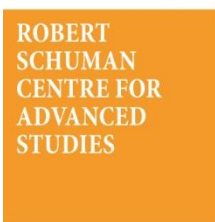




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ASEAN and the Limits of Regionalism in Pacific Asia

David Martin Jones

European University Institute
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Abstract

After the Asian Financial Crisis (AFC) of 1997-99, a dominant orthodoxy arose both in regional diplomatic circles and the regional scholarship that analysed it, that the Association of South East Asian Nations (ASEAN) had established the institutional basis both for South East Asian as well as East Asian political and economic integration. Thus, at the beginning of the new millennium, Peter Katzenstein declared that East Asian regional integration was “an idea whose time has come.” Indeed, it was widely assumed that an expanded ASEAN machinery would “socialize the [East Asian] region with the same norms and values that have proved successful in Southeast Asia.”

In view of these large claims about ASEANs apparent centrality to regional security in Southeast Asia, and its procedurally driven transformation of foreign relations across East Asia in the twenty-first century, the uncertainty among its diplomats and its academic admirers in the context of China’s rise and growing regional assertiveness represents something of a puzzle. To unravel this puzzle, we shall argue that ASEAN remains what it essentially was from its inception, namely an association of weak states created to achieve the limited purpose of maintaining regional order.

Yet, even in this endeavour the arrangement has proved of limited effectiveness. Mean-while, its attempt to export its norms to the wider region have rendered it vulnerable to the incursion and hegemony of more powerful regional actors. To explore the limitations of Asian regionalism, the paper will focus on 2 areas of ASEAN policy formation since the AFC: the attempt to build an integrated ASEAN economic community and to establish a framework to address overlapping claims to the South China Sea. The dissonance between ASEANs rhetoric and its limited achievements in these areas leaves it increasingly sidelined by the evolution of great power rivalry in the Asia Pacific.

Keywords

ASEAN, realism, regionalism, norms, institutions, Asian values

Introduction

In August 2015, the Association of Southeast Asian Nations (ASEAN) will celebrate its forty eighth anniversary as a regional security arrangement. Over this period it has enjoyed a somewhat checkered history. In its first decade, its founding members rarely met. In its second, it played a diplomatic role in the resolution of the Indochinese conflict. In its third decade, it widened its embrace to include the grouping's former protagonist, Vietnam, as well as Laos, Cambodia and Burma-Myanmar and extended its diplomatic style into Northeast Asia via an ASEAN Regional Forum (ARF).¹ The same decade also saw ASEAN encountering an unsettling financial crisis, as well as political and economic uncertainty, which fuelled religious and ethnic discord along with environmental and boundary disputes. Its fourth decade, nevertheless, witnessed ASEAN extending its institutional reach. After 1997, ASEAN held regular summits with China, Japan and South Korea in an arrangement termed, unimaginatively, ASEAN Plus Three (APT). This mechanism, however, incubated an embryonic, and rhetorically more exciting, East Asian Community which met annually after December 2005.

This incremental evolution earned plaudits both from the region's political leaders, and from a wider scholarly community which had, in a variety of second track fora, become increasingly involved in the emerging arrangement's self-definition. As early as 1990, a characteristically laudatory Australian study of ASEAN considered it "the most successful regional organization of its kind in the third world."² Reviewing the field, in 2004, Anthony Smith maintained that "the consensus on ASEAN through to the early 1990s amongst many scholars and journalists was that it was a body without parallel in the developing world."³ In 1997 ASEAN was stirred, but not unduly shaken, by the Asian Financial Crisis (AFC). The crisis apparently galvanized the arrangement into both deepening its integration and projecting its socialization processes into Northeast Asia. Regional scholarship reinforced regional aspiration. In 2000, Peter Katzenstein declared that East Asian regional integration was "an idea whose time has come."⁴

Yet, it was not entirely clear whether this greater ASEAN inspired community would constitute an "open region" that embraced a wide variety of states in its vicinity, including Australia, New Zealand and India as well as, potentially, Canada, Russia and the United States, or a more exclusively East Asian arrangement – a caucus without Caucasians. This ambiguity concerning the geographical extent of the proposed community, reflected a deeper, less advertised, ambivalence about the nature of ASEAN itself. *The Report of the Eminent Person's Group on the ASEAN Charter*, published in December 2006, emphasised the fact that ASEAN's traditional principles and objectives had to adapt to 'the new realities confronting ASEAN', if ASEAN wished to remain in the 'driving seat' of greater regional relations.⁵

Indeed, given the generally positive evaluations of an expanded ASEAN machinery "to socialize the [East Asian] region with the same norms and values that have proved successful in Southeast

¹ The small Sultanate of Brunei joined the association in 1984.

² Frank Frost, "Introduction: ASEAN since 1967," in Alison Broinowski, ed., *ASEAN into the 1990s* (London: Macmillan 1990), pp. 1-31.

³ Anthony L. Smith, "ASEAN's Ninth Summit: Solidifying Regional Cohesion, Advancing External Linkages," *Contemporary Southeast Asia*, Vol. 26, No. 3 (2004), p. 417.

⁴ Amitav Acharya, "Ideas, Identity and Institution Building from the 'ASEAN Way' to the 'Asia-Pacific way'?" *Pacific Review*, Vol. 10, No. 3 (1997), p.319; Peter Katzenstein, "Regionalism and Asia," *New Political Economy*, Vol. 5, No. 3 (2000), p. 361; Richard Stubbs, "ASEAN Plus Three: Emerging East Asian Regionalism," *Asian Survey*, Vol. 42, No. 3 (2002), p. 440.

⁵ *The Report of the Eminent Person's Group on the ASEAN Charter*, .p.3 aseansec.org/19247.pdf.

Asia,⁶ it comes as something of a disappointment to find that both official statements, and the scholarship it generated, are vague about what the association actually does or has achieved.⁷ Given ASEAN's longevity, its centrality to regional security in Southeast Asia, and its procedurally driven transformation of foreign relations across East Asia in the twenty first century, this represents something of a lacuna.

In order to investigate this gap in the literature, this paper will first discuss the evolving claims made on behalf of ASEAN by both scholars and diplomats since its inception. Having established ASEAN's guiding propositions and the cooperative practices they seek to instantiate, we shall test their efficacy in two discrete spheres of ASEAN engagement: intra ASEAN and wider regional economic integration; and the effort to build a wider multilateral community. Two case studies will exemplify this: the Asian Financial Crisis and ASEAN's economic response; and ASEAN's diplomatic management of China's claim to the South China Sea. ASEAN's conduct in these cases, we shall argue, reveals that its conflict avoidance formula lends itself to more powerful actors in the Asia Pacific shaping ASEAN's destiny.

From Realism to Surrealism: The Long March from "Embryonic" to "Nascent" Security Community

The early scholarship of regional security arrangements in Southeast Asia contrasts vividly with more recent commentary regarding the prospects for both an enhanced and more completely integrated ASEAN community.⁸ In the 1960s and 70s, scholars generally lamented the failure of attempts at regional security cooperation and regarded the eventual formation of ASEAN in 1967 limited in both its scope and utility.

By contrast, International Relations theory of a constructivist, normativist and liberal institutionalist disposition, that came to dominate the academic study of world politics in the course of the 1990s and the first decade of the twenty first century, found both ontological and epistemological confirmation in the evolving ASEAN process. ASEAN's emergence from the era of *konfrontasi*, to the active community building initiatives that both deepened ASEAN integration and established the machinery of the APT to embrace a wider Northeast Asia between 1997 and 2010,⁹ demonstrated institutional adaptation, the construction of shared norms, and a common identity mediated through and manifested in the ASEAN Way.¹⁰ Summarizing this practice, Amitav Acharya contends that ASEAN's contribution to regionalism is 'ideational, social and normative'. In this context, ASEAN has exercised a 'constraining impact on inter-state conflicts and great power behaviour the strengths... of

⁶ Smith, "ASEAN's Ninth Summit," p. 432.

⁷ See, *inter alia*, for similarly upbeat projections for ASEAN led regionalism: Nabers, "The Social Construction:" Katzenstein "Regionalism and Asia;" Stubbs, "ASEAN Plus Three;" Domink Heller, "The Relevance of the ASEAN Regional Forum (ARF) For Regional Security in the Asia Pacific," *Contemporary Southeast Asia*, Vol. 27, No. 1 (2005); and, Michael E. Jones, "Forging an ASEAN Identity: The Challenge to Construct a Shared Destiny," *Contemporary Southeast Asia*, Vol. 26, No. 1 (2004).

⁸ In this context, see the *Declaration of ASEAN Concord II (Bali Concord II)* Bali, Indonesia 7, October 2003, which envisaged "a dynamic, cohesive, resilient and integrated ASEAN community," <http://www.aseansec.org/15159.htm>. See also *ASEAN Vision 2020* (Hanoi, December 1997) which envisaged both a "peaceful and stable Southeast Asia... bound by a common regional identity" and the ASEAN Regional Forum "as an established means for confidence building and preventive diplomacy," <http://www.aseansec.org/1814.htm>.

⁹ For a more measured evaluation of the effectiveness of the norms contributing to the construction of the regional security community see John Garofano, "Power, Institutions, and the ASEAN Regional Forum A Security Community for Asia?" *Asian Survey*, Vol. 92, No. 3 (May/June 2002).

¹⁰ Acharya, "Ideas," pp. 319-346.

ASEANs informal regionalism includ[e] the extension of the ASEAN model to East Asia and the Asia Pacific'.¹¹

The prevailing normativist understanding of ASEAN driven regionalism thus assumes that: a group of weak state actors engineered a set of procedural norms and persuaded stronger states to both adopt and adapt to them; secondly, these distinctively nonwestern procedural norms have socialised states into new and more inclusive identities, transforming interests, and establishing a regional community. What, we may next consider, are these norms and processes and by what diplomatic mechanisms are they implemented?

Norms, Processes and the ASEAN Way

The defining ASEAN norm, identified in the Treaty of Amity and Cooperation, requires noninterference in the affairs of member states. All who conform to the ASEAN process, therefore, accept the nonnegotiable inviolability of national sovereignty.¹² Secondly, ASEAN eschews the use of force. The organization resolves disputes peacefully. These norms are by no means unique. The United Nations Charter (1949), and the Non-Aligned Movement (1955) expounded them prior to ASEAN's formation. The language of both the ASEAN Declaration and the TAC, thus, reflect the internationalist and post-colonial values of the post-war era.

What, in fact, distinguishes ASEAN's norms is not their content, but their implementation in a framework of regional interaction. The ASEAN way, as Acharya tells it, is "about the *process* through which such interactions are carried out."¹³ It requires the cultivation of certain habits, notably discreetness, informality, consensus building, and non-confrontational bargaining. Consequently, the ASEAN way contrasts vividly with the "adversarial posturing" and "legalistic decision making procedures" apparently found in multilateral negotiations conducted according to "western" diplomatic criteria. A preoccupation with discretion requires the practice of non-confrontation and sensitivity to the "comfort level" experienced by participants. To raise the comfort level entails the avoidance of open disagreement between participants.¹⁴

The comfort process, therefore, means either evading the discussion of bilateral disputes between member states, or addressing them obliquely in nonbinding second track fora, and dialogue sessions. As Rodolfo Severino, a former ASEAN Secretary-General explained: "When ASEAN cannot solve a problem what does it do? First, it may put the problem under the carpet and not highlight it. What is a problem today may cease to be so in the future."¹⁵ Over time, the ARF process promoted conflict avoidance as the basis for discussing issues of wider regional security. For ASEAN scholar diplomat, Kishore Mahbubani consensus building represents the key to ASEAN's "unique corporate culture."¹⁶

Given the nonbinding character of ASEAN agreements, those who dissent are rarely discomfited. The ASEAN and ARF process, "is about agreeing to disagree rather than allowing disagreement to

¹¹ Amitav Acharya, 'Contingent Socialization in Asian Regionalism', in Miles Kahler & Andrew Macintyre (eds) *Integrating Regions Asia in Comparative Context* (Stanford; Stanford University Press, 2013) p.224

¹² The Treaty was amended in 1987 and again in 1998 to provide "that States outside Southeast Asia may accede to the Treaty with the consent of all the States in Southeast Asia." *Protocol Amending the Treaty of Amity and Cooperation in Southeast Asia* Philippines, December 15, 1987. www.aseansec.org/1661.htm.

¹³ Acharya, "Ideas," p. 329.

¹⁴ See *ibid.*

¹⁵ Quoted in Amitav Acharya, "Culture, Security, Multilateralism: The 'ASEAN way' and Regional Order," *Contemporary Security Policy*, Vol. 19, No. 1 (1998), p. 62.

¹⁶ *Ibid.*, p. 55 and 62-67. This process apparently reflects a traditional Javanese practice of *musyawarah muafakat* where a village elder would, allegedly, "not act arbitrarily or impose his will, but rather make gentle suggestions of the path a community should follow, being careful always to consult all other participants."

cloud and undermine the spirit of regionalism.”¹⁷ This further entails that close interpersonal ties between leaders and senior governmental figures trump official rules and bureaucratic mechanisms. The cumulative effect is ASEANs weak or “soft” institutionalism.

Nevertheless, a structure of a distinctively intergovernmental kind evolved incrementally over time. Since the fourth ASEAN summit held in Singapore in 1992, and given additional momentum by the APT, ASEAN has developed a complicated framework of meetings and formal and informal summits both to discuss and agree policy. As one analyst notes, ‘since 1992 the ASEAN Heads of Government meetings have been regularized’, meeting initially biennially with ‘informal’ summits occurring in between, and, since 2008, with a variety of dialogue partners culminating in the annual East Asian summit.¹⁸ The ASEAN Secretariat, headed by the Secretary-General of ASEAN manages this complex of formal and informal summits, dialogues, meetings and standing committees.¹⁹ After 2013 the Secretary-General, chosen from candidates proposed by member states, held office for a five year non-renewable term.²⁰

The Secretary-General’s mandate responded to the fact that ASEAN policy making accelerated dramatically after the AFC. After 1997, ASEAN launched a number of initiatives to enhance both the region’s security and growth and also project its best managerial practice and norms of good international citizenship via the ASEAN Plus Three (APT) mechanism into a wider East Asian Community (initially embracing China, Japan and South Korea). A series of plans, roadmaps and visions announced or declared at ASEAN summits were central to this process of redefinition and reinvigoration. In the context of this enlarged mandate, ASEAN policy making accelerated dramatically. After 1997, ASEAN summits announced a plethora of agreements designed both to increase Southeast Asian integration and establish a regional leadership role for the organization.²¹ The prospectus ranged from relatively technical, sectoral protocols to declarations that refined and developed the character of the organization, most notably the Declaration of ASEAN Concord 11 (Bali Concord 11) that established a framework to achieve an integrated ASEAN community built on the pillars of economic, security and socio-cultural cooperation and integration.²²

Even more ambitiously, in 2005, the Kuala Lumpur summit announced the group’s intention to ‘establish an ASEAN charter’ by its fortieth birthday in 2007.²³ The Charter endowed ASEAN with a legal personality, that is an identity separable from the different states that comprise the association. In one sense, a legal personality merely clarified the traditional practice of the grouping. Thus, the Charter ‘reaffirmed ‘principles, goals and ideals contained in ASEAN’s milestone agreements’ like the foundational ASEAN Declaration (1967) and the Treaty of Amity and Cooperation (1976) together with the ‘principles of inter state relations in accordance with United Nations and established international law that promote and protect ASEAN community interests’. These principles included such commonplaces of ASEAN diplomacy as: ‘shared adherence to a set of common socio-cultural and political community values and shared norms as contained in the various ASEAN documents; and the right of any state to lead its national existence free from external interference’. Yet, at the same

¹⁷ Acharaya, “Culture,” p. 63.

¹⁸ Kin Wah Chin, “ASEAN Institution Building,” in Sharon Siddique and Sree Kumar, eds., *The 2nd ASEAN Reader* (Singapore: Institute of Southeast Asian Studies, 2003), p. 36.

¹⁹ “Illustrative ASEAN Organizational Structure” <http://www.aseansec.org/13103.htm>.

²⁰ “The ASEAN Secretariat: Basic Mandate, Functions and Composition,” <http://www.aseansec.org/11856.htm>.

²¹ The *Table of ASEAN Treaties/Agreements and Ratifications* as of July 2005 reveals that of the 138 Agreements, Declarations, Memorandums of Understanding, Protocols and Treaties governing inter ASEAN conduct or made between the organization and states external to it, 99 have been codified, ratified or declared since 1997, <http://www.aseansec.org/Ratification/pdf>.

²² The Vision sought “to enhance economic cooperation through economic development strategies,” <http://www.aseansec.org/1814.htm>.

²³ [aseansec.org/18030.htm](http://www.aseansec.org/18030.htm)

time, the Charter also sought, somewhat incoherently, to modify that practice. Indeed, the Charter also envisaged a process of organizational transformation via the ‘promotion of democracy, human rights and obligations, transparency and good governance and strengthening democratic institutions’.²⁴

The subsequent Cebu Declaration on the Blueprint of an ASEAN Charter reinforced this transformative agenda, proclaiming that the grouping had embarked on a ‘momentous undertaking of establishing an ASEAN community and facilitating its realization by adopting an ASEAN Charter’. The Charter forms the ‘firm foundation’ for this community by providing ‘an enhanced institutional framework’.²⁵ The Cebu participants were ‘conscious that ASEAN had matured into a regional organization and is expanding its role as an integrated regional economy and a dynamic force in maintaining regional peace and stability as envisaged in the Declaration of ASEAN Concord 11 and its plan of action, roadmaps and ASEAN Vision 2020 which envisages ASEAN as a concert of South East Asian nations outward looking living in peace, stability and prosperity bonded together in partnership in dynamic development and in a community of societies’.²⁶

This Declaration both echoed and paraphrased the more detailed recommendations promulgated in *The Report of the Eminent Person’s Group on the ASEAN Charter* (2006).²⁷

Moreover, in order to facilitate this transformation of ASEAN into a community of caring and evolving democratic societies, the EPG also proposed the modification of ASEAN’s procedural norm of nonbinding consensus. The EPG report thus observed that although ‘ASEAN’s consensus style of decision making facilitated member states’ comfort levels with ASEAN decisions and recognition that ASEAN membership would ‘not compromise their sovereignty or national interests,’ they further averred that, ‘while consensus should always be sought as a first step, it should not be allowed to uphold decisions or create an impasse in ASEAN cooperation’. Consensus, therefore, should ‘aid and not impede ASEAN’s cohesion and effectiveness’.²⁸

Reiterating the point more forcefully in their conclusion, the EPG contended that ‘ASEAN must establish a culture of honoring and implementing its decisions and agreements and carrying them out in time’. Indeed, ‘ASEAN’s problem is not one of lack of vision or action plans. The real problem is one of ensuring compliance and effective implementation of decisions’.²⁹ In other words, the Charter would not only enhance ASEAN’s institutional capacity, it would also lead to the transvaluation of the norms that had historically informed ASEAN’s diplomatic practice and, in time, transform the infeasible, sovereign, political and economic assumptions governing the culturally, politically and economically heterogeneous states of ASEAN into a community governed by common rules or norms. In order to facilitate this transformation, the EPG further recommended that the organization should assume the power ‘to take measures to redress cases of serious breaches’ of these objectives. Such enforcement mechanisms would, however, exclude expulsion unless the High Council of member states deemed it appropriate’.³⁰

In other words, democratizing regional security requires an elite led transformation of both the practice and conduct of the organization and a fortiori the member states that belong to it. The Charter offered the prospect of a secure, just and integrated ASEAN community whose General Will, more than the sum of its constituent state parts, will shape the political and economic conduct of its peoples.

²⁴ aseansec.org/18030.htm

²⁵ Cebu Declaration on the Blueprint of an ASEAN Charter aseansec.org/19257.htm

²⁶ Ibid

²⁷ The Report of the Eminent Person’s Group on the ASEAN Charter, .p.3 aseansec.org/19247.pdf.

²⁸ caps 29 & 30 pp10-12

²⁹ Cap 44 p.21

³⁰ p.4

The transformative politics intimated in the Cebu Declaration and elaborated in the EPG report imagines, therefore, a normative community of ASEAN peoples very different from the conditional and limited association envisaged by ASEAN's founding fathers in 1967. Central to the notion that democratic integration promotes security and that its norms can shape both regions and states is the assumption that different, but desirable social, political and economic goods, are both compatible and causally related. Moreover, this universal value prioritizing perspective relegates state sovereignty and political and economic autonomy to a second order concern. The promotion of human rights, democracy and economic integration ultimately trumps the sovereign authority of the state.

In this context, the elite driven move towards a more democratic, transparent, tolerant and reasonably pluralist regional order summated in an ASEAN Charter fits this view and constitutes the plausible basis for a 'reasonably just' regional 'Society of Peoples'.³¹ We therefore should consider whether such a rational normative transformation, without addressing the particular and very different economic and political problems confronting the collocation of states that compose Southeast Asia might pose a dilemma rather than a solution? Particularly for the discrete economic and security needs of the ASEAN states. It is to these considerations that we next turn.

The norm of ASEAN economic integration and the demands of regionalism

After 1997, the ASEAN process established not only a process of economic deepening amongst the member states, but also a structure governing ASEAN's external trade via Framework Agreements on economic partnership with Japan and India and a Strategic Partnership for Peace and Prosperity with China (2003). By 2012, ASEAN had concluded trade agreements, covering goods and services, with Japan, China, Australia and New Zealand (2008), the Republic of Korea (2009) and India (2014). How did these external linkages affect the process of intra ASEAN trade harmonisation?

In this context of constructing a normative order via the process of dialogue and trust building, ASEAN scholars consider particularly influential the role that Track Two meetings and workshops – involving both diplomats and scholars – play in clarifying the character of the organization and extending its processes into the ARF and the APT. Acharya considers, “an important feature of regional security debates in ASEAN is the role of think tanks specializing in international relations and security studies in sponsoring what has (sic) been called second track dialogues and discussions on regional security issues”³²

It is here that an evident incongruity appears in the discourse of ASEAN's normative evolution. For this informal process is neither unofficial nor independent. As Carolina Hernandez observes, the Track Two process reflects an evolving relationship between ASEAN and the various member states' Institutes of Strategic and International Studies (ISIS). These nominally academic institutes have, since the formation of ARF, developed close ties with ASEAN. Indeed, “ASEAN-ISIS is the most important and visible peace and security related Track Two mechanism in Southeast Asia”.³³ Moreover, this “non-official dialogue process” has increased dramatically in tandem with ASEAN's regional profile.

³¹ John Rawls, *The Law of Peoples: The idea of Public Reason revisited* Harvard, Harvard University Press, 1999 128

³² ASEAN has established “a particularly well developed and regionalized framework for such discussions” that exhibits, somewhat predictably, “a higher degree of informality and collegiality” than that which Acharya finds in most other parts of the world. Acharya, “Culture,” p. 75.

³³ Carolina A. Hernandez, “The ASEAN-ISIS and CSCAP experience,” in Siddique and Kumar, *The 2nd ASEAN Reader*, p. 280. The ASEAN-ISIS process began at Bali in 1984 and the Indonesian Centre for Strategic and International Studies instituted it. By 1991, ISIS Malaysia, ISIS Thailand, the Institute of Strategic and Development Studies in the Philippines and the Singapore Institute of International Affairs. From 1995 ASEAN-ISIS met annually with the ASEAN Senior Officials Meeting. In 1995 the Hanoi based Institute of International Affairs and in 1997 the Cambodian Institute of Peace and Cooperation joined the grouping. From 1998, the new Institute of Defence and Strategic Studies (IDSS) Singapore replaced SIIA in ASEAN-ISIS

Well might academic forecasters of inexorable regional integration, like Peter Katzenstein, find that the growing relationship between regional scholarship and regional organizations, “socialis[ing] elites, either directly or indirectly, to different norms and identities”³⁴ In fact, it would seem that scholars who wish to see shared norms transforming identities and interests have written their constructivist preferences into the organization’s mission statements.

This notwithstanding, words are not deeds. Central to the case for ASEAN transforming both its member states and the wider region is the contention that the process of meeting, and dialogue in an atmosphere of unstructured informality over time promotes trust, creates shared norms and induces a shared identity. This should be observable both in the changing practice of the organization and in its manner of addressing a range of regional economic, political and security problems.

One difficulty with this transformation appears almost immediately, when we examine the actual administrative practice of the organization, which despite the enhanced mandate of the ASEAN secretariat, under the 2007 ASEAN charter, still lacks any supranational capacity.³⁵ In other words, despite the proliferation of meetings, declarations and protocols, the organizational structure of ASEAN remains determinedly intergovernmental.

An analogous pattern of state driven interaction is evident in the areas of economic and security cooperation within ASEAN. In fact, it is the staff of each member state’s ASEAN National Secretariat (ANS), housed in their respective foreign ministries, that proposes, and, once accepted at a Heads of Government meeting, disposes policy.

The dissonance between an official declaratory intent of deepening ASEAN integration and the actual intra-ASEAN policy practice that remains intergovernmental has important implications not only for how ASEAN functions, but also the extent to which its regional aspiration can be realized. In order to explore this dissonance, let us examine ASEAN’s rhetorical and practical response to its economic crisis.

Explaining the 1997 Financial Crisis and its Implications for regional integration

Prior to the financial crisis of 1997, those enamoured of the region at the expense of the state envisaged polymorphous economic and security arrangements, like ASEAN, together with the economic and security arrangements it spawned, (ARF, ASEAN Free Trade Area, and ASEAN Plus Three) as the necessary building blocks for a multilateral, regional order. Yet ASEAN, as a regional economic grouping, was far from integrated.³⁶ The structure of the more dynamic ASEAN economies was export oriented. They competed between themselves both for Foreign Direct Investment (FDI) and as low cost manufacturing bases for Northeast Asian, European or North American multinational corporations.

³⁴ Katzenstein Okawara, “Japan, Asian-Pacific Security,” p. 162.

³⁵ This is evident from a brief examination of the ASEAN Secretariat. For such a regionally important arrangement, the ASEAN Secretariat is confined to a couple of floors in an undistinguished building on a Jakarta side street. Only two deputies, four program directors, 14 program coordinators and 78 program officers serve the relatively anonymous Secretary-General of ASEAN, who is usually a career diplomat. The Secretariat has increased from 64 to 99 officers since 1997. It remains somewhat less than the bureaucracy of a Social Science Faculty at an average Australian university. The office is situated on Jalan Sisingamangaraja, Jakarta. The small scale of the secretariat, its limited budget and its low profile, reflects its limited function.

³⁶ This would seem somewhat surprising given both the rhetoric of the grouping concerning the shared values of Southeast Asian economic dynamism and that Chapter 3 Article 4 of the Treaty of Amity and Cooperation (1976) explicitly required “active cooperation in the economic, social, technical scientific and administrative fields,” whilst the Joint Communiqué that accompanied the treaty the various ASEAN heads of government had called for “cooperative action towards establishing ASEAN large scale industrial projects as well as preferential trading agreements.”

Unlike increasingly economically integrated regions such as the European Union (EU), intra-ASEAN trade represented a mere 20 percent of total ASEAN trade at the time of AFTA's formation in 1992.³⁷ Indeed, continuing dependence on external markets, made the notion of a "customs union unacceptable to ASEAN members."³⁸ As Andrew MacIntyre observed in 1997, despite the rhetoric of ASEAN economic cooperation, "the bound tariff levels of the ASEAN countries are among the very highest in the world."³⁹

The financial meltdown of 1997 subsequently devastated the individual economies of a number of ASEAN states. Moving from the boundless optimism of the Asian miracle to financial crisis within a year constituted a shock to the Asian model of economic development. In this context, the ASEAN orthodoxy holds that even if attempts at economic integration had been largely rhetorical prior to the crisis, its consequence encouraged both a deepening of ASEAN integration and a widening of its processes to embrace Northeast Asia.⁴⁰ The 1997 financial crisis thus offers an excellent case for testing claims about the role of ASEAN and its capacity to build an integrated economic community, one of the pillars of the Bali Concord (2003).

The crisis, which began in Thailand in June 1997, spawned two contested understandings. The prevailing economic orthodoxy maintained that the structural features of the Asian economic model comprised the efficient cause of meltdown. By contrast, the market unfriendly school, led by then Malaysian premier Mahathir Mohamad, and abetted by a curious bunch of supporters that ranged from Paul Krugman to Jeffrey Sachs, Joseph Stiglitz, and President Suharto, maintained that the crisis was an effect of deregulated global capitalism.

Ultimately the crisis stimulated the desire to do something collectively to counter regional vulnerability. Here, Mahathir's diagnosis achieved increasing traction. As the meltdown spread from Southeast Asia to Northeast Asia, most notably South Korea, it induced a sense of regional humiliation. Shame induced resentment as "western" institutions like the IMF appeared to punish East Asia.⁴¹

Consequently, designing Asian solutions for Asian problems would engender both a greater sense of East Asian independence and strengthen regional economies against further externally induced shocks.⁴² The years following the crisis therefore witnessed an upsurge in the rhetoric of pan-Asian economic renewal.⁴³ The Sixth ASEAN summit in Hanoi, in December 1998 committed its members to "a higher plane of regional cooperation in order to strengthen ASEAN's effectiveness in dealing with the challenges of growing interdependence within ASEAN and of its integration into the global economy."⁴⁴

³⁷ As Fred Herschede observed in 1991, "by far the most significant aspect of ASEAN trade is the importance of the industrialized countries" which between 1975 and 1989 accounted for 54 per cent of ASEAN imports and 57 per cent of total exports. Indeed, dependence on external markets, made the notion of a "customs union unacceptable to ASEAN members." Fred Herschede, "Trade between China and ASEAN: The Impact of the Pacific Rim Era," *Pacific Affairs*, Vol. 64, No. 2 (1991), pp.181-182.

³⁸ Paul Bowles, "ASEAN, AFTA and the New Regionalism," *Pacific Affairs*, Vol. 70, No. 2 (1997), p. 222.

³⁹ Andrew Macintyre, "South-East Asia and the Political Economy of APEC," in Gary Rodan, Kevin Hewison and Richard Robison, eds., *The Political Economy of South-East Asia* (Melbourne: Oxford University Press, 1997), p. 239.

⁴⁰ Richard Higgott, "Shared Response to the Market Shocks?" *World Today*, January 1998, p. 6.

⁴¹ Jeffrey Lewis, "Asian vs. International: Structuring an Asian Monetary Fund," *Harvard Asian Quarterly*, Vol. 3, No. 1 (1999), para. 1, <http://www.fas.harvard.edu/~asiactr/haq/199904/9904a005.htm>.

⁴² *The Nation* (Bangkok), June 10, 2000.

⁴³ *Financial Times*, May 13, 2001.

⁴⁴ Point 5, Hanoi Declaration, 6th ASEAN Summit, December 16, 1998, Southeast Asian Science Policy Advisory Network, <http://www.icsea.or.id/sea-span/1198/RG1228LL.htm>.

The same summit further agreed to formalize these meetings into the arrangement known as ASEAN Plus Three, subsequently extended further into a somewhat amorphous East Asian Community, including Australia New Zealand and India in a subsidiary 'Asian' category after 2007, and by 2013 including both Russia and the United States.

It was the APT and subsequently the East Asian summit mechanism that constituted the AFCs lasting institutional fruit, constituting the "embryo of an East Asian regional organization."⁴⁵ Moves towards a more developed sense of East Asian regionalism thereby entailed a new and enhanced role for the Association.⁴⁶ Following the ASEAN way the process informing future summits would be gradual, consensual, and nonbinding.⁴⁷

Declarations of regional solidarity, however, are frequently made for demonstrative effect. Despite the widely advertised official enthusiasm, we should, nevertheless, exercise caution in assuming the emergence of a coherent regional economic project. In fact, trans-Pacific economic and trade practice, since ASEAN launched its deepening and widening initiatives, reveals a rather different economic story than the official version of strengthening regional economic resilience retails. This requires a brief account of the ambiguous, but transformative, role that China plays in the wider region's economic and financial integration. China's rapid and continuing growth since 1997 is the economic fount of the latest source of pan-Asian enthusiasm. The deep financial crisis that engulfed both Europe and North America after 2008 reinforced this renewed sense of a profound and irreversible economic shift to the Asia Pacific hemisphere.

By 2003, the OECD reported that of \$62 billion in global foreign direct investment, China accounted for \$52 billion.⁴⁸ China's heavy industries, power, steel, and petrochemical, consume resources voraciously.⁴⁹ Its demand for automobiles, industrial parks and apartments and its emergence as the globe's low cost manufacturing base for everything from baseball caps and footwear to computers and televisions revived growth across Northeast Asia after 2002. This growth, however, has not been an unmixed blessing, especially for the ASEAN economies. Whilst China's growth has revived the high technology economies of Japan, South Korea and Taiwan, it, at first, sucked investment out of the largely technologyless economies of Southeast Asia. The rise of China after 1998, and its attraction for foreign investors, actually affected growth negatively in Southeast Asia particularly during the 1997-2003 recession. In zero sum terms, ASEAN's deteriorating investment attractiveness for low cost manufacturing reflected the rapid growth of the Chinese "titan." By 2003, ASEAN attracted only 16 percent of Asian FDI compared with China's 66 percent – the exact reverse of the position in 1990.⁵⁰ As the IMF observed, somewhat euphemistically, "countries whose factor endowments are similar to China and which... compete with it in world markets will need to undertake sizeable adjustments and display flexibility in product and labor markets."⁵¹

Flexibility has not been a feature of the ASEAN way in trade policy. Significantly, the creation of an ASEAN Free Trade Area, which officially came into existence in 2002, has failed to transform the trade practice of ASEAN. Neither has it revived FDI flows or established an integrated ASEAN Economic Community. Although the six longest standing members – Thailand, Brunei, the Philippines, Singapore, Malaysia and Indonesia – agreed in 1998 to reduce tariffs on one another's

⁴⁵ Soesastro, "Wither ASEAN Plus Three", p. 1.

⁴⁶ Ali Alatas, "ASEAN Plus Three" Equals Peace Plus Prosperity," Regional Outlook Forum, Institute of Southeast Asian Studies (Singapore), No. 2 (January 2001), p. 4.

⁴⁷ Soesastro, "Whither ASEAN Plus Three?," pp. 1-2.

⁴⁸ *Jakarta Post*, June 29, 2004.

⁴⁹ China consumes 31 per cent of the world's coal, 30 percent of its iron ore, 40 percent of its cement and 17 percent of its oil by 2003, *Australian Financial Review*, April 27, 2004.

⁵⁰ *Australian Financial Review*, April 26, 2004.

⁵¹ IMF, *The Global Implications of the U.S. Fiscal Deficit and of China's Growth* (Washington, D.C.: IMF, 2003), p. 63.

goods to a maximum 5 percent, nontariff barriers and excise duties remain in place. An examination of the protocols and framework agreements establishing common trade and customs practice across ASEAN reveals that very few are signed by all member states, which illustrates the effectiveness of nonbinding consensus, but has done little to integrate the regional economy.

The fact that AFTA and the Asian Investment Area (AIA) have had little impact on regional integration receives further confirmation from the ASEAN Secretariat's home page devoted to trade. It observes that "while trade with traditional industrial markets remained robust, [the] share of intra-ASEAN trade remained low with intra ASEAN exports constituting 22.75 per cent in 2001. The share was 21.4 per cent in 1993 when AFTA was formed."⁵² By 2010, intra-ASEAN trade had expanded slightly, but only to 24 percent of total trade.⁵³ The problem is that despite all its memoranda and action plans, ASEAN remains 'not a single country, but a group of countries with differing languages, legal systems and political risks. These differences erode the comparative advantage of the bloc', especially vis a vis China.⁵⁴

To the extent that the ASEAN economies have grown since 2002, it has been a result both of its diminished role as a low cost base for manufacturing goods assembled in Southeast Asia for export to the U.S. and Europe, and its emerging role as a supplier of commodities to China. Thus, whilst ASEANs exports to the EU were the same as China's in 2000...by 2012, China's exports to the EU were more than triple ASEANs'.⁵⁵ Moreover, although trade with China rose by 18 percent in 2002, this reflected China's insatiable appetite for the region's raw materials. ASEAN, unlike Northeast Asia, has had little success in exporting higher value added products to China.

Unlike intra-ASEAN trade, or ASEAN trade with western markets, China-ASEAN trade grew impressively.⁵⁶ Over the decade, since 2003, China -ASEAN trade has increased 24 per cent year on year from \$78 billion to \$444 billion.⁵⁷ Since 2009, China has been ASEANs third largest trading partner.⁵⁸ Moreover, the return of FDI to South East Asia after 2003 reflects Chinese rather than western or Japanese and South Korean investment in South East Asia. 'Chinese FDI into ASEAN increased 11 times' between 2003-2008.⁵⁹ Ultimately, ASEAN exports to China have effectively offset losses in Western market share.

However, the period since 2002 has not witnessed any significant evolution towards an integrated ASEAN economic community. Certainly in areas like tourism, where the Cebu Plan for Cooperation promoting ASEAN as a collective tourism destination and the ASEAN Tourism Strategic Plan (2011-15) saw visitors to ASEAN increase by 50% between 2003-2013, progress has been made.⁶⁰ However elsewhere, the slow adoption of economic and financial reforms means that ASEAN did not achieve a

⁵² "Trade" <http://www.ASEANsec.org/12021>, p. 2. See also *South East Asia Free Trade Area* (Jakarta: ASEAN Secretariat, 2002), p. 5.

⁵³ United States International Trade Commission, *ASEAN: Regional Trends and Economic Integration, Export Competitiveness and Inward Investment for Selected Industries* Investigation No 532-511, USITC Publication 4176, Washington, 2010, 2-11-2-13

⁵⁴ Christopher Napoli, 'China's Economic Rise Implications for ASEAN Trade Flows', *Journal of South East Asian Economies* 31,3, (2014) p.246

⁵⁵ Napoli, 'China's Economic Rise', p.348

⁵⁶ Napoli, *Ibid* p.350

⁵⁷ Jennifer Lo, 'Forging ahead with shared vision', *China Daily* 12 December 2014.

⁵⁸ Xinhua Insight, 'China, ASEAN stress cooperation amid sea disputes', 12 July, 2012 xinhua.net.com/english/indepth/2012-07/12/c_131712126htm

⁵⁹ Napoli 'China's Economic Rise', p.356

⁶⁰ see <http://www.asean.org/communities/asean-economic-community/category/asean-tourism-ministers-meeting-m-atm>

single market by 2015. Indeed, the ASEAN Secretariat observed in 2013 that ASEAN members had adopted less than 50% of single market policy provisions.⁶¹

At the same time, the more market oriented states in the region increasingly act autonomously of AFTA, evolving a pattern of overlapping, preferential trade deals both within and beyond the region.⁶² As John Ravenhill argues, the Japan-Singapore Economic Partnership Agreement in January 2003 constituted a “dramatic... turn in East Asia to preferential trade”⁶³ The conclusion of bilateral trade deals between Singapore and New Zealand, and Singapore and Australia, as well as between Thailand and Australia and Australia and Malaysia (2012) followed. Such bilateralism has altered both the direction and pattern of trade in the region and illustrates that ASEAN’s most developed economies, Thailand and Singapore are concentrating on their own markets and “depriving ASEAN of its best integrators in the process.”⁶⁴

In other words, despite the widely advertised aspiration amongst regional elites for an ‘ASEAN Incorporated’ model,⁶⁵ the regional aspiration sits at variance with state led development that the member states of ASEAN continue to practice. As Joe Studwell demonstrated, the ASEAN economy ‘is a product’ at the state level of ‘a relationship between economic and political power’ where political elites ‘grant members of an economic elite monopoly concerns, mainly in domestic service industries that enable the latter to control vast amounts of wealth’.⁶⁶ A relatively small group of tycoons form an economic aristocracy that works ‘hand in glove’ with local political elites at the state level. State and market are so intertwined that one commentator describes the relationship as ‘nomenklatura capitalism’.⁶⁷

At the same time that the political and economic structure at the state level remains an essentially crony one, meltdown and recession dramatically altered the economic landscape of Southeast Asia after 2003. Prior to the crisis, it was plausible to speak of shared developmental commonalities such as export oriented growth, dependent on Japanese, Korean, Taiwanese or US and European foreign direct investment, technocratic planning, single party rule and a governed labor and domestic market. Since 1997, the strategies adopted to deal with the meltdown and recovery, particularly in Southeast Asia, have created distinctive differences amongst the ASEAN political economies that presage not greater integration but growing economic disparity. With a number of its core components undermined by the crisis of 1997, and by the economic crisis in Europe and North America after 2008, the direction in which the wider Asian economic model moves can no longer be as smoothly interdependent or as export oriented as it was before financial crisis era. Southeast Asia, in particular, is less dependent on traditional sources Northeast Asian investment and increasingly reliant upon western and increasingly Chinese FDI. Since the ASEAN China FTA came into effect in 2010, the ASEAN states have therefore become collectively more dependent on exports to and foreign investment from a rising China.⁶⁸

Any attempt to broaden East Asian economic and financial integration has to take into account that, since 2001, economic growth in Asia remains dependent on U.S. and European consumption together with Chinese growth. East Asia’s high savings rates and budget surpluses, after 1998, together with

⁶¹ See Napoli, ‘China’s Economic Rise’ p.358

⁶² See The ASEAN- China Expert Group Forging Closer ASEAN-China Economic Relations in the Twenty First Century Jakarta ASEAN Secretariat, October 2001, p. 91.

⁶³ Ravenhill, “A Three Bloc World?,” p. 182.

⁶⁴ *Economist*, July 31, 2004.

⁶⁵ Michael Sheridan ‘Asean Inc: tiger pack between India and China’, *Sunday Times Business* July 15, 2012 p.9.

⁶⁶ Joe Studwell *Asian Godfathers Money and Power in Hong Kong and South East Asia* London: Profile Books 2007 p.xiii

⁶⁷ Kanishka Jayasuriya 2003

⁶⁸ See Napoli China’s Economic Rise p.358-9

central bank interventions in the foreign exchange markets to keep currencies cheap, supported both the U.S. current account deficit and the greenback.

For the still prevalent export led growth model, East Asia requires accommodating markets and willing inward investors. The U.S. is the most accommodating final market and, before the US banking crisis of 2008-12, the most willing inward investor. In a Faustian bargain, the Asian economies financed the U.S. twin deficits, as well as the European currency as a form of collateral against the direct investments they receive from multinational conglomerates.⁶⁹

At the same time, ASEANs recovery from the Asian Financial Crisis (AFC) and continued growth during the Northern Financial Crisis relied upon its growing bilateral trade with China. Significantly, however, ASEAN runs a trade deficit with China which has created difficulty for small and medium size enterprises.⁷⁰

In other words, despite the post-financial crisis enthusiasm for deeper regional integration there is little to sustain a “stable, prosperous and highly competitive ASEAN region in which there is a free flow of goods, services [and] investment.”⁷¹ As Razeen Sally observed in May 2014, the ‘AEC is well behind its targets to produce and abolish non-tariff and regulatory barriers in goods services and investment’.⁷² Instead, the rise of China and to a lesser extent India together with Japan’s dominance in high technology and its aversion to technology transfer, leaves ASEAN increasingly dependent on Asian investment and export markets.

To address this , since 2012, ASEAN and China have promoted an extension of their bilateral FTA to include Australia, India, Japan and South Korea. This would constitute the basis for what China envisages as ‘the maritime silk road’ through the formation of an ostensibly ASEAN led Regional Comprehensive Economic Partnership (RCEP). Yet China’s increasingly proactive economic diplomacy in Southeast Asia may be seen as a broad strategy to bind its neighbours in ‘a web of incentives that increase their reliance on China and raise the cost to them of adopting a confrontational policy’ over either territorial or economic disputes.⁷³

Significantly, the RCEP sits at variance with the US proposal for a Trans Pacific Partnership a cornerstone of the Obama pivot to Asia after 2008. In 2014 this partnership involved twelve countries, but only four from ASEAN together with New Zealand, Australia, and Canada and three South American states.⁷⁴ Whilst Australian politicians claimed that this meant “two pathways to the same destination,” this was somewhat disingenuous. China promotes the former, the US the latter. China belongs to the former and not the latter, and the US, vice versa. The ASEAN-led RCEP actually brings under one umbrella the various bi- and tri-lateral preferential trade deals concluded between ASEAN and a number of regional states. However, the “free” in these trade agreements is notional. Key agricultural and manufacturing sectors remain protected. The TPP, by contrast, envisages a far more comprehensive and rule-binding trade agreement, which a number of ASEAN states, as well as China, resists. In fact, belonging to both groups looks at best like hedging, or worse, like schizophrenia.

⁶⁹ See Michael P. Dooley, David Folkerts-Landau, and Peter Garber, *Direct Investment, Rising Real Wages, and the Absorption of Excess Labor in the Periphery*, NBER Working Paper 10626 (Cambridge, M.A.: National Bureau of Economic Research).

⁷⁰ Jennifer Lo ‘Forging Ahead with shared vision’, *China Daily* 12 December 2014

⁷¹ Declaration of ASEAN Concord 11 (Bali Concord 11) B 1.

⁷² Razeen Sally, ‘Report card on Asean economic integration’, *The Straits Times* 8 May 2014.

⁷³ Bonnie Glaser and Deep Lal cited in B. Schreer, ‘Should Asia be afraid?’ *The National Interest* 20 August 2014 p.2

⁷⁴ The four ASEAN states are Singapore, Brunei, Malaysia and Vietnam. The three South American states are Mexico, Peru and Chile

The ASEAN Way Meets China's Principles of Peaceful Coexistence in the South China Sea

If the ASEAN economic community approach to regional economic integration post 1997 has had the unintended consequence of making ASEAN increasingly dependent on the China market both for export growth and as a source of FDI, what of ASEAN's attempt to build a stable East Asian order by projecting its norms into the wider Asia Pacific? As a consequence of its nonbinding processes, and conflict avoidance mechanisms, ASEAN has a distinguished history of failing to resolve intramural conflicts within its own membership, yet the security community presumption further contends that the organization's diplomacy via the ASEAN Regional Forum (ARF) and ASEAN Plus Three (APT) process could address protracted security issues in Northeast Asia or at least where Northeast Asian agendas might interact with those of ASEAN. Those who promote ASEAN's normatively driven process of nonbinding consensus assume that over time it would transform regional flashpoints into disputes susceptible to peaceful resolution.⁷⁵ In order to assess ASEAN's effectiveness as a security community in this wider domain we shall next examine how ASEAN norms address China's territorial claim to the South China Sea and its resources, a claim that directly impinges on the maritime boundaries of several ASEAN states as well as Taiwan and has implications for international sea lanes of vital importance not only for ASEAN and China but also for Japan, South Korea, Australia and the U.S.

The source of the South China Sea dispute may be traced to the 1951 San Francisco Treaty, which failed to stipulate possession of the Spratly islands when Japan lost its title after defeat in World War II.⁷⁶ The chain of 200 islets, coral reefs and sea mounts that constitute the Spratly (*Xisha*) and its northern extension the Paracel (*Nansha*) islands spread across 250,000 square kilometres of the South China Sea, a vast continental shelf that constitutes a potentially rich source of oil and natural gas. The Spratlys contested ownership developed into an international conflict in the wake of the resolution of the Indochinese crisis and as a result of overlapping sovereignty claims to the islands and their maritime resources. The fact that a number of claimants began extracting resources from the seabed contiguous to their Exclusive Economic Zones (EEZ) from the mid-1970s exacerbated the conflict, especially when rapid economic growth turned China into a major oil and gas importer after 1992.

Taiwan has occupied the largest island in the group (Itu Aba) since 1956. Like the People's Republic, Taiwan based its claim to the islands on the historical basis of Ming and Qing dynasty China's *imperium* over the South China Sea. Between 1968 and 1972, as the Cultural Revolution distracted the Chinese, both Vietnam and the Philippines took the opportunity to occupy six islands each in the South China Sea. By 1992, the Philippines had seven oil wells in production and Vietnam one in its White Tiger field. Meanwhile, in 1979, Malaysia began offshore oil exploration in the vicinity of Swallow Reef and by 1990 had 90 oil producing wells in its EEZ. The small Sultanate of Brunei also claimed Louisa Reef adjacent to its shoreline and exploited its oil resources. All these states together with Indonesia, which disputes areas of both the South China Sea and Sulawesi sea with Malaysia, have failed to resolve their bilateral and sometimes trilateral maritime boundary disputes via ASEAN.

ASEAN did, however, apply its consultative machinery to the problem after 1990 and the Manila Declaration of July 1992 asserted that disputes should be resolved peacefully in the spirit of the TAC. It was, however, China's burgeoning interest in the South China Sea that concentrated ASEAN's attention. In February 1992, China's Law of the Territorial Sea and Contiguous Zones laid claim to the entire South China Sea on the basis of its historical right to the area dating from the Xia dynasty

⁷⁵ For a generally positive assessment of the ARF's 'cautious approach to security cooperation' on regional security especially in the realm of disaster relief, see *inter alia* Haacke, Jurgen (2009) 'The ASEAN Regional Forum: from dialogue to practical security cooperation?', *Cambridge Review of International Affairs*, 22: 3, 427 — 449

⁷⁶ Japan annexed the chain in 1942 as it swept through Southeast Asia.

“which reigned between the twenty first and sixteenth centuries B.C.”⁷⁷ ASEAN’s Manila Declaration, thus represented the first premonitory snuffing of the organization’s two decade long effort to enmesh China into habits of regional good citizenship via nonbinding workshops on Managing Potential Conflicts in the South China Sea. Initiated by Indonesia under ASEAN auspices and attended after 1991 by China, Taiwan and Vietnam,⁷⁸ these workshops mutated after 1994 into the centrepiece of ASEAN’s collective diplomacy towards China, the ASEAN Regional Forum. This, too, adopted a “non-confrontational and process oriented approach” that deferred “issues that do not lend themselves easily to compromise” in an attempt both to engage and assuage China in a “broad security oriented dialogue.”⁷⁹

Despite attending ASEAN colloquies between 1992 and 1999, China, nevertheless, rejected attempts to address the issue multilaterally. Instead, preoccupied with its lost territory and suspicious of the international treaty system, China insisted upon a bilateral approach to what was “a truly multilateral dispute.”⁸⁰ Further, China’s international behavior between 1970-90 gave little indication of a commitment to peaceful solutions. This behaviour included the forcible expulsion of Vietnam from the Western Paracel Islands in 1974 and its subsequent naval clash with Vietnam off the Spratly Islands in 1988, indicating “Beijing’s willingness to use force as an instrument of foreign policy.”⁸¹ China’s occupation of Mischief Reef in 1995, challenging the Philippine claim to an EEZ, furnished ASEAN with direct proof of China’s forceful approach to recovering its purportedly lost territory.

Although China signed, with reservations, the UN Convention on the Law of the Seas (UNCLOS) in 1996, attended ASEAN sponsored workshops and participated in the ARF, China nevertheless continued to build its presence on the reef. China’s increasing power relative to Southeast Asia and its propensity to assert its claims unilaterally presented ASEAN with a classic security dilemma.⁸² The dispute brought “to the fore incompatibilities between the practices China and the countries of Southeast Asia normally employ to ensure peace and stability in their regional environment.”⁸³ The difficulty in reconciling the historically based claims advanced by China, Taiwan and Vietnam to the Spratly’s with those that seek to apply the norms of international law, particularly those established by UNCLOS (1982) advocated by Malaysia, the Philippines and Brunei further exacerbated these incompatibilities.⁸⁴ Despite signing UNCLOS in 1996, then, China refused to address the various competing claims on anything other than a bilateral basis. The fact that some members of ASEAN, notably Malaysia, Indonesia, the Philippines and Vietnam between 1995 and 2000, and again after 2012, acceded to China’s bilateral blandishments, rather than supporting the collective diplomacy of the ASEAN way, merely reinforced the practical limitations of the ARF process.

During the Asian financial crisis, however, China acted with notable moderation in promoting its “righteous” claims to the South China Sea.⁸⁵ This change of tone partly reflected the fact that ASEAN

⁷⁷ Xavier Furtado, “International Law and the Dispute over the Spratly Islands: Whither UNCLOS?” *Contemporary Southeast Asia*, Vol. 21, No. 3 (1999), p. 388.

⁷⁸ Liselotte Odgaard, “Deterrence and Cooperation in the South China Sea” *Contemporary Southeast Asia*, Vol. 23, No. 2 (2001), p. 298.

⁷⁹ *Ibid.*, p.299 and Tim Huxley, “A Threat in the South China Sea? A Rejoinder,” *Security Dialogue*, Vol. 29, No. 1 (1998), p. 116.

⁸⁰ Eric Hyer, “The South China Sea Disputes: Implications of China’s Earlier Territorial Settlements,” *Pacific Affairs*, Vol. 68, No. 1 (1995), p. 42.

⁸¹ Huxley, “A Threat”, p. 115.

⁸² *Ibid.*, p. 115.

⁸³ See Odgaard, “Deterrence,” pp. 292-293.

⁸⁴ See Furtado, “International Law,” p. 388.

⁸⁵ Guoxing Ji, “China versus South China Sea Security,” *Security Dialogue*, Vol. 29, No. 1 (1998).

states had seemingly accommodated China's regional ambitions.⁸⁶ Their posture yielded strange but not entirely unpalatable fruit. In the decade between 1998-2008, China evinced growing comfort with the ASEAN view that intractable disputes should be put to one side and peacefully resolved according to the formula intimated in the Manila Declaration of 1992 and reaffirmed at the ASEAN Ministerial Meeting in Jakarta, July 1996. China also indicated its agreement in principle to the joint development of the South China Sea's economic potential. This comfort with the ASEAN process culminated in 2002 in the signing of a Declaration on the Conduct of Parties in the South China Sea. The Declaration reaffirmed UNCLOS, the TAC, and China's Five Principles of Peaceful Coexistence. The parties in conformity with these norms eschewed the use of force, assumed a practice of self-restraint and sought to build an atmosphere of trust and cooperation through dialogue and joint initiatives.⁸⁷

The declaration was not itself a code and, of course, was nonbinding. In November 2002, China and ASEAN agreed both a plan of action for an ASEAN-China Strategic Partnership for Peace and Prosperity and a Framework Agreement on ASEAN-China Economic Cooperation. In 2003, China signed the TAC, a document whose preoccupation with national sovereignty and noninterference in internal affairs seemed only to reinforce what the PRC accepted anyway as the most basic principle of peaceful coexistence. Although the declaration committed China to very little, the fact that the People's Republic had apparently shifted from norm avoiding to norm affirming behavior in relation to the ARF and APT processes seemed to support the view that an ASEAN driven security community could transform both state interests and regional identity and secure peaceful cooperation via dialogue and consensus.

Thus, Chwee Kuik Cheng contended China's attendance at the ARF after 1994 connoted a paradigm shift in its foreign policy from unilateralism to multilateralism, or in Chinese terms a "good neighborliness policy" (*mulin zheng ci*).⁸⁸ The Declaration on the South China Sea represented the outward and visible sign of the inward and invisible principle of neighborliness.

From this normative perspective, China had compromised, limiting "its own sovereign interests for the sake of engagement in multilateral frameworks and pursuit of greater regional interdependence."⁸⁹ For Samuel Kim this showed "the rise of China as a responsible regional power" conducive to ASEAN driven regionalism.⁹⁰ Analogously, Alastair Iain Johnston considered that China's interest in multilateralism, indicated its constructively redefined interest in becoming a status quo state within the prevailing regional order.⁹¹

To place such a construction on the ARF process, however, was highly misleading. This became evident after 2012. Despite signing the Declaration, China avoided any commitment to a legally binding code, nor did it relinquish its historical claim to its lost territory or its preference to resolve the dispute bilaterally. Rather, between 1998-2008, China moderated the manner in which it addressed ASEAN. After 1998, its approach shifted from a "hard" to a "soft" line or from 'frown' to 'smile' diplomacy.⁹² China's fourth generation leadership's advocacy of the good neighborliness policy symbolized this shift. China had not, therefore, abandoned its *end* of achieving control over the South China Sea or, by extension, securing a wider regional hegemony. Instead, it had prudentially adjusted the *means* by which it pursued its grand strategy.

⁸⁶ Odgaard, "Deterrence," p. 300.

⁸⁷ Declaration on the Conduct of Parties in the South China Sea (2002) <http://www.aseansec.org/13163.htm>.

⁸⁸ Kuik Cheng Chwee, "Multilateralism in China's ASEAN Policy: Its Evolution, Characteristics and Aspiration," *Contemporary Southeast Asia*, Vol. 27, No. 1 (2005) p. 105.

⁸⁹ *Ibid.*, p. 76.

⁹⁰ Kim, "Regionalism," p. 52.

⁹¹ Alastair Iain Johnston, "Is China a Status Quo Power," *International Security*, Vol. 27, No. 4 (2003).

⁹² See Hyer, "The South China Sea Disputes."

The hard line had had a negative impact on China's grand strategy. It had the potential to split the fissiparous ASEAN membership, in particular, driving the Philippines into a Visiting Forces Agreement with the U.S. in 1999. This, in turn, raised the undesirable possibility of U.S. involvement in the Spratly dispute, which China preferred to treat as a neighborhood watch issue. The soft line, by contrast, had the positive outcome of quarantining the Taiwan issue. Significantly, Taiwan was not a party to the 2002 Declaration, even though it occupies the largest island in the Spratlys. By apparently adopting ASEAN's nonconfrontational approach, China could draw ASEAN into China's sphere of influence, whilst renewed emphasis on the region's distinctive ASEAN way excluded the U.S.⁹³

Meanwhile, the actual resolution of the South China Sea dispute remained stalemated in the ARF's preferred mode of managing problems rather than solving them. This stalemate served China's rather than ASEAN's interest. Indeed, the ARF's pursuit of consensus suited China's strategy of returning the region to its precolonial order where the mandate of heaven exercised itself over the *Nanyang* through a tributary arrangement with the various governments of Southeast Asia, maintained through bilateral trade and policy ties. As Leszek Buszynski stated, without a balance between the weaker states of ASEAN and the rising power of China, "the emphasis upon norms becomes a public relations exercise, unrelated to the real security concerns of the states involved."⁹⁴

The shift between hard and soft lines became evident once more as China's economy flourished whilst financial crisis embroiled the West after 2008. In the context of the tensions accompanying the transition from the fourth to the fifth generation of politburo leadership, after 2010, the PRC elite resorted to issues of national mission to deflect attention from domestic politics. The new national assertiveness increasingly assumed a maritime as well as a territorial dimension as fifth generation leader Xi Jinping's China Dream sought to reclaim the Ming periphery. With the rapid modernisation of the force projection capacity of the People's Liberation Army Navy (PLAN) this dream could become a reality. Consequently, the politburo and the PLAN once again shifted from charm to a more forceful reassertion of claims both to the Senkaku islands administered by Japan in the East China Sea and to the Spratly islands.⁹⁵ The issue came to a head in April 2012, when Chinese naval vessels confronted the Philippine navy over the detention of Chinese trawlers fishing in the Scarborough shoals well within the Philippine EEZ. This stand off and the growing international awareness that China's blue water strategy evidenced a capacity for ultimately controlling the South China Sea and its sea lanes exposed ASEAN's diplomatic limitations. China further fuelled uncertainty by promulgating a nine dash line map⁹⁶ that claimed almost 90 per cent of the South China Sea.

However, ASEAN state practice, as opposed to its rhetoric, merely reinforced the realist view that weak states hedge against stronger states when their interests are threatened, whilst strong states like China divide and rule the weaker. Thus, the Philippines confronted by China's renewed assertiveness sought US protection and contemplated reopening its naval base at Subic Bay for the US Pacific fleet that it had closed in 1992. Meanwhile, always pragmatic Singapore had already constructed facilities to accommodate the US fleet and take commercial advantage of the growing evidence of a US post Afghanistan pivot to the Asia Pacific.

In this classic recourse to hedging by weaker states in an area of growing great power rivalry, the cooperative security envisaged by the ARF process evinced impotence rather than collective strength.

⁹³ See *ibid* and Greg Austin, "Unwanted Entanglement: The Philippines' Spratly Policy As a Case Study in Conflict Enhancement," *Security Dialogue*, Vol. 34, No. 1 (2003), pp. 41-54.

⁹⁴ Leszek Buszynski, "ASEAN, the Declaration on Conduct and the South China Sea," *Contemporary Southeast Asia*, Vol. 25, No. 3 (2003), p. 359.

⁹⁵ See 'Jingoism in Asia' *Financial Times* July 10, 2012

⁹⁶ The map was based on a 1947 eleven dash 'location map of the South China Sea islands' issued by the nationalist government of the republic of China. The map was subsequently expanded to 10 dashes. See Harry Kazianis, 'China's ten red lines in the South China Sea'. *The Diplomat* July 2014

Meeting in Phnom Penh in July 2012, ASEAN foreign ministers could not agree, for the first time in forty five years, the most cosmetic of joint communiques on regional security. Although the meeting was supposed to announce agreement on a multilateral code of conduct to address the South China Sea disputes, the Cambodian Chair of the ASEAN summit overruled the announcement. Landlocked Cambodia, increasingly dependent on China for trade and investment acted as a proxy for the PRC. China, as one diplomat observed had 'bought the chair'.⁹⁷ China, considers its claims to the sea indisputable and increasingly, it would seem, non negotiable. Carl Thayer observed that the failure to issue a joint statement after an ASEAN summit constituted a 'breach in the dyke of regional autonomy'.⁹⁸ Other commentators were more acerbic. The indecision in Phnom Penh illustrated how a Chinese fifth column of client states (Burma-Myanmar, Laos and Cambodia) offered 'a foretaste of bloc formation to come'.⁹⁹

As the situation evolved between 2012 -15, China continued its unsettling tactics of what some commentators termed either 'smile and frown' or 'push and pull' diplomacy.¹⁰⁰ In the process it fragmented ASEANs attempt at a collective response. At the East Asian Summit, in Brunei in October 2013, China adopted a softer line proposing a new treaty of friendship and cooperation with ASEAN. The new treaty, the Chinese Prime Minister Li Keqiang contended would usher in a 'diamond decade'. As *The Straits Times* observed, 'the implicit message was that China had sufficiently deep pockets to back up its diamond decade' with a 'slew of sweeteners in the form of billion dollars of development projects'.¹⁰¹

The ASEAN response, however, was tepid. Officially, ASEAN still sought a Code of Conduct to cover South China Sea disputes which China refused. Meanwhile, in 2013 the Philippine President, Benigno Aquino, decided to refer its dispute with China to the international court at the Hague under the United Nations Convention on the Law of the Sea. Significantly, Aquino compared China's assertiveness to Nazi Germany's claim to the Sudetenland in 1938.¹⁰² When in May 2014, China positioned a CNOOC oil rig in Vietnam's EEZ, Vietnam responded by similarly threatening to 'internationalize' the dispute.

In fact, China's promotion of economic incentives coupled with naval aggression indicates Xi's preferred policy of 'proactive assertiveness' in order 'to protect and make the best use of the strategic opportunity period to safeguard China's national sovereignty, security and development interests'.¹⁰³ As Bonnie Glaser and Deep Lal explain, 'In the near term, China's leaders anticipate some resistance. Over time, however, they calculate that their growing leverage will be sufficient to persuade weaker and vulnerable neighbours to accede to China's territorial demands'.¹⁰⁴ Thus China pursues a salami slicing strategy taking control of the South China Seas in small increments by making the economic costs of resistance too high. Rather than push and pull, therefore, China views its economic and security interests working in tandem in its relations with ASEAN in terms of economic and security

⁹⁷ Jane Perlez 'ASEAN leaders at regional meeting fail to address disputes on South China Sea', *New York Times* July 12 2012

⁹⁸ Stuart Grudgings 'ASEAN way founders in South China Sea', *Reuters* July 17 2012

⁹⁹ David Brown 'Sea of Trouble', *Asia Times* July 17, 2012

¹⁰⁰ Christine Avendano, 'Aquino wants peaceful resolution to Scarborough stand off', *The Inquirer* 4 October 2013. See also Anh Tuan Ha, *China's South China Sea Policy after 2007*, PhD thesis unpublished University of New South Wales, 2014 p.191

¹⁰¹ 'China's overtures to cement ties with Asean' *The Straits Times* 12 October 2013

¹⁰² Aquino observed, 'At what point do you say, enough is enough? Well, the world has to say it-remember that the Sudetenland was given in an attempt to appease Hitler to prevent World War 11', see 'For SCS claimants, a legal venue to battle China', *Jakarta Post* 14 February 2014

¹⁰³ See Benjamin Schreer, 'Should Asia be afraid? China's strategy in the South China Sea emerges' *The National Interest* 20 August 2014 p.2.

¹⁰⁴ *Ibid* p.2.

integration. As Bernard Cole has argued China pursues a policy of maritime assertiveness in order to consolidate its economic well being.¹⁰⁵

In the process, however, it intimates a ‘sea change’ in the regional strategic balance. Indeed as Bill Hayton argues, ‘the South China Sea is the first place where Chinese ambition comes face to face with American strategic resolve’.¹⁰⁶

Hence although Chinese premier Li Keqiang envisages the East Asian Community as one of ‘common destiny’ (*ming yun gong tong ti*), it is also from a Chinese perspective, one of asymmetric dependence. Here China’s understanding of regionalism, unlike ASEAN’s multilateral approach, assumes a Chinese core operating on an ASEAN periphery. The relationship is one of reciprocity, but if others do not respect China, China will find ways to punish them. Thus, as the Philippines and Vietnam reject China’s interpretation of history and territorial claims, they suffer Chinese sanctions in terms of investment and market access.

Such strategic assertiveness has in turn led both to the fragmentation of ASEAN unity and the growing involvement of both Japan and the US in the developing conflict. At the Shangri-La security dialogue in Singapore in June 2014, US Defence Secretary Chuck Hagel pointedly remarked, that ‘the US policy is clear. We take no position on competing territorial claims. But we firmly oppose any nation’s use of intimidation, coercion or the threat of force to assist those claims’.¹⁰⁷ At the same meeting, Japanese Prime Minister Shinzo Abe announced that Japan would provide the Philippines and Vietnam with naval patrol vessels.¹⁰⁸

Given that the dispute as it has evolved since 2012 has sidelined ARF, it is somewhat surprising to find that both the US State Department and Australia’s Department of Foreign Affairs and Trade still consider that dispute resolution could only occur ‘through ASEAN, APEC and the East Asia Summit’ mechanism.¹⁰⁹

The evolving South China Sea dispute ultimately demonstrates how more powerful actors can manipulate ASEAN’s soft norms to advance grand strategic interests. The strategic manoeuvring brought about by the ARF process, furthermore, has complicated the strategic relationship between the U.S., the three Northeast Asian states, and ASEAN in ways that ASEAN diplomacy evidently failed to foresee or comprehend. As the ARF and APT evolved it affected in very different ways the strategic perceptions of both the U.S. global hegemon and the competing regional hegemon’s, Japan and China, who have never previously been powerful at the same time. It is the evolving character of this regional dilemma, played through ASEAN’s processes that we next explore.

ASEAN Plus Three and ASEAN’s Security Dilemma

ASEAN Plus Three assumes that the involvement of a triumvirate of regional powers – China, Japan and South Korea – and the association would evolve into an integrated East Asian economic and security community. This assumption begs the question whether such a community can function without the participation of the United States. Inherent in ASEAN aspirations, dating from the 1971 announcement of a Zone of Peace Freedom and Neutrality, has been the enhancement of regional

¹⁰⁵ Bernard D. Cole *ASEAN Maritime Strategies Negotiating Troubled Waters* Naval Institute Press, Annapolis (2013) p.197.

¹⁰⁶ Bill Hayton *The South China Sea The Struggle for Power in Asia* Yale University Press, New Haven (2014) p.xvi.

¹⁰⁷ cited in Greg Sheridan ‘Sabre rattling imbues Shangri-La with a growing sense of menace’, *The Straits Times* 5 June 2014

¹⁰⁸ Ibid

¹⁰⁹ Julie Bishop, ‘The Australia US Alliance’ speech given at Alliance 21 Conference Canberra 18 July 2014 <http://www.alliance21.org.au/site/assets/media/Minister-for-Foreign-Affairs-Speech-Alliance-21-Conference-180614.pdf>

integration free from great power interference. The logical inference, prior to the western financial crisis of 2008, was the exclusion of the U.S. from the evolving East Asian Community.¹¹⁰ Significantly, the U.S. was not invited to the inaugural meeting of the East Asian Community in Kuala Lumpur in December 2005.

Given that, in realist terms, China increasingly presents itself as the US successor in terms of regional economic and maritime power, this constituted something of a strategic lacuna.¹¹¹ For half a century the U.S., as an external balancer had offset the potentially destabilizing rivalries of the region's major powers, Japan and China. Indeed, ASEAN's more intelligent diplomats covertly acknowledged the importance of the U.S. role in practice, if not in security community theory. This reliance on U.S. security whilst simultaneously advocating schemes for regional resilience that required, over an unspecified period, a diminution of U.S. power in Asia, was a contradiction that neither ASEAN diplomacy or scholarship has adequately addressed.

The fact that an exclusive pan-Asian view enjoyed semi-official currency, before 2008, only reinforced the sense that ASEAN's wider regional economic and security policy was oddly incoherent. For ASEAN to bandwagon with China against the US after the AFC undermined the ostensible purpose for which the ARF and APT processes were devised, namely, to educate an irredentist China in "good regional citizenship."¹¹² Unwilling to address this dilemma, the APT instead resorted to mixed messaging.¹¹³ In practice this meant side-stepping difficult problems whilst simultaneously extolling East Asian solidarity. This leaves a regional conundrum. If the construction of a wider East Asian Community can be revealed as largely rhetorical, what, we may ask, do the states of the Asia-Pacific gain by inflating the rhetoric of East Asian regionalism?

Not ASEAN Plus Three, but One Plus ASEAN

Two answers may be posited to this question and perhaps resolve the paradox of the APT. Firstly, East Asian diplomatic solidarity comes cheap. The price for disporting an ostensible commitment to regional cohesion is negligible. Forging trade agreements, making declarations or signing the Treaty of Amity and Cooperation is a relatively cost free exercise, even the Obama administration decided it was worth signing to gain access to East Asian summitry after 2011. At the same time, the governing principle of noninterference embodied in the TAC is particularly congenial to Asia's assorted authoritarian or semi-democratic governments and for this reason finds little difficulty attracting adherents who otherwise resent international scrutiny or interference. ASEAN has always provided a convenient umbrella for regimes to legitimize their international standing either through formal membership or by degrees of association.

Secondly, ASEAN scholarship is somewhat solipsistic, viewing East Asian diplomacy through the lens of ASEAN processes. Yet, if we reverse the dialectic of engagement between Northeast and Southeast Asia and ASEAN Plus Three becomes Three Plus ASEAN the character of the evolving relationship reveals itself. In and of itself ASEAN has limited relevance to the economic and political interests of the more powerful Northeast Asian economies. By contrast, the international relations and political economy of Northeast Asia and the US possess considerable significance for ASEAN. The utility of the ARF or APT ultimately rested in the attempt to enmesh Northeast Asian states generally, and China in particular, in a web of consensus. However, as the APT relationship evolved, ASEAN's strategy was reversed. Far from preventing the adventurism of more powerful states, ASEAN Plus

¹¹⁰ Nicholas Khoo and Michael L. Smith, "The Future of American Hegemony in the Asia-Pacific: A Concert of Asia or Clear Pecking Order?" *Australian Journal of International Affairs*, Vol. 56, No. 1, (2002), pp. 77-78.

¹¹¹ See Cole, *Asian Maritime Strategies* pp.197-200

¹¹² Michael Leifer, "The Issue is ASEAN," *Far Eastern Economic Review*, November 30, 1995, p. 34.

¹¹³ Acharya Ideas, p. 329.

Three provided the vehicle for China and, to a lesser extent, Japan, to vie for influence over Southeast Asia.

In fact, a brief examination of ASEAN's history reveals its primary function to be an arrangement to mask the play of interests between greater powers. Between 1978 and 1990, ASEAN served as a proxy for the U.S. and China to agree conditions for the Soviet retreat from Southeast Asia and the resolution of the Cambodian crisis.¹¹⁴ Over the same period, Japanese foreign policy also sought to increase its soft power influence in Southeast Asia via ASEAN through economic investment.

In the immediate post-Cold War era, China's rise in the regional order further complicated the interplay of Northeast Asian power in Southeast Asia. Initially, China treated ASEAN and its multilateral initiatives with suspicion, considering it disguised a U.S. inspired net containing China's expansion.¹¹⁵ This perception was not entirely unfounded. ASEAN's growing concern at China's creeping assertiveness in the South China Sea and its enhanced naval power projection capabilities,¹¹⁶ which threatened the Southeast Asian littoral, inspired the formation of the ARF. The interaction, however, resulted in consequences far more unintended than either China or ASEAN could have anticipated.

After 1997, the response to the Asian economic crisis notably sharpened Sino-Japanese rivalry for Southeast Asian influence. This was for two reasons. Firstly, the conduct of Japanese *sogosha* during the crisis damaged Japan's standing in Southeast Asia. Japanese financial institutions took flight as the currency turmoil struck and returned only reluctantly. These circumstances presented China with an opportunity to "strengthen its influence over ASEAN members in order to challenge Japan's leadership in the region."¹¹⁷

China's rise and its increasing assertiveness over a number of unresolved historical issues had already impacted negatively on Japan's regional image. Accordingly, the fact that China had increased its leverage over Southeast Asia in the aftermath of the crisis elicited a countervailing response. This assumed the form of the Miyazawa Initiative of 1998, and the 1999 Obuchi-ASEAN to facilitate regional recovery.¹¹⁸

Mounting Sino-Japanese competition for regional economic influence explains their mutual interest in the APT. The APT and the East Asian Community summit of 2005, thus, erected a stage upon which the major powers of Northeast Asia might play for the leadership of Southeast Asia. Indeed, Japan had few illusions that, without the United States, Indian and Australian participation in the regional process, China had "an ideal framework within which it can exercise its influence, making it easier for China to play a leading role in forming a free-trade area in East Asia."¹¹⁹ Japan thus views China's participation in the APT, and its promotion of the RCEP as a regional free trade agreement, not as a prelude to deeper regional integration, but a strategy to diminish Japanese regional influence. In order to preempt this outcome Japan sought to reignite its influence "cooperating with ASEAN

¹¹⁴ ASEAN played only a secondary role in the events leading to the Paris agreement of 1991. In fact the resolution of the crisis represented a classic case of great power politics. See Henry Kissinger, *Diplomacy* (New York: Norton, 1995), p. 792.

¹¹⁵ Wang Jisi, "The Role of the United States as a Global and Pacific Power: A View from China," *Pacific Review*, Vol. 10, No. 1 (1997), pp. 10-11.

¹¹⁶ For a detailed assessment see Mark Valencia, *China and the South China Seas Dispute*, Adelphi Paper 298 (Oxford: Oxford University Press/International Institute of Strategic Studies, 1995).

¹¹⁷ East Asian Strategic Review, p. 209.

¹¹⁸ Ministry of Foreign Affairs, "A New Initiative to Overcome the Asian Currency Crisis: The New Miyazawa Initiative," October 3, 1998, <http://www.mof.go.jp/english/if/e1e042.htm>. For the Obuchi-ASEAN plan see Ministry of Foreign Affairs, *Diplomatic Bluebook 1999: Japan's Diplomacy with Leadership Toward the New Century* (Tokyo: Ministry of Foreign Affairs, 1999), <http://www.mof.go.jp/policy/other/bluebook/1999/I-c.html>.

¹¹⁹ East Asian Strategic Review, p. 210.

members” in terms of investment, technology, and security because only “through such measures, can Japan match the growing influence of China.”¹²⁰ Hence, Japan’s recent targeting of investment in the Thai, Malaysian, Philippine, Vietnamese and Indonesian economies, as part of ‘the jostle for regional economic sovereignty’.¹²¹

Reversing the dialectic of the APT it becomes clear that it has little to do with constructing a shared East Asian identity and a lot to do with the realist pursuit of state interests via the East Asian summit mechanism, that China considers increasingly as a 1 plus ASEAN forum.

The APT and the EAS ultimately function, therefore, as a front to conceal conventional forms of interstate diplomacy. This can be demonstrated by a dissection of regional foreign policy, ASEAN practice and the lack of any real institutional deepening within either ASEAN, the APT or the EAC.

Conclusion: Norms are What Strong States Make of Them

Both regional scholars and diplomats maintain that ASEAN represents an evolving economic and security community. They further contend the norms that the ASEAN process implemented over time transformed Southeast Asia and is socialising a shared East Asian regional identity. ASEAN’s deeper integration into an economic community and its extension of its security and economic norms into the ASEAN driven APT process after 1997 offers an interesting test case of the dominant assumptions in both ASEAN scholarship and liberal and normativist accounts of international relations. The latter in its various guises maintains that the future of international relations requires regional identities progressively to replace national, state based ones. A socialisation process would transform state interests into shared norms creating the ideational basis of a shared identity. Nation speaking unto nation, would see nations evolving progressively into post-national constellations. This historicist teleology that came to influence, if not dominate, the discipline of international relations after the Cold War found its practical exemplification in the evolution of ASEAN and its apparent mutation into an East Asian Community.

Problematically, however, those who advanced the view that ASEAN had transformed itself into an embryonic security community paid sedulous attention to official rhetoric and the conduct of ASEAN summitry, but overlooked the fact that statements East Asian political leaders made needed “to be read in the particular context in which they were made.”¹²² Declaratory intent might disguise a complex of hidden motivations.

The two case studies examined here reveal that ASEAN’s crucial norm of noninterference and its practice of nonbinding consensus actually inhibit deeper integration either within ASEAN or the wider East Asian region. Moreover, the longevity of the institutional arrangement by no means entails progress but rather the recourse to process without resolution.

Following the essentially intergovernmental practice of the regime, states pursue bilateral or trilateral arrangements rather than building a supranational practice. Meanwhile, extending conflict avoidance strategies to a wider East Asian Community has not altered the strategic reality of the collective weakness of ASEAN. In fact, what seems to be a Japanese and Chinese acculturation to these norms is far from it, as these powers, especially the latter, manipulate these norms for strategic advantage. Whatever strategic mutation ASEAN assumes it can only mask the fact that weaker states cannot shape the fate of stronger ones. Ultimately, norms advanced by weak states in such circumstances can only be what stronger states make of them.

¹²⁰ Ibid., p. 213.

¹²¹ ‘Japan targets South East Asia in the jostle for regional economic sovereignty’ *The Financial Times* 17 February, 2015

¹²² Ravenhill, “A Three Bloc World?”, p.175.



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