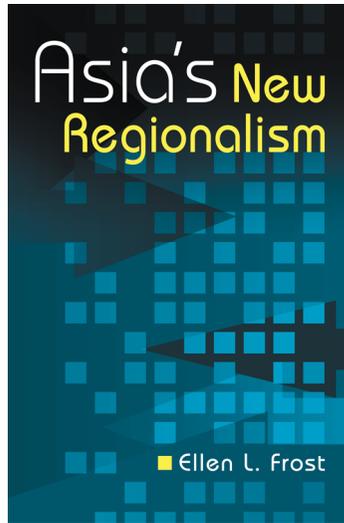


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Ellen L. Frost

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USA

telephone 303.444.6684

fax 303.444.0824

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1

Asia's New Momentum

Something significant is pulsing through Asia. Not for centuries has that region been so fluid, so open, so cosmopolitan. Never has communication been so inexpensive and widely available, nor transport so rapid and efficient. Cross-border business—old and new, legal and illegal—flourishes. Newly laid roads connect megacities with spanking new suburbs and chockablock shanties. Integrated production networks span far-flung manufacturing hubs. Sleepy ports lined with tumbledown warehouses are waking up, and airlines offer a starburst of new routes. City and local governments are setting up new offices to handle record numbers of tourists and entrepreneurs. Environmental, health, and human rights groups are forming information networks and patchy cross-border coalitions. Sensing new prey, transnational criminal gangs have stepped up their activity.

Nowhere is this regional pulse more palpable than in what I call Maritime Asia, the vast sweep of coastline and water connecting central and southern India, Southeast Asia, China, the Korean peninsula, Japan, Australia, and New Zealand. In maritime communities, integration is spontaneous and tangle. A visitor to Asia's major ports and coastal communities is likely to jostle against people from all over the region: a Malaysian official, an Indian engineer, a Chinese tourist, a Japanese banker, a Filipino bar hostess, a Korean professor, and an Indonesian businessman, perhaps. Most of them carry cellular telephones equipped with the latest devices and talk on them frequently—often in English, the region's lingua franca. The visitor's day might include a dim sum lunch, a stroll along a waterfront packed with cargo ships, a shopping trip to a mall packed with Asian products, a sushi dinner, and a Bollywood film. Westerners, no longer stared at, are lost in the crowd.

This quickening to life is highly uneven. In Asia's remote rice paddies and dry plains, in the highlands and hill country, in the more distant islands of the archipelagos, in countless villages and small towns, lies a slow-moving, more

isolated, less cosmopolitan Asia. Foreign visitors are rare. Nevertheless, in local markets one might find “Hello Kitty” dolls, American T-shirts made in China, and pirated CDs featuring a Korean pop singer.¹ The sons of the wealthiest families in Cambodia ride Honda motorcycles imported from Vietnam and wear trendy clothes copied from Japanese fashions. A customer in Sri Lanka was amused to spot a can labeled “Mongolian Seafood,” because Mongolia is landlocked; the contents were processed in Malaysia.²

Meanwhile, Asian government officials are promoting a different version of integration. Motivated primarily by reasons of state, members of the tenation Association of Southeast Asian Nations (ASEAN 10) are the drivers of this new movement. They have spun a series of concentric organizational circles dedicated to closer integration and what they call “community building.” This activity is the chief expression of Asia’s new regionalism.

The innermost circle is ASEAN itself. Founded in 1967 by Indonesia, Malaysia, the Philippines, Singapore, and Thailand, ASEAN was originally designed as an anticommunist organization. Since then it has transformed itself into a cooperative grouping with numerous committees and working groups. In addition to the original ASEAN 5, it now includes Brunei, Cambodia, Laos, Myanmar (Burma),³ and Vietnam. ASEAN leaders have pledged themselves to an ASEAN Community resting on three pillars: economic, security, and sociocultural.⁴

The next circle is ASEAN + 3—ASEAN plus Japan, China, and South Korea (but not Taiwan or Hong Kong). This grouping periodically heralds the formation of an East Asian Community as a long-term goal. Meanwhile, India knocks, welcomed by some but judged by others to have shown up too soon or to be unwelcome for political reasons. India, Australia, and New Zealand are members of a wider circle, the East Asian Summit grouping, first convened in December 2005 and meeting annually thereafter. Movement within these circles bends and shapes itself around various gaps and roadblocks but continues on, however slowly.

The bureaucratic process fleshing out this so-called community building generates literally hundreds of meetings a year. ASEAN + 3 alone has spawned some four dozen committees and working groups. The ASEAN secretariat has established a unit dedicated to ASEAN + 3 to coordinate it all. ASEAN has also established “dialogue partner” relationships with India, Australia, New Zealand, and Russia, among others, and each of these links creates its own cascade of meetings. In a parallel but separate series of meetings known as Track 2, Asian intellectuals, business leaders, journalists, and other elites flock to conferences and workshops to discuss the advantages and modalities of integration.⁵ Some participants are genuinely independent, but others, handpicked by suspicious governments, echo the policies of their rulers or remain silent.

ASEAN is at the forefront of this activity. A core paradox of Asia’s new regionalism is that leaders of four or five Southeast Asian nations, acting in the

name of ASEAN and with the acquiescence of ASEAN's other members, control the basic tone, scope, speed, and direction of the integration movement. ASEAN is more accurately described as a cluster or grouping than as a coherent political organization. Compared to China, Japan, and India, ASEAN is extremely weak, but its very weakness makes it the least distrusted. Under its roof some very creative diplomacy is taking place.

■ Rhetoric or Reality?

Does all this buzz and hum add up to the first rumblings of genuine political integration? Are we witnessing a defining moment in history when the vision of a regional community begins to crystallize into sustainable, institutionalized cooperation? Or is the new regionalism just rhetoric, trumpeted by political leaders to hide tense and prickly politics and warmed-over historical disputes?

The momentum of Asian regionalism is real and irreversible, say its partisans. Although integration will remain loose and largely informal for the indefinite future, the political will to create a meaningful community of some kind now exists. What Westerners dismiss as a "talk shop" is laying a foundation for progressively closer ties.⁶ Moreover, Asian integration contributes to peace, prosperity, and progress. There has been no armed conflict between members of ASEAN since its formation in 1967;⁷ community building will extend this zone of peace. The integration movement engages a rising China and exerts collective pressure on both Japan and China to handle their quarrels with restraint. Efforts to deepen market integration may produce tariff adjustments that favor Asians over non-Asians, but that is no worse than the North American Free Trade Agreement (NAFTA) or the European Union (EU). Asians need a robust US presence and have no intention of expelling the United States from Asia. The combination of the US market and US security guarantees are so important to Asians that Americans will remain fully engaged, whether or not Washington has a seat at the table. Asian integration is therefore both real and a good thing.

Not so, reply the skeptics. Asian regionalism and community building are mostly talk. Too many divisions roil the region, and nationalism is on the rise. Japan has difficulty getting along with China and South Korea. Distances, both cultural and geographic, are too great. Integration is not sustainable unless it relies on enforceable rules with timetables and penalties, but these are unlikely to be adopted without wide-open escape clauses. Besides, Asian interests are global, not narrowly regional. Asians are trading, investing, and bonding not only with each other but also with their counterparts around the world. Any "community" that excludes the United States, a giant market and by far the most powerful military power in Asia, will not serve Asians well. Asians need

the United States as a benign balancer. India is eager to take part in Asian integration but has such a long way to go that it will be decades, if ever, before New Delhi can play a major balancing role. China practices “integration diplomacy” but does not take the vision of integration as anything more than an opportunity to win friends, reduce US influence, and overshadow Japan. Asian integration is nowhere in sight, but if it were, it would not be a good thing.

So who is right? The two sides may be talking past each other because they are talking about different things. Doing justice to both sides in this somewhat airless debate requires both objective analysis and intuitive understanding.

The Asian integration movement is an experiment reflecting far-reaching political and economic shifts. It is partly a natural outgrowth of globalization and partly an artificial construct reflecting conscious strategic judgments in key Asian capitals. On the surface it is all about Asian harmony, and it muffles numerous bilateral tensions with cottony rhetoric and backroom mediation. But it also shelters a trilogy of dramas—the resurgence of China, Asian reactions, and the future role of the United States. How Asia’s new regionalism evolves will thus have huge bearing on regional stability and prosperity and may well have implications for the way the rest of the world governs itself.

■ Why Asia Matters

Why does it matter how Asians design their bonds with each other and what they achieve?

The simplest answer is that any major new trend in Asia is worth knowing about, because Asia is relevant to just about any challenge that a concerned citizen of the twenty-first century can dream up. Asia matters because of its size, population, economic dynamism, demand for energy, the presence of a rising power, residual military threats, the struggle for democracy, and a variety of nontraditional threats ranging from separatist movements, religious agitation, and criminal activity to environmental pollution and disease.

First, Asia is big. Flying from Tokyo to Jakarta takes most of a working day; from Madrid, a similar flight over Europe would land the traveler in Kazakhstan. The world’s largest landmass contains the world’s highest mountains and largest cities.⁸ Four of the world’s seven largest islands lie just off the coast.⁹

Second, Asia is home to half the world’s population. It houses more than a billion Chinese and Indians each and contains more than half of the world’s population between the ages of fifteen and twenty-four. It has more Muslims than all Middle Eastern countries combined. Its languages and cultures are rich and highly diverse. Demographically, Asia has it all: youth bulges, graying populations, high birthrates, low birthrates, and bride shortages.

Third, Asia is economically dynamic. Alone among world regions, it features growth rates that approach and occasionally exceed double digits. Most governments have embraced privatization, free enterprise, and openness to trade and investment. Jobs are being created faster than they are disappearing. Highly globalized, Asia now boasts world-class manufacturing hubs, research facilities, financial centers, and transportation networks. It has accumulated two-thirds of the world's foreign exchange reserves; China's hoard alone is in the neighborhood of \$1 trillion. Not counting Japan, East Asia's real per capita annual income quadrupled in the last forty years or so to more than \$7,000. Although some areas remain very poor, tens of millions of people have been lifted out of absolute poverty. Hundreds of millions enjoy middle-class status or higher.

This growth has turned Asia into a hub of global commerce, especially seaborne trade. The region is dotted with large ports and awash with sea lanes. About 90 percent of world trade moves by ship, of which about 70 percent is in containers; Singapore and Hong Kong are the world's busiest cargo and container handling ports, respectively. Some 55,000–60,000 commercial vessels traverse the strategically vital Strait of Malacca each year. They carry more than a third of the world's shipping trade and half of its crude oil shipments, including about 70 percent of Japan's oil. Asia is also the most important source of global electronics exports, which fuel productivity and efficiency and link people everywhere through information and communication devices.

Fourth, feeding Asia's boom requires large supplies of energy. Asia's hunger for energy, particularly in the transport sector, has already heated up the world's oil and gas markets. It is estimated that fueling growth in China and other rapidly growing Asian countries in the next fifteen to twenty years will require an additional volume of oil equivalent to the current output of the entire Persian Gulf.¹⁰

Fifth, a new power—China—is arising in Asia, altering the regional and global order. The rise of Germany and subsequently Japan led to two world wars; the expansion of the Soviet Union created the Cold War. The current challenge for the rest of the world, especially the United States, is to overturn this precedent and accommodate China's legitimate interests. The challenge for China is to exercise its growing power in a way that promotes prosperity and peace.

Sixth, Asia is brimming with demands for democracy, or at least for more open, accountable, and participatory forms of government. Four countries previously dominated by military strongmen—Taiwan, South Korea, the Philippines, and Indonesia—are now democracies. (Thailand has reverted to military rule, but democracy there had been corrupted and the junta is pledging a return to civilian government.) Even undemocratic nations pay lip service to democracy. But democracy requires a supportive institutional frame-

work, and institutions in much of Asia are weak. Asian democracy faces a strong challenge from China's economic success.

Seventh, Asia houses several military threats to regional and global security. Before and during the Cold War, the region rippled with communist-backed insurgencies. Within living memory, the United States has fought three major wars in Asia and still maintains a larger, long-term military presence there than anywhere else.

From a US perspective, the strategic outlook is favorable. Japan, South Korea, Thailand, the Philippines, and Australia are US allies, Taiwan is under US military protection, and Singapore and India have significantly deepened their military ties with Washington. Relations with China are occasionally tense but normally businesslike and frequently constructive.

Two relics of the Cold War remain. The grimacing totalitarian state that calls itself the Democratic People's Republic of Korea has tested a nuclear weapon and brandishes the specter of a future nuclear attack. Meanwhile, China refuses to rule out the use of force in its unbending insistence that Taiwan is part of one China. China has deployed hundreds of missiles facing Taiwan.

Finally, a variety of nontraditional dangers threaten domestic, regional, and global security. Many of them are not unique to Asia, but Asia's size, dynamism, and connectedness with the rest of the world make them important to others. Separatist movements, sometimes fueled by a radical-fundamentalist version of Islam, unsettle parts of the Philippines, Thailand, Myanmar, and, until recently, Indonesia. Criminals and terrorists have taken advantage of local conflicts, corruption, and other weaknesses in governance to set up cells that operate across borders and sea lanes.

World health officials are warning that diseases originating in Asia, such as avian flu, could give rise to the next global pandemic. Environmental damage includes deforestation, depletion of scarce marine and mineral resources, loss of biodiversity, inadequate sanitation and waste disposal, severe air and water pollution, and the consequences of climate change.¹¹ These pressures compound the devastation of Asia's frequent natural disasters and intensify calls for humanitarian aid from abroad.

In short, what happens in Asia has bearing on almost every major challenge of our time. No serious global problem can be solved without some degree of cooperation between Asians and everybody else.

■ Asian Regionalism and Progress in History

Asia's new regionalism and its political avatar, the Asian integration movement, may have implications for the way the world governs itself. Could a well-designed outcome set a good example for other regions and contribute meaningfully to a peaceful, prosperous, just, and stable world order?

People who believe that history has a purpose, that it reveals a hidden plan of nature or a design of God, might well embrace Asia's new regionalism as a major step on the road to world peace and freedom. The eighteenth-century philosopher Immanuel Kant argued that after endless devastation and upheaval, nations would eventually exhaust themselves and enter into a "federation of peoples" in which every nation would have security and rights.¹² Sooner or later, he predicted, the spirit of trade would dominate the spirit of war.¹³ But for this to happen, people must be free to hold public discussions based on reason and to make decisions for themselves.¹⁴ In today's Asia, the spirit of trade is flourishing and political freedom has been gaining ground in all but a handful of countries. The Asian integration movement cannot take credit for this trend, but declarations issued on its behalf increasingly echo the trend.

A modern-day Kantian of sorts is Robert Wright, author of *Non-Zero: The Logic of Human Destiny*. Like Kant, whom he cites repeatedly, Wright believes that war contains the seeds of its own demise. Drawing a parallel with the evolution of organic life, he argues that as interdependence expands, social complexity grows and competition fosters integration. Information keeps parts of the whole organism in touch with each other as they collectively resist destruction. Armed with information, people will increasingly turn toward "non-zero-sum" solutions to common problems—that is, cooperative solutions from which one person's gains need not spell another person's loss. This trend enhances the prospects of peaceful coexistence and may even nurture human goodness.¹⁵ To borrow his framework, Asians are being "pulled" together for common gain in a linear historical process, not "pushed" by a common enemy.

Over time, such Kantians argue, cooperation tends to create shared norms, which foster further cooperation. Sociologist Amitai Etzioni argues that both "West" and "East" are contributing to a "new normative synthesis" that rests on a balance between autonomy (rights, liberty) and social order. He adds that social order is increasingly based on persuasion rather than coercion—a notion that ASEAN, at least, warmly embraces.¹⁶

Others have dreamed of a creative "fusion" of East and West. The word suggests melding diverse things together and releasing energy in the process. Former Singaporean diplomat Kishore Mahbubani foresaw a fusion of East Asian and Western cultures in the western Pacific.¹⁷ Japanese journalist Yoichi Funabashi, in his *Asia Pacific Fusion*, published in 1995, predicted a fusion of civilizations and ideas rather than of cultures. Like Mahbubani and others, he rejected Samuel Huntington's notion of a clash of civilizations and looked forward to the blending of Asian work habits, respect for education, and social cohesion with Western achievements in democracy and market economics.¹⁸

The decline of high-level interest in the once vital Asia-Pacific Economic Cooperation (APEC) forum in the mid-1990s and the austere Western response to the Asian financial crisis of 1997–1998 sliced off the "Pacific" part

of Funabashi's vision. The majority of Asian leaders turned away from the vision of an Asia-Pacific community in favor of Asia alone. (Some Asian members may be drifting back to APEC, but not at the expense of Asian community building.) Today the word *fusion* shows up not as a vision but as a tagline for music, art, fashion, and styles of cooking. Asian Fusion is a rock group.

■ A Fluid World: The Changing Context of Asian Regionalism

According to Henry Kissinger, world order is now “more fluid than it has been in centuries.”¹⁹ Asian leaders learned at their mother's knee that great powers mold and constrain their country's options, but in the post-Cold War period the signals received from these powers are weaker and less consistent. At the same time, several long-term, structural shifts are taking shape. This blend of fluidity and coagulation presents Asians with both opportunities and threats.

Opportunities

Today's Asians have more freedom to create their own destinies than at any time in recent history. Democratization of one kind or another has made widespread gains. The rigid overlay of Cold War rivalry has melted away. One superpower has disappeared and the other is distracted by problems elsewhere. The Sino-Soviet dispute is history. Marxist ideology is little more than a soggy crust. With a few isolated exceptions, local communist movements have petered out. In contrast to other developing regions, Asia displays a high degree of peace and stability. Of the countries surveyed in this book, only Myanmar is a failing state. All the others are stable or nearly so.²⁰

Despite occasional gunboat incidents, and with the exception of the China-Taiwan problem, the peaceful settlement of disputes is now an established habit. No ASEAN member has gone to war with another since ASEAN's founding in 1967.²¹ China has changed from an inward-looking, land-based, poor, relatively self-sufficient power into an outward-looking regional player with a large stake in the stability of the region. The Chinese government has redirected its quest for regional influence from exporting revolution to cultivating diplomatic ties and managing its rocketing economy.

Major bilateral points of tension are relatively calm. China and India have settled a large portion of their long-festering border disputes, and China and Russia have resolved them completely. Cross-strait relations lurch and lunge, but a military confrontation over Taiwan is clearly avoidable. The risk of large-scale conventional war on the Korean peninsula has faded, and the talks devoted to North Korea's nuclear program may yet succeed in reducing anxi-

ety about Pyongyang's arsenal. Other multilateral approaches to security are also gaining ground; joint patrols, military training exercises, and military exchanges are becoming commonplace even among mutually suspicious neighbors.

The opening of China's economy has created enormous opportunities for its neighbors, particularly in China's coastal provinces and maritime regions. Most educated Asians believe that China's commitment to peaceful growth is irreversible. They reason that the political legitimacy of the Chinese Communist Party depends heavily on economic growth and thus on peaceful economic engagement with the outside world.

Regionwide stability has fostered market-oriented economic policies, unshackled entrepreneurship, and spurred record levels of intra-Asian trade and investment. Asian growth rates are the highest in the world. India has turned outward and is growing almost as rapidly as China. Japan's economy is finally on an upswing. In 2006, trade between Japan and China reached a record level for the eighth straight year. Cities are sprouting skyscrapers, and ports are adding capacity. Investor confidence is relatively high. Foreign exchange reserves are huge. Currencies are bobbing gently rather than plunging.

With some exceptions, Asian governments can claim legitimacy and plan for a reasonably stable future. Their officials are slowly building personal trust and engaging in direct communication to an unprecedented degree. They see the political and economic benefits that closer integration can deliver and the price to be paid for openly resisting the trend.

Threats and Challenges

Despite these encouraging developments, many Asian governments face compelling domestic challenges. They are still struggling to weld fractious ethnic and religious groups into viable nations, to consolidate power, and to preserve their autonomy. Their societies radiate extremes of wealth, privilege, and poverty. A radical, distorted version of Islam has begun infiltrating parts of Southeast Asia, inspiring a shadowy network of suicide bombers.

The financial systems of many Asian countries are vulnerable to the jolts of globalization. Global economic imbalances, driven by yawning US budget and current account deficits and dramatized by the US trade deficit with China, make investors jittery and occasionally trigger short-term plunges in Asian stock markets. Asian memories of the financial crisis of 1997–1998, which toppled many governments and left many Asian economies in tatters, are still fresh.

The regional and global environment is wobbly and unpredictable. The biggest current challenge to global and regional order is how to adapt to and peacefully incorporate China as a newly emerging great power. David Kang

argues provocatively that Asia may be drifting back toward a China-centered hierarchy—a modern version of the tribute system. Others resist this notion.²² Although Asia's future is debatable, there is no doubt that China is rapidly gaining influence.

China's resurgence in Asia provokes mixed reactions. Asians almost uniformly welcome China's booming economy and constructive diplomatic engagement. Many believe that economic growth will inevitably make China more democratic. But Beijing's growing military strength in the region, its secretive decisionmaking, its periodic flare-ups with Tokyo and Taipei, and widespread uncertainty about its long-term motives are all of concern. Asians are also watching to see how the Chinese government handles China's social problems, labor unrest, severe pollution, and the rise of nationalism.

The end of the Cold War dried up support for former Soviet clients, but it left standing two dangerous relics, both located on China's periphery: a standoff across the Taiwan Strait, brought to an occasional simmer by brinkmanship on both sides, and a divided Korean peninsula. China refuses to rule out the use of force in settling the Taiwan issue, and certain Taiwanese leaders seem determined to push for independence. Five governments—China, Russia, Japan, South Korea, and the United States—have worked hard to persuade Pyongyang to abandon its nuclear weapons program, but enforcement will be problematic at best.

The security of energy supplies has become an urgent priority. Governments clash over where one country's share of the ocean floor and its resources ends and another's begins. Fanned by hoped-for discoveries of oil and gas, seabed territorial disputes fester in the South China and East China Seas, the Kurile Islands, and other locations.

A challenge of a different sort is the gradual emergence of Japan as a "normal" country—that is, an active strategic player in the region. Both the Japanese government and the Japanese public reacted with alarm and anger to the 1998 flight of a North Korean missile over Japanese territory, the successful test of a nuclear weapon in 2006, and Pyongyang's refusal to account for Japanese citizens kidnapped and taken to North Korea decades ago. Japan has gradually extended its strategic reach and is taking more responsibility for countering threats to its own defense. The Japanese are participating in a US-led missile defense program.

Handling the United States is a perpetual puzzle for Asians, who are never entirely sure about US commitments. The notion that US priorities lie elsewhere arose during the Cold War and more recently during the Asian financial crisis. Washington's passive response to the crisis drove Asian leaders to rely more on their own efforts, of which the integration movement is one.

Many other challenges loom. The combination of democratic self-expression and weak democratic institutions makes it difficult to restrain rising nationalism. Episodes such as border clashes and the flight of asylum

seekers cause tense standoffs—as has happened, for example, between Myanmar and Thailand and between Thailand and Malaysia. Crime is a regionwide problem; pirates, illegal traffickers, smugglers, and other criminals gravitate to areas where the rule of law is weak, undermining the legitimacy of national governments.

Finally, Asia is susceptible to natural disasters. The killer wave of December 2004 destroyed lives and livelihoods from Aceh to Thailand and Sri Lanka. Since then, Indonesia has been hit with several other catastrophes. Typhoons, floods, earthquakes, volcanoes, mudslides, and other calamities are all too common in the region. Poor planning, widespread pollution, and destruction of endangered resources compound these tragedies. The threat of pandemic disease frightens the whole world.

In this new global and regional context, *integration* and *community building* should be understood as code words. They symbolize Asian leaders' search for autonomy, self-reliance, growth, security, and influence without the conditions and rules imposed by a foreign power or global institutions. These leaders look to the integration movement for opportunities to cope more successfully with shared domestic challenges—and thus to strengthen their national sovereignty, not to share it. This search is at the core of Asia's new regionalism.

■ Basic Differences Between European and Asian Regionalism

Is Asian regionalism, then, on a different historical trajectory? I think so, and so do the architects of Asian integration. But to paraphrase Karl Marx, a specter is haunting Asia watchers—the specter of European integration. Europe often comes up in conversations about Asian integration, as if the creation of the EU were the only relevant standard for Asia. If that were true, this book would be short and merciless. On a Europe-centered scale of 1 to 10, where 10 signifies a single market, regionwide law and institutions, the free migration of labor, and a common foreign and security policy, the score would be roughly Europe: 8 and Asia: 0, on its way to 1.

Numerous Asian and European commentators assert flatly that EU-style integration cannot serve as a role model for Asia in any meaningful way.²³ Europeans seek political union based on pooled sovereignty, whereas Asians reject that goal. The desire to create a single market is a driving force behind European integration, whereas most Asian governments see the complete elimination of economic barriers as more of a threat than an opportunity. Europeans are debating a revised draft constitution, whereas Asians do not seem ready for anything more than watery declarations, unenforceable

pledges, and “vision” statements. Europeans have achieved what looks like permanent peace within their own territory, whereas Asians live in a more insecure environment.

Europe cannot and should not be considered a model for Asia for several additional reasons.²⁴ First, Europe is not nearly as diverse as Asia. It inherits a single Judeo-Christian tradition. Its few major languages are derived from Latin or Germanic roots. Until recently, Europe was racially homogeneous. Asia, by contrast, is pebbled with diversity. Three great cultural and religious waves—Hindu-Buddhist, Chinese, and Islamic—mingled there, flowed into local cultures, and transformed local religions. Asia’s printed languages appear as ideographs, scripts, and alphabets. Its spoken languages are mutually unintelligible, even within the same country and sometimes in the same locality.²⁵

Second, geography sets Europe apart from Asia and works against Asian integration. Europeans enjoy a moderate climate, free from both the freezing winds of the steppe and the sticky heat of the tropics. Its core is a small, contiguous landmass where distances are short. The bodies of water that separate the continent from Great Britain and Ireland and from southern Scandinavia are small. By contrast, Asia is huge, spanning not only the central and eastern tranche of the great Eurasian landmass but also masses of water many times the size of the Mediterranean or the North Sea. Takeshi Hamashita notes that maritime Asia is “far larger, at least as complex, and more diverse than the Mediterranean.”²⁶

Third, Europe and Asia have evolved from vastly different legal traditions. Europeans imbibed the notion of civil law from the Roman Empire, which established certain boundaries between public and private domains. Socrates, the Bible, certain aspects of medieval philosophy, and particularly the Renaissance and the Enlightenment emphasized the importance of the individual. Europeans emphasize the rule of law as a means of limiting the power of rulers and protecting the rights of citizens.

Asians, by contrast, typically assign a higher priority to family and group solidarity and social stability than to the rights of the individual. Compared to Europeans, they have fewer defenses against arbitrary government. Whereas Europe relies on formal institutions founded on predictability, transparency, enforceable rules, and the rule of law, Asia does not. In fact, Asians make a point of *not* creating institutions of that kind. Some skeptics dismiss the integration movement on this ground alone.

Fourth, Europeans and Asians hold different views of national sovereignty because they are at different points in their history. European boundaries have been largely settled ever since the Treaty of Westphalia (1648); Germany and Italy crystallized as sovereign nation-states in the nineteenth century. The European Community (now the European Union) has watered down national sovereignty and erased many of the barriers between domestic and foreign

affairs, creating what statesman and author Robert Cooper calls “a highly developed system for mutual interference in each other’s domestic affairs, right down to beer and sausages.”²⁷

In Asia, national sovereignty is too new and fragile to surrender. In many former colonies, national boundaries were not established until after World War II. Even nominally independent nations, like China and Thailand, had suffered a wartime loss of sovereignty. Once rid of the colonial powers, Asian leaders faced the challenge of setting up viable governments without external interference. In some countries, this challenge is compelling and overshadows almost everything else.

Fifth, the economic history of the two regions followed trajectories too different and too numerous to relate here. European city-states gradually merged with princely domains to form larger identities, where capitalism flourished, but nothing like that happened in Asia. China was the hub of the tribute system, which had no counterpart in Europe. Asians did not experience the Industrial Revolution and the accompanying revolution in science, and during the colonial era they had few opportunities to industrialize. What European powers and imperial Japan wanted from Asia were not rival products but raw materials and markets for their own industrial goods.

Sixth, maritime integration in Asia is proceeding far more rapidly than land-based integration, whereas the formation of a single market in Europe began with land-based industries (coal and steel) and proceeded from there. Inland transport links in Europe are strong and extensive; maritime linkages are important but not as central to integration as they are in Asia. Not counting the Hanseatic League, the distinction between Maritime Asia and Asia Major (see Chapter 2) has no real counterpart in Europe.

Finally, modern European integration sprang up from the bones and ashes of centuries of war between France and Germany. Two large powers located side by side at the heart of the continent had exhausted themselves in mutual killing. The central imperative was to embed the Germans in the heart of the new Europe in such a way that France and Germany would never go to war against one another again. Franco-German reconciliation is the bedrock of European integration.

The two neighboring great powers of East Asia—China and Japan—are separated by water as well as by history. They fought one war in 1894–1895 and another, more devastating, war from 1937 to 1945. But after the war, the two countries took separate paths. Japan, an island nation, lived through a far-reaching and all-controlling US occupation and ended up with a right-of-center democratic government, while China erupted in civil war and emerged as a left-wing totalitarian state. Politically, they are farther apart than were France and Germany after World War II.

Because of these and other basic differences, the European experience cannot serve as a model for Asia. Nevertheless, selected aspects of European

integration are now more relevant to Asia's future design than at any time to date. They are examined in Chapter 10 of this book.

■ Regionalization, Regionalism, Integration, and Community Building

The framework that I use to weigh and evaluate Asian integration from these broad perspectives relies mainly on two organizing concepts: regionalization and regionalism. In Asia, these forces overlap but do not geographically coincide. Each is a key feature of what Peter Katzenstein has labeled “a world of regions”²⁸ and each contributes to closer integration in Asia, albeit unevenly and in different ways. Regionalization and regionalism manifest themselves as spontaneous integration and the government-driven integration movement (or community building), respectively. Governments seek a form of regionalism that both takes advantage of and protects them from the economic and social forces that fuel regionalization. Part 1 of this book is devoted to regionalization and Part 2 to regionalism.

Regionalization, defined here as the creation or realignment of transactions and attitudes along regional lines, is a manifestation of globalization.²⁹ Globalization is “intrinsic to the Asian integration story,” proclaimed Singapore's education minister in 2006. Describing an “arc of prosperity” stretching from India east, he added that this region is both the biggest beneficiary of and contributor to globalization.³⁰

Regionalization is driven, brokered, and carried out primarily by private individuals acting on their own.³¹ Real-life integration requires people—employees of multinational corporations, small-scale traders, representatives of civil society organizations, and many others. “Spontaneous” is a better way to describe this form of integration than “bottom-up,” because many of the people who embody it—from corporate executives and tourists to criminal bosses—possess powerful connections and a great deal of money. National and local governments and international institutions can create the framework for integration and pave the way, but none of them can make it happen.

Asia would not be becoming “regionalized” at such a breathtaking pace were it not for the recent and ongoing revolutions in information, telecommunications, and transportation technology. These breakthroughs are the core “propellers” of globalization. Together with the lowering of tariffs and other border-based barriers, they have enabled companies to adapt, customize, and rapidly deliver goods and services around the world. These same innovations have sped up travel and personal communication and made them much more affordable. They have also nourished criminal networks and other cross-border threats, which stimulate regionwide countermeasures.

Regionalization is a process; integration is its fruit. There are many varieties of integration. For an economist, the integration of *markets* requires the

disappearance or substantial reduction of national barriers to market entry. It can be measured by flows of goods and capital; the convergence of prices, wages, and interest rates; and other indices. The integration of *technology* marks the spread of know-how and “best practices.” The integration of *financial systems* refers to common and/or closely coordinated fiscal and monetary policies, leading to coordinated exchange rate policy, a unified bond market, a common currency unit or “basket,” and eventually a single currency. The integration of *labor* permits a free flow of workers across national boundaries, regardless of their skill level. The integration of *society* features the disappearance of formal and informal barriers to social connections and the subsequent mingling of different groups. In today’s Asia, the integration of markets and technology far outstrips other forms.

Regionalism connotes a political movement based on awareness of and loyalty to a region, combined with dedication to a regionwide agenda of some kind. It provides a way of filtering knowledge and grouping perspectives on the rest of the world. The suffix (“-ism”) suggests a conscious set of related ideas or ideology capable of forming the basis of a political movement or an intellectual trend. It implies top-down, coordinated action on the part of governments based on some vision or set of ideas. Essentially political, it is driven by government fiat and stems from the actions of political authorities. Although it derives legitimacy from a collective vision of a more integrated community, it is planned and executed for reasons of state.

Asian intellectuals, policy experts, and a handful of top leaders engaged in dialogues about integration have provided the conceptual and intellectual foundations of Asian regionalism. Many if not most of them take regional integration as a core value. For them it is a goal in itself rather than an action-forcing tactic designed to achieve larger ends, such as global free trade or global institutions that are more responsive to Asia.

The most unusual—and, some would say, unnatural—feature of Asian regionalism is that it links Southeast Asia with three countries in Northeast Asia hitherto considered culturally and historically separate: China, Korea, and Japan. Another new but more superficial development is the inclusion of India, Australia, and New Zealand. In this constellation, Taiwan does not officially exist and Hong Kong is subsumed in China.

The most visible expression of Asian regionalism is the upsurge of free-trade agreements, more accurately described as preferential or discriminatory. Most of these are bilateral. In addition, China, South Korea, and Japan have negotiated wide-ranging agreements with ASEAN as a whole, and India, Australia, and New Zealand are engaged in the same process. These agreements symbolize closer political ties as well as economic opportunity.

The initial report of the East Asia Vision Group of 2001 listed among its recommendations the “promotion of regional identity and consciousness.” In other documents, this notion is clothed inelegantly as “*we-ness*.” But among Asian leaders, *community building* is the most commonly used description of

the Asian integration movement. Community building is a safe term because it resonates with cultural ideals, permits a wide variety of interpretations, and promises nothing specific. It implies that a true community is somewhere off in the future.

A community is a body of persons or nations having a common history or common social, economic, and political interests.³² Community building is the process of melding disparate national and subnational individuals and groups into an effective, legitimate, sustainable, self-aware, and coherent community. A community may imply common rights and duties.³³ Its focus is not necessarily geographic; for example, some leaders talk about “the community of democracies.”

Among Asians, *community* has a looser meaning than *integration* and tends to convey the sense of “big family” rather than pooled sovereignty. It suggests that people coexist peacefully and cooperate with each other according to common sense, courtesy, and habit. Members of a community rely on informal compromise, not formal rules and adjudication, to settle differences. The emerging Asian “community” combines geography and norms, but its exact membership is undecided.

This book delves into the two major outgrowths of regionalization and regionalism visible in today’s Asia: spontaneous integration and the government-driven integration movement, respectively. Spontaneous integration knits the economies and societies of this huge region closer together; the government-driven integration movement establishes political space within which competing powers, divergent interests, and diplomatic realignments can be accommodated. These forces find expression in what I call Maritime Asia, the water-bound world of coastal zones and ports, and Asia Major, a grouping of nation-states.

The distinction between spontaneous and government-driven integration is not absolute. The behavior of governments variously maximizes, channels, and limits what private individuals can do. Conversely, the Asia-wide wash of money, technology, and people is one of the factors driving governments to cooperate. Most of them have taken steps that make it easier to trade, invest, and travel throughout the region, but some drag their feet.

Another reason why spontaneous and government-driven integration cannot be neatly separated is that some governments have close ties to production networks and own controlling or minority shares in large companies. Local officials as well as national policies influence the choices that spontaneous “integrators” make; they may compete with each other to make their locality attractive to investors and tourists, or they may undermine integration initiatives because they rake off a share of the profits from local monopolies or because they have some other vested interest in the status quo.

Despite the substantial overlap between public policies and private behavior, there are at least five analytical reasons for seeking to understand sponta-

neous integration on its own terms. First, the integration initiatives issuing from government office buildings, important as they are from a strategic perspective, are slow-moving and superficial compared to what is happening in the private sector. Government officials and politicians have limited freedom of action. Second, private capital flows and other resources available in the private sector dwarf corresponding provisions of government budgets. They are responsible for most of Asia's development.

Third, the private sector is the mainspring of technology. The airplanes that fly government officials to meetings on integration and the computers and telephones that enable them to continue their discussions are produced by the private sector. Fourth, spontaneous integration extends to criminal and terrorist networks. The reach and sophistication of some of these networks threatens the entire region. Finally, spontaneous integration influences government behavior profoundly. The surge of intraregional flows of trade, investment, capital, people, and threats is a powerful catalyst prompting governments to act. Along with conventional military threats and other security challenges, these flows are the raw material of strategy.

The overarching theme of this book is that Asian integration reflects the momentum and recoil of these two forces: spontaneous integration in Maritime Asia, a manifestation of regionalization fueled by market forces, economic opportunity, social and ethnic ties, and the ease of communication and travel; and the government-driven quest for closer integration in Asia Major, a form of regionalism pushed as much by a quest for security and national autonomy as by economic interdependence and a desire for efficiency. Asian integration can be thought of as a blend of complementarity, overlap, and mismatch between the integrating "pull" of a Maritime Asia and the wobbly and uneven "push" of the governments of Asia Major. The contrast between this pull and push infuses the rest of this book.

■ Preview and Key Questions

This book is about Asia's future as a region in a globalizing world. I examine both regionalization and regionalism, identify the obstacles that they face, comment on their interaction, and derive implications for US and Asian policies toward the region.

Chapter 2 sets the stage by asking, "What is 'Asia'?" It draws on geography and history to justify remapping our understanding of this label. It develops the two core concepts of Maritime Asia as the locus of regionalization and Asia Major as the invention and broadest expression of regionalism.

The three chapters that constitute Part 1 of this book are devoted to regionalization. Chapter 3 traces Maritime Asia's historical legacy. Chapter 4 traces the technologies that propel the resurgence of spontaneous integra-

tion in Maritime Asia, and Chapter 5 profiles the individuals who carry it out.

The four chapters in Part 2 shift the focus to regionalism. I focus on the group of nations that I call Asia Major and analyze the policy-driven integration movement designed and promoted (but also ignored or resisted) by national governments. Chapter 6 analyzes the catalysts and motivations of the movement, Chapter 7 surveys its architecture, and Chapters 8 and 9 selectively identify initiatives, tools, and results in the fields of trade, finance, foreign policy, and security.

Part 3 draws together some judgments about the future of Asia's new regionalism. Chapter 10 sizes up the promise of integration and measures the readiness of Asian participants against various yardsticks. Chapter 11 surveys obstacles and potential threats. Chapter 12 sets forth overall judgments and derives selected policy implications for Asian governments and for the United States.

Questions tumble out. Since spontaneous integration in Maritime Asia overlaps but does not coincide with the government-driven Asian integration movement, is Asia's new regionalism a sustainable and successful strategy for creating wealth? For coping with globalization? For overcoming security threats and promoting stability? For adapting to a resurgent China? For promoting basic human rights, good governance, and the rule of law? For contributing to world order? Finally, what US actions would most effectively serve America's wide-ranging interests in Asia while accommodating legitimate Asian goals?

■ Notes

1. For a vivid description of contrasts like these, see Buruma, *God's Dust*.
2. *Far Eastern Economic Review*, July 8, 2004, p. 53.
3. Henceforth called Myanmar, as the country is now known throughout Asia.
4. "Charting East Asia's Milestones," keynote address by Prime Minister Badawi at the Second East Asia Forum, December 7, 2004, *The Star Online*.
5. For a description and appraisal of the Track 2 process, see Paul Evans, "Between Regionalism and Regionalization: Policy Networks and the Nascent East Asian Institutional Identity," in Pempel, *Remapping East Asia*, pp. 195–215.
6. For an argument along these lines, see Milner, "Region, Security, and the Return of History."
7. Vietnam and Cambodia were not members of ASEAN during the conflicts of the late 1970s.
8. Starting from east of the Ural Mountains, the Asian landmass spans 17.4 million square miles, compared to Africa's 11.7 million. The world's largest city is Shanghai; more than half the world's megacities (cities with populations of more than 10 million) are in Asia.
9. They are New Guinea (2), Borneo (3), Sumatra (6), and Honshu, Japan (7).
10. Mikkal E. Herberg, "Asia's Energy Insecurity: Cooperation or Conflict?" in Tellis and Wills, *Strategic Asia 2004–05*, p. 343.

11. Asian Development Bank, *Technical Assistance for the Formulation of the Pacific Region Environmental Strategy*, p. 1.
12. Immanuel Kant, "Idea for a Universal History with a Cosmopolitan Intent," in Kant, *Perpetual Peace and Other Essays*, p. 34.
13. Immanuel Kant, "To Perpetual Peace: A Philosophical Sketch," in Kant, *Perpetual Peace and Other Essays*, p. 125.
14. Immanuel Kant, "An Answer to the Question: 'What Is Enlightenment?'" in Kant, *Perpetual Peace and Other Essays*, pp. 42, 45.
15. Wright, *Non-Zero*, esp. p. 250.
16. Etzioni, *From Empire to Community*, pp. 20, 215.
17. Mahbubani, *Can Asians Think?* pp. 130–131.
18. Funabashi, *Asia Pacific Fusion*, pp. 9–10.
19. Henry A. Kissinger, "A Global Order in Flux," *Washington Post*, July 9, 2004.
20. *Foreign Policy* and the Fund for Peace, "The Failed States Index," pp. 50–58. Indonesia—inaccurately, in my view—and Laos are listed as "in danger."
21. When Vietnam invaded Cambodia in late 1978, neither country was a member of ASEAN.
22. Kang, "Getting Asia Wrong," esp. pp. 66–70. Amitav Acharya argues vigorously against this idea in "Will Asia's Past Be Its Future?"
23. For an example of recent discussions, see Berkofsky, "Comparing EU and Asian Integration Processes."
24. For a longer and more nuanced comparison, see Katzenstein, *A World of Regions*, chap. 3.
25. See the description of a marketplace in China's Fujian province in Howard W. French, "Uniting China to Speak Mandarin, the One Official Language: Easier Said than Done," *New York Times*, July 10, 2005, p. 4.
26. Takeshi Hamashita, "The Intra-regional System in East Asia in Modern Times," in Katzenstein and Shiraishi, *Network Power*, pp. 115, 135. In *Guns, Germs, and Steel*, Jared Diamond argues that Europe's deeply indented coastlines, numerous inlets, and mountain barriers stimulated competition among political entities, whereas China's uniform administration contributed to the technological standstill imposed by Chinese rulers.
27. Cooper, *The Breaking of Nations*, p. 27.
28. Katzenstein, *A World of Regions*.
29. Gennady Chufrin, "Regionalism in East Asia," in Chufrin, *East Asia: Between Regionalism and Globalism*.
30. Speech by Tharman Shanmugaratnam at the Sixteenth Asian Corporate Conference, Mumbai, India, March 20, 2006, available at <http://economictimes.india-times.com/articleshow/1456005.cms>.
31. T. J. Pempel, "Introduction," in Pempel, *Remapping East Asia*, p. 6.
32. Definitions are adapted from *Webster's New Collegiate Dictionary* (Springfield, MA: G. & C. Merriam, 1981).
33. Robin Ramcharan, "ASEAN and Non-interference: A Principle Maintained," *Contemporary Southeast Asia* 22, no. 1 (April 2000): 75, quoted and discussed in Elliott, "ASEAN and Environmental Cooperation," pp. 31–32.