

The MacArthur Asia Security Initiative

# 2010 ANNUAL MEETING

July 7-9, 2010

The Westin Chosun, Seoul

## Knowledge-Net for a Better World

---

The East Asia Institute(EAI) is a nonprofit and independent research organization in Korea, founded in May 2002. The EAI strives to transform East Asia into a society of nations based on liberal democracy, market economy, open society, and peace.

The EAI takes no institutional position on policy issues and has no affiliation with the Korean government. All statements of fact and expressions of opinion contained in its publications are the sole responsibility of the author or authors.

 EAI is a registered trademark.

© Copyright 2010 EAI

This electronic publication of EAI intellectual property is provided for non-commercial use only, as long as it is unaltered and complete. Copies may not be duplicated for commercial purposes. Unauthorized posting of EAI documents to a non-EAI website is prohibited. EAI documents are protected under copyright law.

**The East Asia Institute**  
909 Sampoong B/D, 310-68 Euljiro 4-ga  
Jung-gu, Seoul 100-786  
Republic of Korea  
Tel 82 2 2277 1683  
Fax 82 2 2277 1684

# The MacArthur Asia Security Initiative 2010 Annual Meeting Summary

July 7-9, 2010  
The Westin Chosun, Seoul, South Korea



MacArthur  
Foundation





## Table of Contents

Introduction	5
Executive Summary	7
<b><u>Group 1</u></b>	
Morning Session	9
Afternoon Session	13
<b><u>Group 2</u></b>	
Morning Session	18
Afternoon Session	22
Agenda	26
List of Participants	28





## Introduction

Asia's presence in the world is more profound than ever. Yet major challenges remain with both inherent traditional security disputes and emerging non-traditional security issues threatening the economic achievements of the last decades. In Asia, countries face uncertainties with the rise of two major powers China and India while old and new problems exist due to unresolved historical disputes and resource shortages. Growing economic ties need to be reflected through enhanced regional cooperation to maintain peace and security. In recognition of this, the John D. and Catherine T. MacArthur Foundation launched the Asia Security Initiative in 2009 to help policy institutions play a key role in the region, improve regional cooperation, and devise new thinking on current and future security challenges.

On July 7-9, 2010, the second Annual Meeting of the MacArthur Asia Security Initiative (MASI) was held in Seoul, South Korea. The East Asia Institute, as one of three core institutions, organized this event to bring together the thirty-five institutions within the MASI network. While the first Annual Meeting held in May 2009 focused on launching the program, the 2010 meeting was more about coordinating activities, sharing ideas, and engaging in substantive discussions on the major issues shaping and affecting the region. With three different research clusters across the MASI network focused on divergent issues of both traditional and non-traditional security, two topics were selected that reflect the different research interests.

The impact of the Global Economic Cri-

sis continues to be felt, with adjustments in global and regional governance as part of the long-term economic recovery. On the other hand, discussions on the East Asian Community have become active recently to resolve functional problems and enhance confidence-building in the region. These two topics "Post-Crisis Global and Regional Order" and "East Asian Community" were the base of discussions in the conference. In the 2010 Annual Meeting, two research groups focused on one of the two topics and developed some critical policy recommendations.

In the Post-Crisis world, the Asia region is taking the lead in economic recovery while playing crucial roles in nuclear non-proliferation and climate change. Despite the fact that the United States is no longer as dominant in Asia, it still plays a crucial role through its alliances with Japan and South Korea, as well as its strategic partnerships with China and India. As has been remarked before by President Barack Obama, the United States and Asia are not divided by the Pacific but rather bounded by it.<sup>1</sup> In this Post-Crisis global order, middle powers like Australia, Indonesia, and South Korea will play stronger roles, while rising powers like China and India will take on new regional and global responsibilities.

It is clear that the role of Asia is critical for the world, but the goal of an East Asian Community remains fragmented. Enhancing regional cooperation remains the main

---

<sup>1</sup> Remarks by President Barack Obama at Suntory Hall, November 14, 2009, <http://www.whitehouse.gov/the-press-office/remarks-president-barack-obama-suntory-hall>.



challenge for overcoming inherited suspicion and lasting mistrust. While issues such as the *Cheonan* incident reveal differences between countries toward North Korea, the unity among Asian states in implementing sanctions against Pyongyang in the wake of its nuclear test in May 2009 indicates a degree of growing security cooperation. On the economic front, the signing of the India-ASEAN Free Trade Agreement shows cooperation improving in other important areas. The next stage will be to transform these contacts into a wider and deeper cooperative network. At the same time, questions need to be addressed on the identity, scope, and purpose of a regional community.

The challenges for the region are com-

plex and vast that often involves more than one country. In this new order, nations can no longer tackle problems unilaterally. Issues such as the North Korea nuclear crisis and water security in the Himalayan River Basin require comprehensive solutions through close cooperation with involved parties and related countries. This meeting provides the venue for discussion and sharing of ideas on how the Asia region will develop in the Post-Crisis era internationally, regionally, and internally. Freed from the bipolar divisions of the Cold War, no longer in a unipolar world dominated by the United States, Asia is now in a stronger position to frame its future.





## Executive Summary

The MacArthur Asia Security Initiative Annual Meeting 2010 consisted of two research groups, Group 1 and 2, holding two sessions each to discuss “Post-Crisis Global and Regional Governance” and “East Asian Community” respectively. From the presentations and subsequent discussion, a number of important policy recommendations have been formulated on the main issues for Asia as follows:

### *China’s importance is growing, but the G-2 remains premature*

The G-2 remains a distant idea and possibly not even suited to the current global order. Even regionally, trilateralism has been more effective, although regional institutions must cooperate more closely with the United States which will continue to be important in East Asia. More dialogue and understanding between all countries are required to make China’s rise peaceful.

### *G-20 serves Asia well, but needs to be strengthened*

The G-20 has been good for the middle powers in Asia who can play a key role in facilitating the discussions and coordinating diverging interests between developed and newly emerging countries. Still, the G-20 has not been formalized and will need to be strengthened if it is to address the main challenges in the Post-Crisis era.

### *A balance is needed between institutional legitimacy and efficiency*

In building international institutions in the new global order, the right balance must be

found between legitimacy and efficiency. The future global order must be based on a fair representation of emerging nations and established ones.

### *Discussion needed on regional identity*

The different perceptions of the Asia region have resulted in a lack of consistent identity. Whether it is East Asia, Asia, or Asia-Pacific, there are some gaps in the formation of an regional identity that need to be addressed. Discussion on this topic will help toward developing a regional architecture to cope with the new challenges.

### *Security challenges require multilateral cooperation*

Unilateral solutions to the region’s security challenges will not work. Both traditional and non-traditional security threats are trans-national challenges that will require cooperation and support from multiple countries. Non-traditional security challenges have been easier for nations to cooperate with, but the lingering traditional security threats in the region make enhanced cooperation more difficult.

### *Financial cooperation is strong, but security cooperation needs to be upgraded*

The region has seen growing financial cooperation, with strong foundations in place that show a community in action. These institutions will lead the way to further cooperation in the region on other related issues. However, the lack of security cooperation is an area that needs more focus.



***Strong political leadership is crucial***

Taking the initiative for regional integration and establishing an East Asian Community requires strong political leadership since choices for the community and interdependence are conscious political decisions. The commitment of leadership in providing financial support and collective goods is crucial and the countries need to be more open for negotiation and compromise. Governments should understand that the ideal conditions for regionalism or community is not power or interest based logic but multilateralism, enhancing functional cooperation and mitigating competitions.

***Common values and shared identity need to be fostered***

East Asia has different levels of actors representing each region so sharing similar value is necessary to have closer relationship in the region and to build East Asian Community. Also, we need to develop common frame of reference so the integration can be focused to the common purpose with greater sense of interdependence.

***The community building process must include non-traditional security issues***

Not only traditional security issues but also non-traditional security issues concerning environment, energy, disasters, diseases, and refugees should be dealt with through regional cooperation. Governments need to prevent traditional security challenges from undermining cooperation on non-traditional security issues and engage more vigorously on how to approach these issues effectively.

***Role of civil society should not be neglected***

Civil society organizations and actors not only contribute to building a shared identity, but also provide a framework for integration and deepen cooperation among the public. Governments must recognize such their significant role and cultivate a new culture of cooperation through their networking power.



## Group 1: Post-Crisis Global and Regional Order

Since the Global Financial Crisis of 2008 created a wave of unprecedented economic damage to the global economy, questions on the future of global and regional governance have become more profound. What the crisis seemed to confirm was the perception that the United States was weakening relative to the rise of China and other emerging economies. This shift in resources and power has been notably reflected in the emergence of the G-20 and its role in leading the global economic recovery. However a major concern both globally and regionally is how to embrace the rise of China while at the same time improving global cooperation on non-traditional security issues.

Group 1 attempted to discuss the questions posed by the changing global and regional order, in particular the rise of China and other emerging economies. With a new international order, some of the challenges and threats have changed. For this, the group also focused on some of the non-traditional security challenges that are to be faced. During two sessions, four memos were presented to outline the issues and stimulate the discussion. The first session focused on some of the broader global and regional order issues, while the second session looked at the new issues in the Post-Crisis environment.

### Morning Session

Two international groupings have come to symbolize the Post-Crisis era, the G-20 and the G-2. Both groupings have stirred much debate and discussion on the kind of roles that they will serve as well as the validity of such a global order. This is particularly the case regarding the controversial G-2. Much of the session was focused on the dominating question of how the United States and China can engage with one another in the Post-Crisis era. Another question posed was that of institutional design; how to develop effective institutions for the future. In both cases, the impact of the economic crisis on both regional and global level was assessed with participants sharing their viewpoints and policy recommendations on the issues.

### Presentations

#### **Changing Global Governance after the Economic Crisis, and the Future of G-20 Summit**

*Presenter: John Ravenhill, Australian National University*

The G-20 is a remarkable institution, the first of its kind since the G-7 brought together the major industrialized economies in 1975. Yet, unlike the G-7 (later the G-8), its membership is very inclusive. While the G-20 helped resolve the global economic crisis, larger questions remain about the issue of effectiveness versus legitimacy and what characterizes efficient institutional design.



Another question centers on the grouping's future expectations and which direction we can expect the G-20 to take.

When looking at its formation, the G-20 has both critics who decry its membership for being either too much or too little. At the same time, the question of which countries should be represented always stirs controversy. Europe can be said to be overrepresented. For example, while the European Union is represented, ASEAN is not. The G-20 also has difficult relationships with non-governmental organizations (NGOs) and the G-8. Its relationship with NGOs is not yet defined and will be a question for the future. The relationship with the G-8 is complicated, particularly as the G-8 sees its role diminishing vis-à-vis the G-20. However, it is also possible in the future that if the G-20's role is not clearly defined, you could see a return to the G-8 + 5 format as seen at the Gleneagles G-8 Summit in 2005.

Will the G-20 play a more effective role in the future? Related to this question is the agenda that the G-20 will address. Its effectiveness in managing the crisis has been commended, yet it will have to transform its role to that of a steering committee for the global economy. However, it is difficult for institutions to change their roles and the G-20 will not likely take on any traditional security role. So far, the G-20 has had problems as an effective negotiating unit and recently currency issues have caused disputes. It remains to be seen whether the G-20 will be an effective grouping like the G-8 or stagnant organization like the WTO.

## Post-Crisis Asian Order: Beyond American Unipolarity?

*Presenter: Jae Ho Chung, Seoul National University*

The global economic crisis has highlighted the rise of China and its importance in the international system. Still it is too early to talk about the United States in decline as it continues to have a dominant position in the world. In the three critical areas for measuring global leadership, military, economic, and moral authority, the United States remains the leader despite some decline in these areas.

A more accurate perception would be to say that China is potentially following the footsteps of the rise of the United States in the late 19<sup>th</sup> Century. This "imperial understretch," to use the term coined by Fareed Zakhira, explains how China has the capacity but not the will to exercise its power.<sup>2</sup>

Amidst all the debate, there are five schools of thought on the rise of China and the current decline of the United States:

- 1) The first is that China will not be strong enough to surpass the United States in the future. However, this can be disputed as economically China is expected to surpass the United States within the next twenty years.
- 2) Due to the traditional Sino-centric regional order, regional powers in East Asia will unlikely balance against China which will be the dominant power in the region.

---

<sup>2</sup> Fareed Zakira. 1998. *From Wealth to Power: The Unusual Origins of America's World Role*. Princeton: Princeton University Press.



3) China is exercising soft diplomacy, it is making subtle efforts to secure its position in the world and its rise will likely to be a quiet one.

4) China's rise forewarns conflict. Regardless of its intentions, China's rise will provoke conflict and cause the United States to contain its power.

5) China's peaceful rise will lead to a transition of power without conflict or tension with the United States. If China's rise takes place over a long period, then it will be more likely to absorb and become part of global norms.

The rise of China and the changing regional and global order provoke the need for new solutions. In this respect, what can the East Asia region find to resolve the difficulties brought on by competition between the United States and China?

## Discussion

### **Institutional Design in the Post-Crisis Era**

Seeking a solution for the Post-Crisis regional and global order, has led to an assessment of the nature, structure, and design of international institutions. With the rise of China and other emerging economies, new players have stronger voices. At the same time, the United States and Europe increasingly have to justify their dominant positions in international institutions.

During the discussion, there was much debate about the G-20 and its role in the Post-Crisis era. The main question was how

the G-20 can become more effective in the future. This question touches upon the issue raised about finding the balance between legitimacy and effectiveness.

Such an issue is critical for the newcomers, those middle powers that now play key roles in the G-20 like South Korea, Indonesia, and Turkey. In dealing with this balance to make the G-20 as effective as possible, it is a matter of survival for the middle powers' position in the global order. Therefore, the role of middle powers and what they can contribute will be important toward making the G-20 more effective.

There was some consensus about the strength of the G-20 coming from within its mandate; a response to the previous system not working. It is accepted that the G-20 was a response to the need for an effective institutional design in an era of changing power. However, there are difficulties with its size constraining against its effectiveness, particularly with conflicting interests as some countries are represented and others are not. This contrasts to the origins of the G-7, which was a response to developing countries' dominance in the UN. As a small grouping, the G-7 was made for more effective negotiations.

With issues changing rapidly, there is a substantial need for an institution to be effective and able to deal with complex challenges. Middle powers can help in this regard as they possess strong diplomatic tools to strengthen the institutions.



## The Rise of China and the G-2

A major part of the new global governance in the Post-Crisis era is how the rise of China will correspond to these changes. Within this issue comes the debate about cooperation between the United States and China, which leads to the controversies over the so-called G-2 era. The rise of China has strong implications not just for global governance but also regional governance which has a range of alphabet soup-like institutions yet lacks strong security cooperation. The first task would be to address the kind of issues that global and regional governance should deal with. This will be a key toward framing any response to a future crisis, whether it is through the G-20, G-2, or any other international institution.

Much of the discussion focused on how the issues related to the G-2. One area of contention was on whether a U.S.-China grouping could play some regional role. Still, there was a strong consensus among the participants that the G-2 was certainly premature. For example, China remains its foremost critic.

Criticism toward the G-2 though comes not just from China, but also much of the world would be unhappy with such an outcome. Although opposition to the G-2 is strong, Beijing still has to cope with the degree of expectation about its role in the world. In this regard, closer cooperation between the United States and China would be more favorable in managing global affairs and would suit all sides.

Difficulties arise through the divergent expectations. While the United States expects much from China, particularly in bur-

den sharing, these expectations have more or less remained the same. China though has changed significantly its expectations of the United States, particularly in relation to the Obama administration. Beijing is expecting Washington to demonstrate a greater understanding of its so-called “core interests.” While this can affect the relationship, most of these difficult issues can be managed.

What is clear is that the United States will play an important role in China’s rise and ascension to great power status over the next ten to fifteen years. This will be noticeable in military cooperation between Washington and Beijing, as well as the managing of the global commons between the two countries, such as international sea lanes. The question remains whether the U.S. policy community is ready for such changes. While multilateral economic cooperation is strong, security cooperation is still lacking.

It is important for the United States to take a different approach when analyzing the rise of China and discussing the G-2 era. The way in which power transition has been traditionally viewed needs to be reconsidered. In the past, economic and military resources were always the measures used to assess the rise and transition to a new power. However, the world today is more complex and with the development of technology and communication, traditional measures of power need to change. In this case, soft power and network power would also be important in determining what kind of future global order will come about. This may lead to a collective leadership in the world, rather than a unipolar one that requires global acceptance.





## Rise of China and East Asia

Turning to the regional picture, there are changing circumstances within East Asia that highlight some of the complexities involved in a new regional and global order. Japan has come to accept China's equal status within the Chiang Mai Initiative, which heralds a dramatic change. However, the extent to which Tokyo would accept China to take on a larger role in the region remains a question.

The G-2 could be a possible answer for regional governance in East Asia, yet trilateralism (China-Japan-South Korea) could result in a more favored option. The current trilateral summits already underway have shown to be successful and offer a more inclusive approach. Whether the G-2 or trilateralism, China's interests have grown substantially to the extent that there are not many regional issues that can be addressed without Beijing's participation.

Still other challenges remain. An often overlooked point when assessing China's rise in the region is that little attention is given to India as well. The emergence of two rising powers, at the same point in history, in the same region is a very unique situation. This will require careful analysis and attention to the rise of both China and India in a new global order.

## Afternoon Session

As the first session focused on governance and institutional design the second session focused more on the specific challenges facing regional and global governance. The main focus was on the issues of traditional security threats versus non-traditional security challenges. Throughout the session some of the main non-traditional security issues were identified as environmental degradation, food and water security, as well as terrorism. A significant feature of non-traditional security threats is that they are trans-national in nature and therefore require close cooperation between countries.

### Presentations

#### **Post-Crisis and Post-Modern?: New Issues in Global and Regional Governance (Climate Change and Environment Cooperation)**

*Presenter: Roy Kamphausen, National Bureau of Asian Research*

The Post-Crisis era is witnessing change in every aspect, including a transition in the exclusive focus on traditional security issues to non-traditional security challenges. While non-traditional security concerns have long existed, their prominence and importance is more visible today. Focusing on the non-traditional security challenges, there are three ways in which these changes have manifested themselves more visibly.

The first area is in the changing capabilities of the United States. Following 9/11, Washington's single priority was to prevent



future terrorist attacks regardless of the costs or available resources. Now in the Post-Crisis era, the United States for the first time is entering a period in which its national security strategy will be increasingly based on available resources. The constraint on resources will affect Washington's security planning as it copes with limited resources and a changing environment. This change in security emphasis was summed up by Secretary of Defense Bob Gates who outlined that defense would be a tool of American strategy, not the owner.<sup>3</sup> However, while there is a constraint on available resources, this should not be interpreted as that the United States is in terminal decline.

The second change is how transnational security challenges are becoming more visible in the Post-Crisis era. These kinds of transnational security issues include water and food security, as well as environmental degradation. Much of these challenges have a strong interaction with economic activity, therefore making them more visible in this current era.

The third point and related to the second is that to address these economic-based transnational challenges, an economy-first policy might be required. This was similar to the approach taken by Asian countries following the 1997 financial crisis. Growing out of the tough restructuring experience, these countries are somewhat in a better position to deal with the current crisis.

Within Asia there are a number of top-down multilateral initiatives that have been developed to deal with the kind of transna-

tional security challenges we see today. For example, there is the Asia Rice Bank System, the Mekong River Initiative, and the Coral Triangle Initiative. While these are indicators of how Asian states are well equipped to deal with non-traditional security challenges, the level of regional cooperation remains an open question.

**Toward a New Asian Order: Solving Traditional and Non-Traditional Security Issues**  
*Presenter: T.J. Pempel, University of California, Berkeley*

In the Post-Crisis era, there has been the development of a new Asian order which has shown some major trends. This new order is caught between the concepts of inherited traditional security challenges and the new reality of non-traditional security issues. The role of the United States remains fundamental, but regional institutions are also taking up new approaches toward resolving the current challenges and enhancing cooperation.

The dominance of the United States is clear. In all respects, American power remains the dominant force in the world, whether in GDP or military spending. This is all in spite of the major damage and constraints brought on by the global economic crisis. During the Bush administration, the United States also witnessed significant damage to its economic and soft power as a result of two major wars in Iraq and Afghanistan and an increasing deficit. While the Obama administration is working to correct this damage, the United States after the crisis remains vulnerable.

---

<sup>3</sup> Bob Gates. 2009. "A Balanced Strategy" *Foreign Affairs* 88, 1: 28-32.





At the same time, East Asia has taken on its own strength. Growth in the region is no longer a component of outside powers. In fact, Asia now plays a significant role in global economic growth and recovery from the economic crisis. This economic growth has also spurred on increased regional cooperation and integration. From the Chiang Mai Initiative to the regional bond markets, financial cooperation in the region is becoming more sophisticated and more formalized. This goes along with the cooperation through APEC and ASEAN which has been strengthened through the ASEAN Regional Charter adopted in 2007.

Security cooperation in East Asia has been enhanced to the extent that the region, despite all the inherent disputes, remains peaceful. An indicator of true regional security cooperation and of a “New Asian Order” is to see which security institutions reaffirm traditional Cold War structures and which cross those divides. ASEAN +3 and the Six-Party Talks are institutions that cross the old Cold War divisions and are a symbol of a “New Asian Order.” Particularly the Six-Party Talks have been successful in bringing together a number of potential security competitors—China, Japan, Russia, South Korea, and the United States—in the region. It is possible that in the future there would be more pax in East Asia but less Americana.

## Discussion

### **Approaches toward Traditional and Non-Traditional Security Challenges**

While the consensus is that non-traditional security challenges are the main threat to the region, the way in which it should be approached remains debatable. This in part is reflective of some of the broader debates on security cooperation in Asia and the difficulties arise from this. Varied trans-national threats such as climate change, water security, and terrorism are major concerns for policymakers in the region. Yet for Northeast Asia, the dominating factor of traditional security issues makes cooperation on these non-traditional challenges more difficult. Unless a breakthrough can be made on resolving the traditional security issues, cooperation on non-traditional security challenges will always be limited.

It needs to be recognized that non-traditional security issues have been easier to resolve and have led to greater cooperation than traditional challenges. Various institutional frameworks and agreements on issues such as water security show the ways in which cooperation can happen.

One of the main difficulties facing non-traditional security challenges is that they sometimes tend to be more long-term in nature and therefore are less of a priority for nations. For example, food security in Asia will become a major challenge for the future but has little attention now. Although both China and India are self-sufficient in food, they are expected to become major food importers over the coming years. This along



with countries buying up farming land in other countries to secure their food for the future is redefining the concept of sovereignty and presents future challenges that need to be addressed now.

Non-traditional security threats can be very much future-orientated and requires comprehensive strategies to avoid future difficulties. Even current agreements may come under pressure in the future as resources become more limited. For example, while there have been agreements made on water security, in the future as water becomes scarcer, these agreements will become weaker and will require improved efforts to strengthen them. The question is whether there are institutions to address this. In light of this, there is a need for a more comprehensive architecture to cope with disputes between countries over water and food security.

### **Institutional Darwinism**

In addressing the issues of non-traditional security challenges, the discussion looked at the kind of institutions in the region and what kind of initiatives could be taken. In discussing which institutions in the region work best and which don't, it was noted that current institutions in the region are effective and can address specific challenges, mainly non-traditional ones.

Within the region there is an over-proliferation of institutions and the question is what the future will be for all of these institutions. It is possible that there will be a process of institutional Darwinism whereby the most efficient institutions will remain while others will fall.

Despite the many institutions in the re-

gion, they are functional for specific problems. When looking at Asia, it is all too common for the European Union to be held up as the perfect model for regionalism. But this comparison tends to downplays Asia's achievements. For example, the trilateral dialogue in the region has been extremely successful, even more substantial than ASEAN + 3 or the Chiang Mai Initiative. The United States has been ambiguous to these institutional developments as it seeks to maintain its dominant position in the region, a position mainly pushed through by the Pentagon

The recent debate on the proposed East Asian Community and the Asia Pacific Community highlight some of the difficulties in framing an institution for the region. Both were top-down initiatives, but were inhibited by a number of problems that mainly arose out of the issue of membership. Furthermore, most of the ideas put forward in the two proposals had already been covered before or were too vague to have an impact. Future proposals would be more effective if they were to address a specific problem and then invite members to participate. The membership issue as a sticking point can only be addressed through a bottom-up approach.

### **Regional Identity**

The discussion also focused on the important issue of the classification of names. Is it about Asian security or East Asian security? This question brings up a deeper issue of regional identity and whether we are looking at an East Asia region or an Asia region. In general the term for East Asia usually covers both North and Southeast Asia. South Asia



is considered a distinct part from that. Asia-Pacific though is a wider conception that covers any country in the Pacific region. There have been efforts to cross over some of these visions with some institutions like ASEAN +3 which included China, Japan, and South Korea with Southeast Asia.

The important point to consider is that the non-traditional security challenges facing the region such as energy security, water security, and terrorism are all trans-national threats that can no longer be restricted to one area. In the future, it will be important to have a broader concept of a regional identity which will impact on the way the regional architecture is framed.



## Group 2: East Asian Community

What is the East Asian Community for? This was a central question for the discussion by Group 2 on the building of a community in the region. Community building came late in East Asia, ASEAN formed in the late 1960s but only encompassed a few countries. Northeast Asia's involvement in ASEAN came later, toward the late 1990s and early 2000s. Therefore, what can be understood from this late development and sudden interest in community building?

Different thoughts and ideas were given on this topic as well as different approaches toward the construction of an East Asian Community. The role and the future of outside actors, such as the United States were also considered and debated. During the two sessions, four memos were presented to outline the issues and stimulate the discussion. The first session focused on the background issues to the East Asian Community, while the second session looked at the issues of identity and challenges for the community.

### Morning Session

The first session gave an overview on the East Asian Community, the history of community building and the current situation. The experiences of East Asia were examined in contrast to Europe, with differences and similarities discussed.

A case study was also presented on Taiwan and its role in the East Asian Community, specifically the way in which the dispute over its status constitutes a challenge to the community. Despite the major economic and political exchanges, cross-strait tensions continue and will be a major challenge for China to cope with as part of its rise.

### Presentations

#### **Past and Present of the East Asian Community**

*Presenter: Nikola Mirilovic, George Washington University*

When looking at the past and present of the East Asian Community, comparison is usually equated to that of the European Union. Regional integration in both Asia and Europe has shown differences. European integration began much earlier and has been much stronger with formal binding regulations, removal of most barriers, and a common currency. Regional integration in Asia though has been more informal with regular meetings to offset legally binding arrangements and efforts to build a consensus. In Asia though, there are several institutions that do show the development of a formal



community, ASEAN, ARF, and APEC. In each case though, the definition of the region is broad and not so clearly defined.

In assessing the path of a regional community in East Asia, three factors are identified as the catalysts for integration:

1) The first relates to the cross-national economic links that act as an independent variable in calling for regulatory structures at a regional level, this in turn leads to the development of regional institutions. It is also linked to the Asian Financial Crisis of 1997 which added to the calls for closer economic integration.

2) A second point is on how regions respond to integration in other parts of the world. This dominant theory explains that Asia responded to the European Union's continued integration by forming its own community. This process also seeks benefits from increased integration.

3) A final point stresses how regional institutions are associated closely with confidence building measures and decreases the possibility of war. In particular, the uncertainties within in East Asia following the end of the Cold War have necessitated for confidence building measures. Since the end of the Cold War, the two areas of uncertainty have been the breakdown of traditional divides and the future of the United States in the region as an offshore balancer.

While much of these have been strong incentives for regional integration, East Asia remains divided by key obstacles that limit the degree of cooperation. The most obvious is the inherent legacy of World War II and the so-called memory wars that have affected in relations between nations in East

Asia and Japan. Overcoming the historical injustices of the past will be a major step in the direction toward regional integration.

Looking at the European Union, the consistent feature is regime type with all nations sharing the same democratic institutions. Within Asia, the difference in political systems creates divides between those that share democratic institutions and those that do not. Particularly within East Asia, there are a number of countries with strong dictatorial regimes, namely Myanmar and North Korea. It is a common theme within regional organizations to associate common political systems with institutional cohesion. It is certainly a debatable point on whether Asia can overcome these differences and bring together regional integration without sharing common political systems.

The final obstacle and one that often comes up in discussions of an Asian community is the scope of the region. Should the region encompass a narrow definition within just East Asia, or should it also include South Asia and the Pacific. On top of all this is the question of participation by the United States in East Asia.

### **Different Views from Different Countries: Challenges to East Asian Community**

*Presenter: Tiehlin Yen, National Chengchi University*

Asia's growing importance in the global system calls for the formation of an East Asian Community. However, the future of this community is uncertain especially with the many deep-rooted tensions within the re-



gion, one of the most problematic being the cross-strait tension between Taiwan and China.

For the past twenty years, Taiwan and China have made many unavailing attempts to restore peace and stability in the Taiwan Straits. The democratization and amendment of the Constitution by the Taiwanese government in 1991, and first dialogue between the two governments in 1993 seemed to alleviate the sixty-year-old anxiety and distrust between the two governments. However, the independent emergence of Taiwan in the international arena and its efforts to improve its foreign diplomatic relations spurred fierce criticism from China. The missile crisis from 1995-96 and former-President Chen Shui-bian's push for Taiwan to join the United Nations further escalated the tension across the Taiwan Straits, offsetting previous efforts towards cooperation and reverting the relationship back to the starting point.

It was not until the 2008 election of President Ma Ying-jeou that significant improvements have been made. President Ma's re-adoption of the 1992 Consensus provided the framework required to foster greater dialogue between Taiwan and China, and increased mutual understanding to lessen the hostility. As a result, during the last five years, five talks between the two governments were held and fourteen agreements, including a free trade agreement have been signed further deepening the cooperation across the strait.

Yet, recent developments have been strategically limited to only economic exchanges. Both governments have carefully side-stepped the more fundamental and sensitive

political issues to prevent potential confrontations in the region. As mentioned in his inaugural speech, President Ma has maintained the "three no" position - no Taiwanese independence, no Chinese unification, and no conflict across the straits. Contrary to increased economic cooperation, Taiwan and China have maintained the military and political status quo across the straits avoiding any political or military talks and thereby pushing the political burden off to the next generation of leaders.

Although improvements on the economic front may be the appropriate starting point for cooperation, they are insufficient to permanently alleviate the cross-straits animosity. Without the necessary transition towards political dialogue between Taiwan and China to deal with the fundamental political hindrances towards cooperation, the cross-strait tension will remain to be an obstacle towards building a complete East Asian Community.

Therefore, increased mutual understanding and transparency, and greater engagement between the future elites of the newly emerging generation will be crucial and instrumental in formulating the mechanism essential in reducing the cross-strait tension and ultimately restoring the peace and stability in the East Asian region.

## Discussion

### **Dynamics of East Asian Community**

Focus on the European Community tends to look at the common values and the formality of the institutions in that region. Often when



compared with East Asia, they stand in stark contrast and the European Union is held up as the ideal model to aspire to. In progressing toward the path of an East Asian Community, the issues of formal institutions and sharing common values are always discussed. Contrary to common perceptions, developments in the region do point to some shift toward formal institutions and the establishment of common values. This shows the gap between the European Union and East Asia is narrowing. However, as the region goes along this path toward community-building, the issue is raised whether these developments are suited for the region. ASEAN had once prided itself on its informal approach, the construction of formal institutions and the promotion of common values challenges the so-called “ASEAN Way” of community-building. In this regard, discussions are needed on what path the region should take and what kind of community it wants to build.

It is also important to note that for all the significant differences between East Asia and Europe, East Asia is not building a community out of nothing. Historically, the region has seen elements of a community and does share some similar cultural traits. However, that is not to suggest that the past should be a guide for the future. Such past experiences show that whether the Sino-centric regional order or the Japanese empire, community-building has precedence in East Asia.

A community in the region should seek to address the interests of the nations, but would not be to oppose the West or buildup against the United States. The community

should be inclusive, yet at the same time will have elements of soft balancing in its approach to global issues.

The kinds of institutions that exist now in the region are not capable of dealing with the major political issues. Rather they serve the purpose of building trust and confidence among countries. With the proliferation of so many institutions in the region, it is of concern how they can all be managed and whether all the institutions can survive. The examples of ASEAN and the Trilateral meetings show how different institutions can work together. While ASEAN will remain as the core of the community and in the driving seat, the Trilateral Summits will work behind the scene to strengthen and deepen ties between the Northeast Asian countries that have decades of mistrust to overcome.

Considering the difficult and sensitive issues in community building, functional cooperation should be the core interest of the region. The community should serve for the purpose of confidence building among countries to overcome the mistrust and divisions. In a way this follows the same path as Europe that also worked to overcome the distrust inherent from decades of war.

### **Common Identity for East Asia Community**

A community is a more defined, future stage of regional integration. For East Asia, there are three purposes of regional integration:

- 1) Functional cooperation, this works at the micro-level to deal with issues such as resources, energy, and the environment.
- 2) Building trust and confidence, this is the





organization of meetings where it might not draw immediate practical outcomes but they do achieve the objectives as confidence building measures.

3) Participation in global governance, the community gives legitimacy for Asian countries to participate and to try to contribute toward reforming global governance.

Community building is not just about signing agreements but more about the process. This should not take place just at the governmental-level but also through intellectual leaders, NGOs, and private corporations. The East Asian Community can work as a way of rebalancing global governance but it is not about changing the rules of the world. So, how the outcomes would differ depends on the purpose of the community, whether it is for governance or to increase the voice of Asian countries should be addressed.

Deciding on members for the East Asian Community is complex. The main debatable question is on which role the U.S. will play in the Community when it has neither geographical nor cultural connection to the region. There is a lack of clarity on the concept of community and the geopolitical sense of which countries will be included and where the initiative for East Asian Community will be launched need to be also considered.

## Afternoon Session

The issues that the East Asian Community has to cover are varied and complex, they cover all challenges from non-traditional security to the inherent traditional security threats in the region. Particularly traditional security issues have long been an obstacle toward regional cooperation, while non-traditional security challenges require region-wide multilateral policy responses.

The afternoon session tackled the issue of identity of the community and the functional issues for and against the community. Identity forms a strong part of building an East Asia Community. What is the East Asian identity and the degree of importance in constructing an identity forms much of the debate.

### Presentations

**Issues for and against the Community: Security, Economy, Energy, and Human Security**  
*Presenter: David F. von Hippel, Nautilus Institute*

East Asian countries have different political and cultural background and there is continued economic competition among them. Yet, some of the regional and global circumstances offer East Asia to collaborate on many inter-related international issues such as environmental and energy issues.

The current challenges to regional cooperation are related to conflicts both old and new. There are also many differences between countries regarding political, legal, and economic systems. At the same time,





some of the prospects for enhanced cooperation are inter-linked regional problems such as the environment and energy. Non-traditional security issues remain an effective way for countries in the region to cooperate.

The key international security concern in East Asia is arguably the peaceful resolution of the North Korean nuclear crisis, which requires cooperation to address a complex tangle of military, energy, economic, environmental, and human security issues. Proposals such as the Northeast Asia Nuclear Weapons Free Zone by Japan and South Korea demonstrate ways in which countries in the region can cooperate in resolving these complex issues.

In developing strong cooperation, it is critical to ask what approaches can help foster coordinated action by an East Asian Community. The kind of expected results from forming a community also need to be considered, whether they will always be positive or can there be some negative effects. What roles can outside actors play in the building of the community? These questions all explore the depth of coordination and cooperation and raise the issues of what the community is for.

### **We-ness for Asians: Identity Politics and Building East Asian Community**

*Presenter: Brad Glosserman, Pacific Forum Center for Strategic & International Studies*

What is we-ness? Within in East Asia, common values or emotional connection in terms of identity are not sufficient for devel-

oping a community. There are three ways in which regional identity has faced difficulties.

1) How to focus on an Asian identity when the concept of Asia is widely disputed? Geographically, establishing a community will be very difficult with regard to which countries constitute the community.

2) The next problem is with the lack of an emotional contact to the concept of a regional community in Asia among the population.

3) Similar to the second is the lack of common features for the community. In the absence of such, countries may well look at establishing a community based on a sense of shared grievance at not having a stronger say in the international community.

When looking at the interest of the people in the region, rule of law, good governance and human rights are the strongest priorities for people in the community. Therefore, forming a block to have a stronger voice in the world may not address some of the basic interests of the people in the region who can form the backbone of any regional identity.

Ultimately, identity is socially constructed and East Asia will develop a shared regional identity by working together to galvanize the aspirations of people, promote greater trust and confidence and advance common interests so as to foster a new sense of regional community.



## **Discussion**

### **Common Asian Identity: We-ness**

There was general agreement that East Asia lacked an identity and the purpose and approach toward forming a community still needs more thought. Trying to develop a sense of identity is not as important as identifying and then addressing the issues.

With the East Asian community, issue-specific, micro-level operations remain the best way for regional governance. A lack of common identity needs not go against forming a community, the experience of Europe shows that. Looking at the European community in its initial phase, the focus was on restraining war and building up confidence among members. With all the difficulties of developing a community, the focus should at least be on coordination. At a basic level enhanced coordination will contribute toward tackling the many trans-national challenges.

Increased coordination means major changes in relations between countries. As of yet, bilateral relations in the region still resemble a zero-sum approach. Looking at the failure to reach agreements on maritime passage, free trade agreements, and increasing military modernization, the region shows still a lack of trust among countries. Seeking ways to overcome the zero-sum politics of the region will be the first step towards building a community.

### **Community Building**

The process of community building should not come from the top, but would be better suited coming from the bottom up. Civil so-

ciety in this regard can be an important partner. The strengthening of civil society has a positive impact on community building because people-to-people interaction and understanding are crucial to develop more sustainable trust and shared identity. There are observations that the East Asian Community is becoming a community of elites, such as officials in the ministry of foreign affairs and intellectuals of think tanks. The failures of some top down community building efforts are evident from the proposals put forward by former-prime ministers Kevin Rudd and Yukio Hatoyama for the Asia-Pacific Community and East Asian Community respectively. Both proposals generated much interest and debate but were dead in the water once the two prime ministers had resigned. The Asia-Pacific Community proposal by Rudd is certainly considered to be over since his resignation, while the East Asian Community is still around, it is not taken seriously anymore.

Geography of the community remains a challenge, particularly the public notion toward an East Asian Community. People in Northeast Asia consider Northeast Asia as Asia which excludes Southeast Asia and vice versa. It is very difficult to draw Asian we-ness because unlike Europe where most of the countries were mainly democratic and achieved fairly similar economic development, the type of governments and level of development vary in Asia.

While common identity in East Asia is not easy to find, aspiration toward community building has not faded away.

The choices for community institution-building to deal with the increasing interdependence and common problems are con-



scious political decisions. In these decisions, coordination can matter more than cooperation since there may be different values. Setting common standards and norms is still possible before the aspired community is achieved.



## Agenda

### July 7 Wednesday

All day Arrival of overseas participants

18:30~20:00 Reception / Dinner  
\_Lilac & Tulip & Cosmos Room, F2

### July 8 Thursday

**Opening Session**\_Grand Ballroom A, F1

09:00~09:10 Welcoming Speech  
Sook-Jong Lee, President of East Asia Institute

09:10~09:40 Keynote Speech  
Changyong Rhee, Secretary General of the  
Presidential Committee for the G20 Summit

09:40~10:00 Coffee Break

10:00~12:00 **Session I. Group Discussion**

Group 1: “Post-Crisis Global and Regional  
Order” \_Grand Ballroom B, F1

Moderator: Young-Sun Ha, Seoul National  
University

- Memo#1. “Changing Global Governance after the Economic Crisis, and the Future of G20 Summit”

Presenter: John Ravenhill, Australian National University

- Memo#2. “Post-Crisis Asian Order: Beyond American Unipolarity?”  
Presenter: Jae Ho Chung, Seoul National University

Group 2: “East Asian Community”

\_Grand Ballroom C, F1

Moderator: Feng Zhu, Center for International & Strategic Studies

- Memo#3: “Past and Present of East Asian Community”

Presenter: Nikola Mirilovic, George Washington University

- Memo#4: “Different Views from Different Countries: Challenges to East Asian Community”

Presenter: Tiehlin Yen, National Chengchi University

12:00~14:00 Luncheon \_Grand Ballroom A, F1

14:00~15:20 **Session II. Cluster Discussion**

- Cluster 1 Meeting \_Grand Ballroom B, F1  
Moderator: Feng Zhu, Center for International & Strategic Studies

- Cluster 2 Meeting \_Grand Ballroom C, F1  
Moderator: Chaesung Chun, East Asia Institute

- Cluster 3 Meeting \_Cara Room, F3  
Moderator: Mely Caballero-Anthony, S. Rajaratnam School of International Studies

15:20~15:40 Coffee Break

15:40~17:40 **Session III. Group Discussion**

Group 1: “Post-Crisis Global and Regional  
Order” \_Grand Ballroom B, F1

Moderator: Mely Caballero-Anthony, S. Rajaratnam School of International Studies



## July 9 Friday

- Memo#5: “Post-Crisis and Post-Modern?: New Issues in Global and Regional Governance (Climate Changes and Environmental Cooperation)”

Presenter: Roy Kamphausen, National Bureau of Asian Research

- Memo#6: “Towards a New Asian Order: Solving Traditional and Non-Traditional Security Issues”

Presenter: T.J. Pempel, University of California, Berkeley

### Group 2: “East Asian Community”

\_Grand Ballroom C, F1

Moderator: Tadashi Yamamoto, Japan Center for International Exchange

- Memo#7: “Issues for and against the Community: Security, Economy, Energy, and Human Security Issues”

Presenter: David F. von Hippel, Nautilus Institute

- Memo#8: “We-ness for Asians: Identity Politics and Building East Asian Community”

Presenter: Brad Glosserman, Pacific Forum Center for Strategic & International Studies

18:30~20:00 Dinner\_Grand Ballroom A, F1

Speech: Jin Park, Assemblyman,  
Grand National Party

### **Session IV. Closing Session**\_Orchid, F2

09:30~10:30 Concluding Speech

Qingguo Jia, Center for International & Strategic Studies, Peking University

Mely Caballero-Anthony, S. Rajaratnam

School of International Studies

Chaesung Chun, East Asia Institute

10:30~11:00 Q & A

12:00~14:00 Luncheon

\_Lilac & Tulip & Cosmos Room, F2

Speech: Walter L. Sharp, Commander of  
ROK-US Combined Forces Command

14:00 Farewell Speech

Sook-Jong Lee, East Asia Institute



## List of Participants

### Group 1: Post-Crisis Global and Regional Order

Dipankar Banerjee	Institute of Peace and Conflict Studies
Mely Caballero-Anthony	Nanyang Technological University, S. Rajaratnam School of International Studies
Belinda Chng	Nanyang Technological University, S. Rajaratnam School of International Studies
Ajin Choi	Yonsei University
Chaesung Chun	East Asia Institute
Jae Ho Chung	Seoul National University
Matthew Ferchen	Tsinghua University, Institute of International Studies
Kiichi Fujiwara	University of Tokyo, Todai Policy Alternative Research Institute
Ilmas Futehally	Strategic Foresight Group
Xuetang Guo	Shanghai Jiao Tong University, Center for RimPac Strategic and International Studies
Young-Sun Ha	East Asia Institute
Qingguo Jia	Peking University, Center for International & Strategic Studies
Roy Kamphausen	National Bureau of Asian Research
Sung-han Kim	Korea University, Ilmin International Relations Institute
Santosh Kumar	Indian Council for Research on International Economic Relations
Shin-wha Lee	Korea University, Ilmin International Relations Institute
ANM Muniruzzaman	Bangladesh Institute of Peace and Security Studies
T.J. Pempel	University of California, Berkeley
Srinath Raghavan	Centre for Policy Research
John Ravenhill	Australian National University
Paul B. Stares	Center for Preventive Action Council on Foreign Relations
William Tow	Australian National University
Kirsten Trott	National University of Singapore, Lee Kuan Yew School of Public Policy

### Group 2: East Asian Community

Malcolm Cook	Lowy Institute for International Policy
Ralf Emmers	Nanyang Technological University, S. Rajaratnam School of International Studies
Xiao Fu	China Foundation for International and Strategic Studies



James Gannon	Japan Center for International Exchange
Brad Glosserman	Pacific Forum Center for Strategic & International Studies
Jing Gu	Tsinghua University, School of Public Policy & Management
Jennifer Lee	Institute for International Economics
Sook-Jong Lee	East Asia Institute
Nikola Mirilovic	George Washington University, Elliott School of International Affairs
John Schaus	Center for Strategic & International Studies
Andrew Shearer	Lowy Institute for International Policy
David F. von Hippel	Nautilus Institute
Tadashi Yamamoto	Japan Center for International Exchange
Daqing Yang	George Washington University, Elliott School of International Affairs
Tiehlin Yen	National Chengchi University, Institute for International Relations
Kiho Yi	Nautilus Institute
Feng Zhu	Peking University, Center for International & Strategic Studies





## Knowledge-Net for a Better World

---

- This article is the result of the East Asia Institute's research activity of the Asia Security Initiative Research Center.
- Any citation or quotation is prohibited without prior permission of the EAI.
- The contents of this article do not necessarily reflect the views of the EAI.
- The East Asia institute, an Asia Security Initiative core institution, acknowledges the MacArthur Foundation for its generous grant and continued support.



**The East Asia Institute**

---

909 Sampoong B/D, 310-68 Euljiro 4-ga, Jung-gu, Seoul 100-786, South Korea  
Tel. 82 2 2277 1683 Fax. 82 2 2277 1697 [www.eai.or.kr](http://www.eai.or.kr)