly played a critical role in encouraging Pyongyang to open up to the outside world, whilst President Jiang Zemin hosted Pyongyang leader Kim Jong II in Beijing a week just before the Summit. Seoul has come to realize that China's support is primordial in »softening« Pyongyang's hardline regime and prodding it towards compromise and reason. Much of President Kim Dae Jung's political credibility and legacy (notably, his bold »sunshine policy«), will now depend to a huge extent on Beijing's services as intermediary; China–South Korean relations should therefore continue to improve significantly in the months to come. Kim Dae Jung has been given the Nobel Peace Prize for 2000 for his peace efforts on the Korean Peninsula. On the other hand, North Korea is now poised to get reintegrated into the region and will seek China's guidance even more, as Pyongyang officially joined the ASEAN Regional Forum in July last year, welcomed Russian President Vladimir Putin (also in July), re-embarked on crucial rapprochement talks with Tokyo and hosted American Secretary of State Madeleine Albright's visit to Pyongyang in September 2000. In another ground-breaking move, Jo Yong Park, the second man of the North Korean regime (after Kim Jong II) was received by President Clinton in the White House before Madeleine Albright's visit. There is also now some possibility that Pyongyang may be joining the Asian Development Bank, the World Bank and the International Monetary Fund in the coming months, and hence re-entering the international financial circuit. China, fully aware of its crucial intermediary role, has hence emerged as the big power broker for both North and South Korea, as well as for Japan and even Western powers.

Japan and South Korea have also found new reasons and a renewed impetus to come together. The Asian crisis saw Tokyo rushing to the assistance of a much-humbled Korea, but also from a

Japan itself still mired in crisis since the early 1990s. Both countries are inevitably opening up to the brave new world of globalization. They therefore see much of their own future and that of the region well intertwined, one of the fundamental lessons they had learnt from the Asian Crisis. In three phases since 1998, Seoul has symbolically lifted a historic ban on most Japanese film, video games and pop music, which constitutes a powerful cultural détente between Japan and South Korea. In this regard, Tokyo and Seoul, who will symbolically co-organise the 2002 Football World Cup, are now negotiating a Free Trade Agreement, although discussions are still bogged down in the sensitive agriculture and telecommunications sectors.

Although China–Japan relations are still tenuous and the most difficult to patch up, a new *raison d'être* for rapprochement seems to be dawning there too. Bilateral relations are mired in an emotional past, as amply demonstrated by Jiang's last official visit to Tokyo in December 1998, when the issue of Japanese apologies for past atrocities crashed into an unfortunate diplomatic impasse. Chinese claims (from individuals and not the State) of Japanese war reparations and war compensation will further complicate Beijing–Tokyo relations. Although the Asian crisis has brought about a new sense of mutual vulnerability and a greater need for interdependence, mutual suspicions of each other's potential roles and threats in the region still exist, as clearly exemplified by the ongoing debate on the American Theater Missile Defense (TMD) scheme and the Taiwan issue. But curiously, the greatest key to Sino-Japanese rapprochement may lie in Washington's policy in this part of the world.

Perceived to be increasingly brash and even »arrogant«, the United States' policy towards Japan may inexorably push the Japanese to a fundamental reassessment of relations between Tokyo and Washington. A wide range of issues, which could lead to a certain distancing of Japan's relations with the United States, would include continuous American–Japanese trade frictions, the growing anti-US-bases mood in Japan (just like in South Korea), American reservations about keeping the yen from surging (which is detrimental to a sustainable Japanese recovery), strong American resistance to the concept of a Japan-led Asian

Monetary Fund, and the lack of public support for Japan's »Third Opening« (as contained in the Okuda Report) instead of Japan being systematically hiding under the American security umbrella. Furthermore, the spat early last year between the world's two largest economic powers in the Asian Development Bank (ADB) was perceived by Tokyo as an American attempt to »constrain« Japan's leadership role in Asia.

On the other hand, China, rhetorically critical of American hegemonism (and irked by constant American »reminders« to China of its poor human rights record), yet much dependent on its technology and capital, has theoretically every reason to encourage the Tokyo–Washington rift so as to enhance its own emerging superpower status. Timid signs of a certain rapprochement between the two Asian giants have thus emerged. For example, Beijing has been fully appreciative of Tokyo's unequivocal support for its entry into the WTO, and Japan in turn is thankful for clear Chinese support to the »regional currency swap mechanism«, which was adopted in Chiengmai in April 2000. In another sign of further rapprochement, Prime Minister Zhu Rongji visited Japan in October last year to try to mend »strained« ties between the two powerful neighbors, although the results left much to be desired.

Added to this dimension is a much larger regional game in the making – the concept of »East Asian regionalism«. ASEAN, in the aftermath of the Asian Crisis and because of the painful realisation of its own institutional and geo-political weakness, has now understood that the region would probably be much stronger and influential if the three major Asian powers up north could be eventually brought into its regional picture

ASEAN at the Crossroads

ASEAN is clearly at the crossroads. Its Foreign Ministers met in Bangkok at the end of July 2000 for its 33rd annual meeting, followed by the ASEAN+3 Foreign Ministers' Meeting (bringing together the ten ASEAN countries plus China, Japan and South Korea) and the ASEAN Regional Forum (ARF). ASEAN-10 clearly took stock of itself. The association is currently faced with domestic tensions in most of its ten member countries, some

internal discord amongst themselves and external pressure from outside Southeast Asia, as compared to the optimistic signs of rapprochement and an emerging regionalism further north.

Domestic political uncertainties abound in major ASEAN countries. Indonesian President Abdurrahman Wahid is still struggling against the open challenges of parliamentarians, hostile political opposition leaders, disruptive elements in the Army, some more radical Muslim circles, separatists, student leaders and trade unionists. Thailand's Prime Minister Chuan Leekpai faces an uncertain future as his coalition is fast losing ground and not certain of being returned to power at the elections of January 2001. Vietnam is in a state of semi-paralysis, as its leadership prepares for the next Party Congress some time in spring 2001; major economic decisions could no longer be taken whilst waiting for an upcoming leadership consolidation.

Domestic situations seem to have also deteriorated in the Philippines, Laos and Malaysia in 2000. Bombs have gone off in both Manila and Vientiane. The »Muslim problem« in the Southern Philippines has once again highlighted the religious tensions in the country and put a serious dampener on foreign investment and economic development, not to mention the political crisis over the impeachment procedures mounted against President Joseph Estrada. Philippine–Malaysian relations will continue to be thorny, even after controversies over Sabah and Abu Sayef are resolved.

Laos has blamed the Hmong resistance and some »rouge elements« in dissident groups for trying to create fears and unrest in the country, and has even cast a suspicious eye at Thailand. Malaysia's tribulations with the Muslim Al Ma'unah cult has brought into sharp focus again the discontentment of its Muslim Malay majority vis-à-vis the Mahathir Government, who is losing its grip over the Malay electorate in the country. Race and religious issues could become a passionate arena of political debate and maneuverings in the coming two years. Brunei witnessed an unprecedented trial against one of the members of its royal family for fraud and embezzlement, a rather traumatizing experience for this rich sultanate!

Economically, ASEAN, which is recovering from the Asian Economic Crisis, is clearly not out of the

woods. Furthermore, with the current political and social uncertainties and tensions, its economic woes would be further compounded and foreign investments less forthcoming. Indonesia's flagging rupiah and political uncertainties will not necessarily plunge Southeast Asia into another bout of financial crisis as with the baht in 1977, but Indonesian financial weakness and the quasi-bankrupt state of its economy will definitely dampen prospects for a sustainable recovery in the whole region. The drop in the values of regional currencies and the rise of oil prices in Thailand and Philippines will make conditions of economic growth and restructurings even tougher in the foreseeable future. Investors have already fled Indonesia, Vietnam and the Philippines, as the ASEAN region as a whole expects a major slow-down of foreign direct investment while other regions of the world, like Latin America, Europe and even Northeast Asia siphon it off.

ASEAN, as an institution, has also laid bare its fundamental weaknesses during the Asian Crisis. No warning or coordinating mechanisms exist or had functioned. ASEAN was lost and was conspicuously absent during the Crisis. Each ASEAN country fought individually for its own economic survival. With the expansion of ASEAN to ten, the institution is clearly facing growing strains of impotency in dealing and coordinating the diverse political, economic and social models, especially with wealth being concentrated in its two smallest states, and with its three biggest states being badly fractured politically, socially or economically, owing to domestic uncertainties. ASEAN must therefore change and adapt quickly, otherwise, it may become totally ineffective, hopelessly irrelevant or a mere »sunset organization«!

However, some ten years after the failed Mahathir-inspired East Asian Economic Caucus, the »ASEAN+3« concept is making some headway now, very much championed and encouraged by ASEAN. In fact, ASEAN leaders and their counterparts from China, Japan and South Korea now meet after the annual ASEAN Summits and their Foreign Ministers consulted after the last ASEAN Ministerial Meeting in Bangkok in July last year. The ASEAN+3 Finance Ministers first met in Chiangmai in 2000 and their Economic Ministers in Yangon, Myanmar, as if to send a clear signal of defiance to the West! A second time the Economic

Ministers then met in Chiangmai and the Finance Ministers in Prague (during the IMF/World Bank gathering) in autumn 2000. Their Foreign Ministers met again, just before the ASEAN+3 Summit in Singapore towards the end of November 2000. Hence, ASEAN's future success may now depend on rapprochement in Northeast Asia and enhanced cooperation further north. This appears to be the new emerging trend!

Challenges to East Asian Regionalism

Although the triangular rapprochement in Northeast Asia is clearly creating a greater sense of regionalism in this corner of Asia, which in turn could bolster ASEAN and thus an emerging East Asian regionalism (encompassing both Northeast and Southeast Asia), numerous challenges, and even obstacles, remain on the path of an eventual East Asia entity taking off. These would include current internal strains within ASEAN, the economic validity of such a future East Asian entity, some lingering uncertainties in the »triangular rapprochement« now taking place in Northeast Asia, the »Taiwan political wild-card«, American policy towards Asia (notably in security and trade), the emergence of Russia under President Vladimir Putin and the domestic debates on China's and Japan's roles in this region.

ASEAN's political, economic and social transformation and reforms are clearly posing enormous strains on the organization. Now, expanded to ten members, ASEAN countries openly acknowledge a growing socio-economic disparity amongst themselves, as well as within each member-state; this disparity is set to grow with globalization. Cracks are also opening up in the officially recognized two-tier ASEAN, or the divide between the old and new ASEAN members. Perceptions of ASEAN being ineffective (and a »sunset organization«) became manifest in Bangkok and calls to restore international confidence in ASEAN rang out loud. Its institutional and geopolitical weaknesses, as seen during the Asian Crisis and in its current politico-social upheavals, have added real urgency for ASEAN to look for a new impetus, which could now perhaps be found in the creation of a bigger East Asian grouping. But fundamentally, the more basic question is whether ASEAN can even hold together

to weather the current internal storms sweeping through the association.

It is also unclear if ASEAN, Japan, China and South Korea all see an economic *raison d'être* for an eventual 13-nation grouping in the future, even if it is based on open regionalism. ASEAN countries certainly see the advantages of grouping together with the larger and more powerful economies in the north, but it may not be apparent for Japan or China, which are in the midst of serious reforms, to see more rapid economic overtures to ASEAN, especially in the trade sector. ASEAN may also fear being »swamped« by Northeast Asian products and service providers should they liberalize their trade with the bigger economic powers. The crucial issue of mutual advantages and economic benefits must thus be worked out by all concerned.

Furthermore, despite spectacular rapprochements up north amongst Seoul, Pyongyang, Tokyo and Beijing, some fundamental uncertainties still remain. Firstly, there is no guarantee that the Pyongyang–Seoul rapprochement would continue to proceed smoothly, given the fundamental differences of ideology, society and politics which have separated the two Koreas for more than 45 years. Some sectors of South Korean society already feel that their Government had conceded too much and too fast to Pyongyang, with no clear guarantees of security and lasting goodwill. China's intermediary role between the two Koreas could thus come under stress if Korean reconciliation unravels. Japanese–Korean ties will hinge primarily on what Tokyo expects and can ultimately get out of Pyongyang for its war reparations, especially in security assurances against Pyongyang's arsenal of missiles and unaccounted-for Japanese nationals kidnapped by North Korean agents in the past. Although the last round of Tokyo–Pyongyang talks in late August 2000 did not produce significant results, the Japanese Government agreed to donate 500,000 tons of rice to Pyongyang in early October last year.

Lastly, China's relations with Japan are far from stabilized, given their lingering mutual suspicions and what Beijing sees as sporadic outbursts of Japanese »far-right nationalism and reactionary forces«, the most significant recently being Tokyo Governor Shintaro Ishihara's remarks on Jiang, whilst in Taipei for Taiwanese President Chen Shui-bian's inauguration.

Taiwan is undoubtedly the political wild-card in the ASEAN+3 equation. China's stance of no longer tolerating any delays in settling this »internal« issue and its regular tirades against the United States and Japan for supporting Taiwan's »split« from the Mainland is of geo-political concern. Depending on how Chen maneuvers via-à-vis Beijing, Tokyo and Seoul would have to walk a diplomatic tight-rope as both have powerful democratic lobbies, which generally favour Taipei over the »autocratic regime in Beijing«. Eventual Beijing-Taipei hostilities and the thorny issue of the Theatre Missile Defence (TMD), which China vehemently opposes, could polarize regional sentiments and pulverise the nascent East Asian regionalism. Washington's policy on Asia would ultimately be put to the test, especially with Washington's announcement of a proposed 1.3 billion dollar weapons sale to Taiwan. China has come out strongly to oppose such a sale. The surprise resignation of Prime Minister Tang Fei (a Mainland-born Kuomintang »old guard«), apparently over major differences with President Chen and his Democrat Progressive Party (DPP), and the succeeding new »DPP government« have created further uncertainties within Taiwan and in its precarious relations with Beijing. But so long as Japan and South Korea feel insecure with China looming over their horizon and a militaristic North Korea at their doorstep, the American security umbrella will remain in the region, thereby dashing hopes for any East Asian grouping!

Another factor, which may impact on East Asian regionalism, is undoubtedly a resurgent Russia under Vladimir Putin, who has less qualms than his predecessor in challenging Washington for world influence. Russia's enhanced partnership with China (to openly oppose Washington's TMD proposal), its new strategic partnership with India, a more active diplomacy in both Koreas and a renewed effort to settle the »four islands dispute« with Japan could pose a direct challenge to the United States. Russia could thus either inadvertently contribute towards Northeast Asian cooperation and regionalism by helping to »steer« the traditional allies of Washington away from the United States, or eventually thwart it out of fear of seeing a new bloc (championed by powerful China and Japan) emerging on its Eastern and Southern flanks, thus rendering the

future geopolitical situation in this region more intricate and complex.

Furthermore, a lot would also depend on domestic politics in the two big Asian powers. China is in the initial stages of a leadership transition, when the next Communist Party Congress in 2002 would decide if the Jiang-Zhu team should make way for new emerging leaders like Hu Jintao or Zeng Qinghong. Based on the latest annual Beidahe summer 2000 meeting of the Chinese leadership, it can be hoped that the political transition would be smooth in China. In Japan, the 25 June 2000 polls have given the country a weakened coalition government, the Liberal Democratic Party lost its majority in the House. But after a »lost decade« in the 1990s, Japan today can ill afford weak political leadership, especially since its economic recovery is still nascent and the country is in the process of re-assessing its own political, economic, financial and security role in Asia. Domestic politics in China and Japan will thus have far-reaching implications for the whole region and the future of East Asian regionalism.

Conclusion

East Asian regionalism can only succeed if both Northeast and Southeast Asia find peace and security within their respective regions, and a converging economic need to link up together. Forces of rapprochement are certainly at work in Northeast Asia and further consolidation can be expected in ASEAN. The institutionalization of the ASEAN+3 prove that there are converging needs for a pan-Asian economic grouping in these uncertain times, following the collapse of the Seattle WTO talks in November 1999. But it remains to be seen if the economic *raison d'être* for such an East Asian regionalism is strong enough for the countries of the region to overcome their own security fears and the other obstacles addressed above in order to come together under one roof. ◀