The East Asia Community and the Role of External Powers: Ensuring Asian Multilateralism is not Shanghaied*

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Abstract

This article begins by outlining the similarities and differences between the European Union (EU), the Shanghai Cooperation Organization (SCO) and the East Asia Community (EAC) to understand the historical and political context of regional integration in three different regions. It then examines the interests, roles and concerns of three major external powers (the United States, the European Union and Russia) that have vital stakes in the future evolution of Asian multilateralism. This study argues that it is not in the interests of any of these three external powers to see one or more countries in Asia dominating the EAC or covertly working to transform regional organizations into alliances or collective security pacts, as that would not only undermine regional stability but also give a bad name to multilateralism. Of the three external powers, the United States—by virtue of its power and presence—is the most important external power and the state of its relations with regional heavyweights would inevitably influence the EAC-building process. All three external powers share a vested interest in ensuring that Asian multilateralism is not shanghaied. The future of the EAC-building, in the ultimate analysis, will be determined by several key issues, including the role of external powers, membership criteria, ASEAN’s will and capacity to remain in “the driver’s seat,” the EAC’s distinctive character, utility and relationship with other existing multilateral forums (such as APEC, ARF—and last but not least, the state of China’s relations with the United States, Japan and India, which would make or mar progress toward EAC-building.
Introduction

Within less than two decades, the Asia-Pacific region has moved from a situation where there was a significant gap in regional organizations to a point where new collaborative arrangements in both economic and security matters have proliferated. That is indeed the good news. However, the bad news is that there is too much hype and overblown rhetoric about the conditions being ripe for a new kind of Asian multilateral security architecture based on shared interests, if not shared values. Some Southeast Asian leaders suggest that East Asia eventually could become like the European Union (EU), which has a common currency, market, and institutions to facilitate trade and even foreign policies.

The reality of East Asia, in fact, is quite different. The multiplicity of organizations in the Asia-Pacific—the Association of Southeast Asian Nations (ASEAN), the ASEAN Regional Forum, (ARF), ASEAN Plus Three (APT: ASEAN plus China, Japan, South Korea), the East Asian Summit (ASEAN+3+3 [Australia, India, New Zealand]), the Asia-Pacific Economic Cooperation (APEC), Asia Cooperation Dialogue (ACD), the Mekong-Ganges Cooperation (MGC), and the Six-Party Talks in Northeast Asia—points to a very dynamic but complex and diverse region with diverse needs and competing interests which cannot be easily subsumed under one pan-Asian organization.

While the creation of an East Asia Community (EAC) with an integrated politico-economic system modeled on the European Union is an admirable goal, it would require a degree of economic, political, sociocultural and security cooperation that is unlikely to be achieved in the foreseeable future. In fact, the EAC-building-process is going to be a very long, drawn-out affair as it involves the interests of both member-states and external powers. In the context of the EAC-building, there

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are three major external powers that have vital stakes in the future evolution of Asian multilateralism. These external actors are the United States, the European Union and Russia.¹

This paper begins by outlining the similarities and differences between the European Union (EU), the Shanghai Cooperation organization (SCO) and the EAC to understand the historical and political context of regional integration in three different regions. It then examines the interests, roles and concerns of the three external powers. It argues that it is not in the interests of any of these three external powers to see one or more countries in Asia dominating the EAC or covertly working to transform regional organizations into alliances or collective security pacts as that would not only undermine regional stability but also give a bad name to multilateralism. Of the three external powers, the United States—by virtue of its power and presence—is the most important external power and the state of its relations with regional heavyweights would inevitably influence the EAC-building process. Since the U.S.-China relationship will, to a large extent, shape regional integration processes, the interests and concerns of Washington and Beijing deserve close scrutiny. The European Union’s interests in Asian multilateralism, broadly speaking, dovetail with those of the United States, even though there are some differences in nuance, approach and emphasis. As for Russia, Moscow’s attitude is driven by a combination of factors, the most important of which is to reassert Russia’s role as a Pacific power, while integrating the Russian Far East with the booming economies of the Asia-Pacific.

**The European Union and the East Asia Community: Similarities and Differences**

The European Union (EU) offers a good template for building a closely knitted economic and political community, and in many

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¹ Canada is arguably the fourth external actor, but Canada has long been a fervent advocate of multilateralism in the Asia-Pacific. Unlike the United States, the European Union and Russia, middle power Canada lacks both the will and the capability to hinder regional integration.
respects it is seen by many as the role model for other regional organizations. However, a sound appreciation of the similarities and differences between East Asia and Europe is necessary to avoid unrealistic expectations. For, at a deeper level, the centerpiece of an East Asian regional community based on the EU model would be a common currency and it is not surprising that many regional governments have called for a single Asian currency unit. But going by the example of Australia-New Zealand, one cannot but be pessimistic. If even these two countries find it difficult to reach an agreement on one currency, then it will certainly be well-nigh impossible for the EAC to agree upon a common currency. For the foreseeable future, the path to creating a common currency and a community faces numerous roadblocks, including Washington, which fears a weakened dollar as well as diminished power and influence in the region.2

As regards similarities between the EU and EAC, both Europe and East Asia are major engines of world economic growth. In both regions, economic integration laid the foundation for political cooperation. As in Europe, increasing economic integration has begun to foster a common East Asian cultural identity. Both are home to several great powers with historic rivalries, jealousies and ambitions. After the end of the Second World War, however, war-torn European powers turned inward and agreed to put their past behind them. They were in a “withdrawal mode” (in the sense that having “been everywhere and done that”—colonization, spheres of influence, and wars—all over the world), they were returning home to the continent to rebuild a new future. Post-World War II, they might still be vying with each other in different parts of the world for influence, but they were no longer engaged in a zero-sum rivalry for resources and markets as before.

More importantly, the European powers’ fear of a common threat—Soviet communism during the Cold War years—and the security umbrella provided by the North Atlantic Treaty Organization (NATO) and the U.S. forces in Western Europe, created a “sink or swim” mentality conducive to reconciliation and reconstruction. In other words, Washington’s alliance network underpinned and facilitated Western

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Europe’s integration, allowing countries in the region to focus on socio-economic development. More importantly, the process of European economic and political integration was essentially led by powerful democratic states with shared political values and near-identical world-views. Since its inception, the EU has sought to create a positive regional identity, promote economic growth via free trade and investment flows and create a spirit of cooperation and confidence-building among member-states.

Needless to say, many of these conditions are absent in the Asia-Pacific region. If anything, the Asia-Pacific of the early 21st century, home to several rising and contending powers, bears more resemblance to Europe of the 19th and early 20th centuries than to Europe of the late 20th century or early 21st century. Unlike Europe’s retiring powers, Asia is home to two rising powers—China and India—and a Japan that is increasingly becoming a “normal nation.” These three rising powers of Asia are today where Germany, France, Britain and Italy were at the beginning of the 20th century. They are increasingly looking outward, beyond their immediate regions in search of access to markets, resources and capital, while jockeying for power and influence and seeking to outmaneuver and outbid each other in different parts of the world. This extra-regional competition amongst Asia’s three “heavyweights” is invariably reflected in their intra-regional interaction, in their suspicions and perceptions of each other and in their dealings at multilateral forums. How can ASEAN insulate China-Japan or China-India worldwide competition for resources, markets and diplomatic influence (e.g., the UN Security Council reforms) from their common community-building project in the Asia-Pacific?

Furthermore, unresolved territorial and historical issues, coupled with a wide variety of political systems and most countries’ preference for the United States to balance regional great powers, mean that it is unlikely an integrated East Asian Community along the lines of the European Union will emerge in the near future. Though most countries in Asia have historically been concerned about China—albeit, with the exception of a few—there is no common threat perception that would unite all.

Not only that, but there is no sign that the countries of East Asia are willing to surrender part of their national sovereignty to a supranational body as their European counterparts have done. Asia is sim-
ply too obsessed with sovereignty, despite all the talk of a borderless, inter-connected world. The long-standing principle of non-interference in other countries’ internal affairs remains a sore point within ASEAN, not to speak of the EAC. It continues to hinder the grouping’s conflict resolution and crisis management efforts. It continues to hinder the grouping’s conflict resolution and crisis management efforts. The East Timor crisis in 1999 and the widespread uprising against the military junta in Burma in 2007 demonstrated ASEAN’s inability to find regional solutions to regional problems. The result is that regional organizations remain mute spectators to intra-state and regional conflicts.

In fact, the proliferation of a large number of multilateral organizations and dialogues is quite telling in itself. At best, the multiplicity of organizations is a sign of dynamism, and at worst, it shows the degree of residual or latent distrust, rivalry and a game of one-upmanship in the region. The fact that ASEAN in 2005 spurned China’s offer to hold the second East Asia Summit in Beijing and instead decided to hold it in Southeast Asian capitals along with the annual ASEAN summits demonstrates the regional grouping’s desire to be in the driver’s seat and not to let Asian multilateralism fall victim to great power rivalries between China and Japan.3

China and Japan are locked in a struggle for supremacy in Asia, with Beijing attempting to gain the leadership position in the planned EAC, and Tokyo trying to rein in its rival with the help of other “China-wary” nations in the Asia-Pacific region. Japan has sought the participation of India, Australia and New Zealand in an expanded Asia trade zone, based on the ASEAN bilateral agreements, to counter what it fears would be China’s economic dominance of the region. This stance is shared by Indonesia, India and Australia which do not want to see China getting a free pass to expand its footprint so as to limit or replace others’ influence in the region. The rivalry between China and Japan also has served as a catalyst for the proliferation of preferential trade agreements in East Asia. Former Japanese Prime Minister Shinzo Abe’s proposal for a 16-nation East Asian free trade bloc to match the European Union was an invitation to remove the blinkers of autarky and

protectionism and a thicket of rules and regulations that still obstruct the free flow of trade, investment and expertise. However, the proposal is opposed by China, which prefers a free trade bloc within the ASEAN Plus Three (APT) arrangement, and not the East Asian Community framework.\(^4\) Beijing’s multilateral diplomacy is clearly dictated by its own version of East Asian order, the heart of which is China’s competitive relationships with Japan, India and the United States.

There is a view that Beijing’s new-found love for multilateralism is nothing but a smokescreen for its strategic expansion designs. Luo Yuan, chairman of the Strategy Research Institute of the Chinese Academy of Military Sciences, believes that China will soon reach a stage where it will have the power to either mold or discard existing institutions and build a new political-economic international order that will ensure strategic balance and stability.\(^5\) Many suspect that this “new political-economic international order” would not be much different from the “Sino-centric international order” of pre-modern Asia. However, based on the notion of cooperative and common security, multilateralism is a multi-player game played in a spirit of give-and-take. Critics contend that authoritarian regimes like China’s that do not share power at home, and accept no institutional constraints on the exercise of power in domestic politics cannot be expected to respect the rights and interests of others in international politics. Others, however, counter by saying that China’s attitude toward regional cooperation in Asia has considerably changed for the better in recent years.\(^6\) Still, in the absence of great power cooperation and common threat perception, there is little prospect of the EAC taking off any time soon.\(^7\)


\(^5\) See Tao Deyan and Zhang Binyang, “Zhuanjia zonglun Zhongguo heping jueqi jinglue” [Experts Discuss China’s Peaceful Rise Concept], *Zhongguo Zhengzhi Xue*, May 18, 2004 (originally published in *Guoji Xianqu Daobao*).


countries in East Asia share similar political values. The liberal impulse underlying a regional security community envisages a strengthening of democratic institutions set up to eradicate poverty and promote confidence and dialogue as a means to resolving conflict and achieving regional integration. However, reconciling national interests with regional economic and security imperatives continues to pose a major challenge for all countries—big and small, democratic and non-democratic. Under the circumstances, the goal of establishing a pan-Asian multilateral regionalism that would satisfy all the countries involved will be a tall order indeed.

The Association of Southeast Asian Nations (ASEAN) is the only relatively successful regional organization, second to the European Union. ASEAN is a regional grouping of small and medium-sized nations that seeks to navigate through the choppy waters of great powers politics. It endorses no single country’s foreign policy agenda. Traditionally, it may have been seen as a pro-West regional organization (especially during the Cold War era) but it has become an inclusive organization that enjoys wider international support. Even as they seek to preserve traditional security ties with Washington, most ASEAN countries remain wary of great power games, machinations and maneuverings. They are pursuing sophisticated diplomatic and hedging strategies designed to give them more freedom of action while avoiding overt alignment with major powers. ASEAN leaders have expressed strong support to push for complete ASEAN integration by 2015, slashing five years off the 2020 deadline.8 Faced with competition from regional giants China and India in attracting foreign direct investment as well as intra-ASEAN investment, ASEAN is fast-tracking the integration of its economies to create a large market of half a billion people. Southeast Asian leaders signed an “economic blueprint” on November 20, 2007 aimed at transforming the region into a single market with a unified production base, no tariffs and free movement of skilled labor by 2015.9 Though no one expects ASEAN to move in the

direction of the European Union, it appears that ASEAN Economic Community (AEC) building is likely to take precedence over the East Asian Community building exercise.

The Shanghai Cooperation Organization and the EAC: Similarities and Differences

The six-nation Shanghai Cooperation Organization (SCO) is a Beijing-led regional multilateral forum. It is successor to the Shanghai Five grouping put together in 1996 to deal with China’s border disputes with former Soviet Central Asian republics, which has slowly expanded its reach into counterterrorism, energy, economic cooperation, and defense. With the decline of Moscow’s influence, Beijing has sought to rely primarily on the SCO as an instrument to project its power and gain allies in a region which is a source of much-needed strategic energy resources as well as a launchpad for China’s larger strategic aspirations in Central and Southwest Asia. Through the SCO, Beijing has also sought to secure its western frontier by creating a buffer for restive Xinjiang province, contain the forces of “separatism, terrorism and extremism,” and most importantly, counter the post-9/11 U.S. presence in the region and to gain control of the region’s energy supplies. Beijing’s task is made easier by the fact that the SCO is devoid of any democratic and liberal values. More than anywhere else, the purportedly successful Chinese model of “development-minus-democracy” finds a captive audience in Central Asia—home to many autocratic rulers. By and large, Central Asian countries are minor players within the SCO, though some are certainly hedging their bets.

Rising powers thrive on picking up loose geopolitical change on their periphery. This is what the United States did in the 19th century in Latin America by proclaiming the Monroe Doctrine, and that is exactly what China is now doing in Central Asia (via the SCO) where Beijing faces little or no competition. Thus, in a very short period of time, the SCO has been transformed into the most important regional alliance for China, helping it secure its borders, promote trade, gain access to valuable raw materials, and curb U.S. influence in Central Asia in order to establish the Sino-Russian condominium there. The
SCO summit meetings routinely endorse Chinese foreign policy agenda. In 2005, SCO became the first regional bloc to oppose the proposal by the Group of Four (Japan, Brazil, Germany, and India) to expand the UN Security Council’s permanent membership, and called for an end to U.S. military presence in Central Asia. If the military exercises in 2005 and 2007 conducted by the SCO member-states are any indication, this regional grouping is beginning to look more like “NATO of the East” than like the European Union or ASEAN or EAC. It is no exaggeration to say that the SCO is the powerplay of China and Russia. Given its exclusive membership and overtly anti-U.S. character, it is hardly a model of regional community building that would win approval and inspire universal support.

With an understanding of the similarities and differences between Europe (the EU) and Central Asia (SCO) on the one hand and East Asia (EAC) on the other, let us critically examine the roles and interests of three major external powers—the United States, the European Union and Russia—whose support, acquiescence or opposition could make or mar the Asian community building project.

**U.S. Perspectives on Asian Multilateralism**

While supporting the establishment of regional institutions in the Asia-Pacific region, the United States continues to assign great significance to its bilateral alliances in the region. Seen from Washington’s perspective, multilateral organizations in Asia ought to complement and reinforce the U.S. alliance network and facilitate regional integration as in Europe. So a major U.S. interest is to ensure that the evolving EAC does not call for an end to the U.S. military presence in the future (as the SCO did in Central Asia in 2005 at the behest of Beijing and

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Moscow). Obviously, Washington would not like to see the EAC process becoming a tool of one country’s foreign policy or degenerating into a collective security pact along the lines of the SCO.

Washington’s second objective is to ensure that the EAC-building seeks to promote freedom and democracy along with free markets and free trade. In this context, Beijing’s efforts to promote the Chinese model of “authoritarian capitalist development” or “development without democracy” to the developing world as an alternative model for ending poverty cause unease in Washington. It also bodes ill for the United Nations’ efforts to promote transparency, accountability, good governance and democracy in conflict-prone weak, failing states. For its part, the United States prefers to see the overall balance-of-power underpinning multilateral regional organizations remaining in favor of liberal democracies, not autocracies. This sentiment was best expressed in the September 2002 U.S. National Security Strategy Statement which observed that “multilateral institutions can multiply the strength of freedom-loving nations” and stressed the need “to develop a mix of regional and bilateral strategies to manage change in this dynamic region.”

Third, since East Asian economies are enmeshed in the global economy, and dependent on access to markets outside the region, “East Asian regionalism must necessarily be ‘open’ regionalism . . . promoted [preferably] by global multilateral trade liberalization agreements.”

Fourth, the EAS members should take specific measures to address transnational security concerns and reinforce international norms in the areas of counter-proliferation and counter-terrorism, energy security and global warming, peacekeeping, and aid to weak and failing states.

Fifth, there is some debate in Washington’s power circles on how to reconcile the pan-Asian multilateral initiatives (which exclude the United States) with existing trans-Pacific multilateral institutions (which include the United States). Many American observers maintain that

the EAS and its earlier incarnation, APT, in effect, duplicate APEC’s economic and ARF’s security agendas and thus may undermine trans-Pacific multilateralism.14

If the abovementioned five overarching conditions are met, then the United States can be expected to promote Asian integration. As regards U.S. membership of the EAC, opinion remains divided. On the one hand there are those who believe that exclusion equals loss of influence. They wonder if EAC would replace APEC as the main multilateral forum in Asia on trade and investment liberalization and economic integration. Many worry that China—a late convert to multilateralism—will use its growing involvement in the East Asian Summit (EAS) and other regional organizations that exclude Washington (APT, SCO) to define limits to U.S. global power, marginalize Beijing’s regional rivals (e.g., Taiwan is not invited to the EAS but is a member of APEC), and mold multilateral institutions to promote its national interests or have its foreign policy agenda endorsed. Given the central role that China plays in giving direction to the SCO, the manner in which the SCO has developed provides interesting clues to the direction other regional organizations, such as ASEAN+3 and EAS, might take if China is allowed to have its way or assume a dominant position. Already, in deference to Beijing’s sensitivities, most of the regional hot-spots and hot-button security issues—Taiwan, Burma, competing claims to petroleum deposits and islands in the South and East China seas, military modernization and maritime expansion, nuclear proliferation, Beijing’s river-linking projects which negatively affect the countries downstream in Asia—are all kept off the agenda of regional dialogue forums. However, the dream of an East Asian Security Community cannot be realized until states and societies are in sync with each other and share a common security agenda. It is also worth recalling here that Beijing has long called for the dismantling of U.S. alliances with its Asia-Pacific allies. The Chinese contend that that these alliances—“relics of the Cold War era”—hinder regional integration and ought to be replaced with the SCO-type multilateral institutions. There is obviously a disconnect, or tension, between the U.S. and Chinese motives for multilateralism.15

15 Mohan Malik, “Multilateralism Shanghaied,” International Assessment & Strategy
Apparently, China sees multilateralism as an effective antidote to U.S. unilateralism and bilateralism in Asia and the world. Whether one likes it or not, Beijing’s multilateral diplomacy is closely tied to its preferences regarding the Asian and global international order.

Others, however, argue that Washington need not worry. It does not have to be part of every organization in the region. Just as the U.S. exclusion from the European Union did not see any erosion in U.S. presence and influence in Europe, non-inclusion in EAC would not necessarily be detrimental to American interests in the Asia-Pacific region. With the exception of a few, most Asian countries have no desire to live in a China-led or China-dominated Asia. As Gerald Curtis points out:

There is no danger that East Asia is going to exclude the US: the entire region will continue to rely on the United States as a major market for its products, as a major source of foreign capital and technology, and as the key provider of security. . . . For one thing, the idea that China, Japan and South Korea will collude to pursue policies that threaten U.S. interests is unrealistic.16

It is noteworthy that Beijing’s perceived attempts in 2005 to steer East Asian multilateralism along the lines of the Shanghai Cooperation Organization to serve Beijing’s broader strategic goals were successfully thwarted by Japan and Southeast Asian countries that campaigned hard to include India, Australia and New Zealand at the inaugural East Asia Summit in Kuala Lumpur in December 2005. The fear of becoming China’s economic dependencies is also driving many Southeast Asian countries into courting Japan, India and Australia both to leverage their strategic clout, and to prevent an overly dominant China from skewing trade balances in its favor.17 Presumably, the decision to expand the EAS membership was based on the belief that as long as China

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finds itself in the company of Japan and India at multilateral forums, Beijing will want to put its best foot forward and be on its best behavior. Otherwise, “the Middle Kingdom syndrome” would inevitably manifest itself, much to the disadvantage of small and middle powers in the region. It was against this backdrop that the very first East Asian Summit resolved that ASEAN must remain at the center of a future EAC. Since then, Beijing’s enthusiasm for EAS has waned and it has retreated to the ASEAN Plus Three (APT) forum where China enjoys a more domineering position.18

While being wary of becoming divided into Chinese and American blocs, most ASEAN member-states want the United States to stay engaged in the region. Despite U.S. anxiety that China may use regional organizations to reduce U.S. influence, the consensus is that this is unlikely to happen in the foreseeable future. For one, most Asians do not want to replace American hegemony with Chinese domination over their countries. They view the U.S. presence in the region as an insurance policy against any future bid by China to re-establish tributary state system or a China-led “East Asia Co-prosperity Sphere.” So the United States, being a distant hegemon, remains the balancer of choice for countries on China’s periphery. Of the 16 EAS members, Japan, Thailand, the Philippines, Australia and South Korea are military allies of the United States, while New Zealand, Singapore, Indonesia, Vietnam and India are hedgers that worry more about China than the United States. Second, given China’s own dependence on the United States for its economic growth, investment, technology and market, Beijing’s claims to regional economic leadership are far from convincing.

Third, regional organizations are essentially toothless “talk shops” and ASEAN and the ARF work through consultations, dialogue and consensus. Therefore, the possibility of one or more powers hijacking the EAS agenda without encountering opposition seems implausible. The fact of the matter is that the primary raison d’etre of the ASEAN and APT is to cope with the China challenge in the Southeast Asian/South China Sea region. Fourth, democracy and common international political norms have begun to take root in East Asia. According to a

study undertaken by the *East Asia Barometer*, a project examining public opinion across the region (excluding China and North Korea), majorities in nine Asian nations preferred democracy to authoritarianism.\(^{19}\) Interestingly, Indonesia’s proposed ASEAN Security Community framework assigns a pride of place to democracy and human rights—a move that is to the liking of Japan, India, and Australia but is frowned upon by China, Malaysia, Burma, and Cambodia. In addition, enmeshing China with the U.S. allies and partners in the broad framework of international organizations is part of engagement strategy to condition China’s rise in such a way that it becomes a “responsible stakeholder” in regional stability and prosperity. Sandy Berger, National Security Adviser in the Clinton administration, believes that “encouraging [Beijing] to pay attention to the interests of other countries is likely to outweigh the risk of China dominating such groupings and giving them an anti-U.S. agenda.”\(^{20}\)

And finally, the general consensus is that the EAC building is going to be a very long, complicated process. It is unlikely to undercut the significance of U.S. bilateral relationships with its friends and allies. Nonetheless, to safeguard against the uncertainties and vulnerabilities of the future, some favor laying down the criteria for Washington’s support for Asian multilateralism in the future. For one, former U.S. National Security Adviser Sandy Berger identifies four major concerns which he believes should determine the future U.S. policy toward Asian integration:\(^{21}\)

1. Will the new East Asia Community (EAC), as announced at the December 2005 East Asia Summit, interact in a positive way with other institutions in the Asia-Pacific that the U.S. actively supports?
2. Will the EAC take actions aimed at weakening U.S. bilateral alliances or the overall U.S. role in the region?
3. Will the EAC become a means for China, in particular, to dominate


\(^{21}\) Ibid. p. 26.
the regional security agenda?

4. Will the EAC reinforce the programs and policies of other regional organizations, especially the ARF and APEC?

Given the history of U.S. support for multilateral cooperation, Washington would continue to support initiatives and forums that promote trust, transparency and trade in the Asia-Pacific region and promote peace and stability for all parties concerned. Washington has already stated its desire to have some role in the future of the EAS, perhaps as an observer. (Given Washington’s reluctance to accede to the ASEAN Treaty of Amity and Cooperation (TAC), the United States can only join the EAS as an observer.) At the same time, while not showing any disapproval of pan-Asian multilateralism, the Bush administration has also expressed its clear preference for the trans-Pacific multilateral forums. For example, the 2006 National Security Strategy made no mention of the EAS but noted that “institutions like the ARF and APEC can play a ‘vital role’ in the spread of freedom, prosperity, and regional security.” In Washington, there is somewhat less enthusiasm for exclusive EAS-type pan-Asian multilateralism and more support for trans-Pacific multilateralism of the APEC variety. In contrast, there is more support for pan-Asian multilateralism out in the Asia-Pacific region as opposed to trans-Pacific multilateralism even amongst U.S. friends and allies. Nonetheless, there is general consensus that enmeshing China in multilateral activities could moderate China’s behavior in the military and security spheres and “provide a mechanism for China to demonstrate that it is a good neighbor and not a threat to other countries.” 22

In short, the ultimate driver of Washington’s concern over East Asian regional arrangements lies in U.S. strategic relations with China. As long as EAC-building efforts do not undermine the efficacy of U.S. bilateral alliances and other security arrangements, the United States will support, not hinder, pan-Asian regional integration efforts.

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22 Ibid.
The European Union’s Interests in the EAC

The European Union has indicated its desire to have a role as an observer in the EAC. The EU’s interests in EAC building are mostly similar to those of the United States, albeit with difference in nuance, focus and attention. The European Union has identified “effective multilateralism” as the defining and determining feature of its external relations strategy. Much like the United States, the EU member-states want to foster and benefit from closer economic ties with East Asia. The EU welcomes the emergence of an “open regionalism” in East Asia that promotes free trade and investment flows to and from the region, embedding the protectionist tendencies into an effective multilateralism.23 Much like the United States, it is not in the interest of the EU to see Asia’s multilateral organizations being dominated by one or two regional powers. Unlike the United States, the EU is better placed to contribute to the development of conflict resolution mechanisms and maritime security measures for the safety of sea lanes of communication.

For its part, East Asia has a lot to learn from the EU in institution-building, preventive diplomacy and crisis management. The EU can provide a good template for creating a positive regional identity conducive to creating a spirit of cooperation and confidence-building among member-states. The European experience of coming to terms with the past (especially in Germany) may be of relevance to Northeast Asia. Much like the United States, promotion of liberal values of democracy, human rights and free market economics remain on the agenda of many European countries. And as the case of Myarmar illustrates, it can complicate their interaction with East Asia because the EU wants to see regional cooperation in East Asia based upon universally recognized political values (rule of law, free press, independent judiciary and respect for human rights) and global norms and rules. Most Europeans remain skeptical of the so-called “Asian values” school of thought and are convinced that strong economic growth and stability cannot be sustained in the long term without democracy.24


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would also like to see democratic states with shared political values taking the lead in bringing about Asian economic and political integration. In this respect, the EU has been a proponent of India’s and Australia’s involvement in the EAS, despite the misgivings of Beijing, which would prefer New Delhi and Canberra to be kept outside the mainstream of progress toward forming an East Asian community as a diplomatic and economic entity. From the EU’s perspective, openness and inclusiveness would create better and broader understanding amongst Asian leaders, encouraging them to share global responsibilities for security and the environment. However, two areas where American and European interests diverge are the EU’s support for a multi-polar world and the priority assigned to economic, as opposed to security issues in EU-China relations.

**Russia’s Interests in EAC**

Russia, increasingly assertive in its foreign policy after years of stable economic growth, is looking for a new role in the world and sees itself as a balancing force between the old trans-Atlantic world and new power centers such as China. Under President Putin, Moscow has moved to forge closer ties with major Asian economies and to stake a claim in an emerging East Asian regionalism in order to re-establish a resurgent Russia on the world stage. Unlike the United States and the EU, Russia has expressed desire to become a member of the East Asia Summit. Its stance enjoys China’s support. President Putin was in

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26 By pushing for Russia and other countries’ participation in the EAS to make it “open and inclusive,” China may well be trying to subvert the EAS, just as the United States diluted APEC’s focus by bringing in Russia, Mexico and Chile. However, a former Japanese prime minister, Yasuhiro Nakasone, too has supported Russia’s participation in the East Asia economic cooperation, given the importance of its vast oil resources which are required by non-oil producing countries in the region.
Kuala Lumpur as a guest of Malaysian Prime Minister Abdullah Badawi at the time of the first inaugural East Asia Summit in December 2005, and lobbied the Philippines government throughout 2006, albeit unsuccessfully, to invite Russia to the second EAS held in Cebu. However, ASEAN decided to freeze new membership of EAS for two years. Their concern is that by bringing in outsiders, such as Russia, the United States, and Canada, its East Asian character would be lost, and EAC would become a duplication of APEC. Such a development would, however, be welcomed by those who want to see ASEAN+3 (APT) as the principal focus for East Asian Community building or those who want to replace APEC with EAC (as the latter would not include Taiwan).

Moscow seeks economic integration with Asia to help stop the decay of resource-rich, but depressed, areas east of the Urals and the government has unveiled an ambitious plan of diverting part of Russia’s new wealth to upgrade infrastructure in Siberia and the Far East to attract investment.27 Closer ties with ASEAN, the ARF, APEC and the EAC are part of Russia’s strategy to balance the U.S. and Chinese involvement in regional affairs. The gigantic project to construct oil pipelines from Eastern Siberia to the Pacific coast, with branches into China, will definitely serve to reinforce economic ties among these countries. To achieve its objectives in East Asian multilateral processes, Moscow has six cards to play:

1. The “geopolitical card”: Russia is the only truly Eurasian power;
2. The “global power card”: As a UN Security Council veto holding permanent member, Moscow’s cooperation is required on all global security issues;
3. The “nuclear card”: Russia is still a nuclear superpower to reckon with;
4. The “arms supplier card”: Russia is a major weapons producer arming China, India and ASEAN countries;
5. The “energy card”: Russia is a growing energy supplier to booming Asian economies;
6. The “courtship card.” Being a “swing state” or “pivotal state” in Eurasia, Russia hopes to benefit by making itself the object of

courtship by both China on the one hand, and Japan and the West on the other.

Though Moscow shares Beijing’s interest in limiting Washington’s influence via multilateral institutions, Russia also has many politico-economic interests that are congruent with the West and at odds with China.

Conclusion

Though leaders of 16 nations (ASEAN+3+3) have vowed to work toward building an Asian equivalent of the 25-member European Union (EU), the shape of the envisioned East Asia Community remains undefined. Most seasoned observers see this project as very ambitious and perhaps overly optimistic. Pessimists warn that unresolved historical issues, different political systems and values, and countries with different stages of socio-economic development mean that attempts at forming an Asian Union “a-la Europe” will be slow and ineffectual, with the outcomes characterized by shallow integration. Most regional organizations are essentially toothless “talk shops” that work through consultations, dialogue and consensus, and this state of affairs is likely to continue for the foreseeable future. While economic regionalism has gained momentum to some extent, there has been little or no progress on regionalism in politico-security spheres. Regional community building is a long-term project. It is worth remembering that the European Union has taken decades to reach its current form and shape.

The future of EAC-building will be determined by several key issues involving membership criterion, the role of external powers, ASEAN’s will and capacity to remain in “the driver’s seat” with a clear-headed direction, the EAC’s distinctive character, utility and relationship with other existing multilateral organizations and forums (such as APEC, ARF), and last but not least, the state of China’s relations with the United States, Japan and India which would make or mar progress toward EAC-building. Within ASEAN, while Japan, India, and Australia want to see ASEAN’s largest and democratic state, Indonesia, taking the lead in steering the regional multilateral processes, China has shown a clear
preference for Malaysia, which is inching closer to Beijing’s position in the New Great Game that is unfolding in Asia-Pacific. On several occasions, China and Malaysia have made it clear that they want APT, not EAS, to play a leading role in the future EAC building process. Obviously, Beijing has calibrated its role in multilateral institutions with an ultimate objective to ensure a regional power balance that serves its interests and great power politics that is less hostile to its rise.

While a “Sino-centric Asian international order” might be a long-term Chinese goal, concerns that Beijing will use its growing involvement in the EAC and other regional organizations to diminish the U.S. role in Asia are somewhat unfounded. Just as the exclusion of the United States from the European Union did not result in a reduced role and influence in Europe, its exclusion from the East Asian Community need not be detrimental to Washington’s interests. The United States enjoys enormous advantages vis-à-vis China. Much like the United States, Russia and the EU have vested interests in ensuring that Asian multilateralism is not shanghaied. Additionally, ASEAN does not want to be upstaged by the EAS/EAC. Furthermore, the regional and global economic and military balance of power remains in favor of democracies within regional groupings (although SCO is an exception). Wherever China finds itself in the company of Japan, India and Australia, it is in Beijing’s interests to be on its best behavior. Besides, comprehensive security issues of resource security, climate change and regional economic development cannot be adequately addressed without the participation of India and Australia. Therefore, external powers back a more inclusive East Asian Community for the simple reason that most transnational security problems cannot be resolved without China’s, India’s and Australia’s participation. In this context, it was heartening to see some of the world’s biggest polluters—China, India and Australia—pledging new protections against the devastation of climate change and global warming at the third East Asian Summit meeting held in Singapore in November 2007.28

28 Australia is the world’s biggest greenhouse gas polluter on a per capita basis. And China’s booming economy has propelled it past the United States in 2007 as the world’s largest emitter of carbon dioxide, the atmospheric pollutant that is primarily responsible for global warming.
In conclusion, integrating and socializing China in multilateral institutions and thereby encouraging Beijing to accommodate the interests and concerns of other countries outweighs the risk of China dominating multilateral institutions. At the same time, we should be mindful of the fact that even as Beijing pushes for “multilateralism as the panacea for the 21st century’s security problems,” the Chinese are not going to lose sight of their grand strategic objectives. Beijing’s multilateral diplomacy clearly reveals China’s preferences for a Sino-centric Asian and global international order.