

Trends of Regionalism in Asia and Their Implications on China and the United States

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Generally speaking, regionalism plays a supplemental and positive role to the on-going globalization. Regionalism in Asia has some special features compared with other regions such as Europe, Latin America and Africa. In the coming decades, regionalism in Asia tends to grow in Asia, which has caught attentions of the outside world, the United States in particular. Regionalism provides a new platform for the interaction between China and the United States. The two countries are feeling their ways in the course of developments, which could be constructive by optimistic scenarios and destructive by pessimistic scenarios. What China and the United States need is to make their interaction another positive dimension in the Sino-U.S. relations.

I. Features and Characteristics

At the age of globalization and information, Asian countries and territories are taking regionalism as a new momentum for further economic growth, social transformation, power re-allocation, cultural renaissance, and security assurance.

Regionalism is gradually taking roots in Asia. There has been a growing awareness of regional identity in Asia since the end of the Cold War. Sub-regional and functional institutions are playing an important role in economic, political and security cooperation. The Association of Southeast Asia Nations (ASEAN), Shanghai Cooperation Organization (SCO) and ASEAN plus formula are successful cases in points. Furthermore, most of Asia hopes that sub-regional organizations should move upwards to region-wide ones. In the meantime, Asia starts to search for regionally shared principles to guide regionalism, such as upgrading living standards and quality of life, interdependence, cooperation and pursuance for win-win. Regionalism is deemed useful for promoting regional cooperation and striving for an advantageous position in the world of globalization.

Asia is attaching equal importance to both hard and soft forms of regionalism. In the past couple of decades, Asia has achieved great progresses in organizational,

institutional and contractual ways of pursuing regionalism. In the same time, Asia gradually converges to common agenda setting and cultural/civilization co-existence. Besides, regionalism in Asia is open, inclusive and flexible. Asia recognizes the legitimate rights of extra-regional countries such as the United States, Australia and New Zealand. The SCO admitted Mongolia, India, Pakistan, and Iran as observers. East Asia Summit (EAS) invited India, Australia and New Zealand to join the launching summit in 2005. Moreover, Asia as a whole has established regular dialogues with Europe (ASEUM), South Pacific, and Latin America. By so doing regionalism in Asia adapts itself to the fast changes both inside and outside the region.

Regionalism is vigorously interacting with regional system and regional order. Growing regionalism in Asia calls for reexamining existing regional system and order. The development of regionalism is partially changing the sub-systems of Asia on the basis of re-configuration of powers, prompting new mechanisms to coordinate regional interaction and paving the way for the would-be integration of regional order and global order when conditions are ready. The accelerating interdependence and integration demands for regionally-agreed norms and codes of conducts. Asian countries' efforts include Conference on Interaction and Confidence-Building Measures in Asia (CICA) and the China-ASEAN Declaration on the Code of Conduct on the South China Sea. The diversity and pluralism calls for places of non-state actors and non-traditional security. Likewise, regional system and order also shapes regionalism in Asia. The most prominent aspect is that system building has gradually brought up a "we-feeling" in face of the extra-regions.

Multi-drivers are promoting regionalism in Asia. The major countries in Asia take increasing notes of regionalism. China is stressing the prime importance of neighboring areas in its foreign relations. Japan is reviewing the consequences of neglecting Asia. Russia is re-exerting itself by its energy leverage. India is pursuing a "Look East" policy. The small and medium sized countries are also contributing to forming up a regionalism so to benefit from this development. ASEAN has been a powerhouse for regional cooperation and so been South Korea and some Central Asian countries. Multi-drivers give combined impetus but complicate the situation as well. For instance, Asia is still puzzled by various mechanisms such as APEC, ASEAN plus and EAS.

II. Trends and Prospects

Regionalism in Asia tends to grow. *Economic cooperation and integration provides cementing basis for further regional integration.* Intra-regional trade continues to outgrow cross-regional ones. Intra-East Asia (10+3) trade reached 50% in 1999 and 58% in 2005 and is expected to rise to 65% by 2010. ¹ Bilateral free trade arrangements, sub-regional economic cooperation and regional economic forums constitute the basic structures to support and promote regionalism. Continuous

¹ [Http://www.fec.mofcom.gov.cn/](http://www.fec.mofcom.gov.cn/)

economic growth and interdependence requires for closer financial cooperation such as policy coordination, strategic consultation and even Asian Monetary Unit of some sorts.

Security cooperation lists high on the regional agenda. Asia confronts many security challenges ranging from North Korean nuclear issue to Indo-Pak confrontation. Therefore, Asia is working in a dichotomous way. On the one hand, Asia tries to establish and improve sub-regional mechanisms on security matters such as ASEAN Regional Forum (ARF) and SCO. On the other hand, Asia searches for eventual security framework in the future. The proposed ASEAN Security Community by 2020 represents one of these efforts. In either case, Asia strives for an effective co-existence between multilateral security frameworks and the U.S.-led bilateral alliance system. Besides, non-state actors are becoming more prominent in regional security matters. SCAP, ASEAN-ISIS second track, and SIIS-sponsored second track talks are promoting better understanding and communication.

Rule setting and legal construction constitutes important component of regionalism in Asia. In the past some Asian countries, especially Southeast Asian ones, prefer soft regionalism, that is, more emphases are on the norms and consensus. Dozens of regional and sub-regional mechanisms in Asia have produced large number of protocols, agreements and treaties, some of which are already governing the conducts and policies of the countries concerned. For instance, China and ASEAN countries signed the Declaration on the Code of Conduct on the South China Sea on November 4, 2002, which has helped stabilize the security situation there. Another example is the SCO-initiated agreements and treaties that result in great improvement of economic, security and cultural relations among the parties concerned.

Forming shared value and harmony of civilizations is a lasting factor of promoting regionalism in Asia. With deepening development of regionalism in Asia, such factors as values and civilizations have become a focus of prominence. Cooperation, harmony and people-first and others have become common denominators of Asian values and civilizations. In their mutual relations, most of the Asian countries are playing down their differences on ideologies but striving for common standings on economic development, social progress and cultural tolerance. Furthermore, Asian countries are calling for recognition of and respects for diversity of civilization, and promoting civilization dialogues in Asia and world as well. Especially at a time of spreading terrorism, Asian countries are paying particular attention to avoiding the clash of civilizations.

Cross-regional and global cooperation serve as important external federators to regionalism in Asia. At the time of globalization, regionalism and internationalism should not exclude each other and regional order should be compatible with global one. While projecting the future trends of regionalism and regional order, Asia must be sure that these trends should go along with those of the world. Through balancing

between rights and obligations, building compatible regulations and rules, and setting common agendas and targets, regionalism can be further enhanced in a constructive way. In other words, Asia must take into consideration many other important factors such as intra-regional, cross-regional and global cooperation, and the matching between regional institutions and international ones.

However, *regionalism in Asia has a long way to go before it can become mature and predominant*. In conception-wise, Asia is confronting with such barriers as narrow nationalism and narrow regionalism. Narrow regionalism is just an expanded version of narrow nationalism and both are the source of troubles and difficulties in current international relations. Practice-wise, Asia itself should make itself more centripetal rather than centrifugal. In terms of economic cooperation, there is great room for Asia to enhance intra-regional investment. For instance intra-East Asia investment in 2004 was only 25% of its total FDI as compared with European Union (70%) and North American Free Trade Agreement (NAFTA) (51%).² In terms of major power relations, Asia has yet to define the roles of China, Japan and India in the course of regionalism. In the foreseeable future regionalism in Asia continues to take the form of sub-regional rather than an entire regional one. Outside Asia, it has to straighten out its relations with the United States on the concept of pan-Pacific and pan-Asian cooperation, on the role of the United States, and on the specific issues such as coalition of the willing and able, Proliferation Security Initiative (PSI), the proposed “Concert of Democracies”, *etc.*

III. Implications for China and U.S.

Looking ahead to the future, regionalism in Asia tends to gain growing importance in the Sino-U.S. interactions. The focus will be on how to define U.S. role and its attempts to re-exert its influence in Asia. In order not to be squeezed out, the United States has openly and repeatedly preferred pan-Pacific to pan-Asian cooperation. The relevant key issue will be how to structure the new security framework in Asia. The biggest challenge will be how the two countries to work with other major players to chart the future win-win regionalism. In the meantime these interactions on regionalism in Asia will provide both countries with new opportunities to advance their respective and joint interests.

China and the United States should properly define their roles in regionalism in Asia. As cooperation being the major theme of the Sino-U.S. relations, both countries should use regionalism to promote rather than demote their cooperation. On the Chinese side, it should take into consideration the legitimate rights of the United States and not challenge the U.S. primacy in Asia. Furthermore China should draw the United States in this process of regionalism to play a positive and constructive role. On the American side, it should accept that regionalism in Asia is inevitable and the

² “*Dongya Hezhou Cheng Xinliangdian*” (Cooperation in East Asia Becomes a New Point of Growth), *Guoji Jinrong Bao* (International Finance News), July 31, 2006.

best policy is to go with not against the times. The United States should respect China's core and important interests in this process. On both sides, the two countries should define their responses to regionalism in Asia in their strategic planning and policy making.

Regionalism should be included into Sino-U.S. strategic/senior dialogues of various kinds. Given the new features of multilateral concerns in their bilateral relations, China and the United States should discuss on their respective attitudes towards regionalism in Asia, institution building and order-establishing, means and ways to achieve these goals, and favorable and unfavorable conditions. The two sides should also explore the possibility of forming a joint standing on these issues. In due course, the two countries should look for convergence and divergence of their relevant philosophy and values as well. Moreover, China and the United States should also include regionalism in their respective strategic/senior dialogues with other parties, such as Sino-Russia, Sino-India and U.S.-Japan dialogues.

Efforts should be made to translate multilateral interests into multilateral frameworks. Regionalism is multifaceted and multilateral in nature, therefore, special attention should be given to the interplay of many trilateral and multilateral relations of strategic importance, such as China-U.S.-Japan relations, U.S.-Indo-Pak relations, China-U.S.-ASEAN relations, China-U.S.-Russia-India relations and SCO-U.S. relations. In order to realize mutual benefits of all the parties concerned, China and the United States together with others should work out multilateral framework of various kinds step by step. Some soft mechanisms such as dialogues and forums could be very helpful at the beginning of the process.

Ad hoc and single-issue mechanisms should be linked to regionalism. In the development of regionalism in Asia there often come expected and unexpected events that call for Sino-U.S. cooperation, such as the North Korean and Iranian nuclear issues. While dealing with these *ad hoc* and single issues, China and the United States are increasingly transcending these issues *per se* by putting them in a broad perspective and context. For instance, both countries are dealing with North Korean and Iranian nuclear issues with a view to the NPT system.

More importance should be given to second tracks. Some think tanks inside and outside Asia have started projects on regionalism in Asia by conceptualizing regionalism in Asia, envisaging roadmaps of regional cooperation and projecting regional regimes and institutions. In the similar manner, the Chinese and U.S. governments have realized the significance of second tracks to strategy planning and policy recommendations on regionalism in Asia. Down the road, both sides should not only work closely but also coordinate with other major players of regionalism in Asia. Furthermore, their sights should go beyond Asia and far into the whole world.□

The majority of Southeast Asian states welcome a stronger regional presence for the United States. But this re-orientation towards the United States should be tempered by the expectation that, over the medium-term, most of Southeast Asia will continue to seek a fairly even-handed "hedging" vis-à-vis both the US and China. This is intended to maximise their strategic autonomy during an uncertain period of intensified great power competition. China, on the back of impressive economic growth, has sought to anchor its influence by exercising its increasing material power capabilities, diplomatic skills, and tactical intimidation, though this is often undercut by a strategic vision whose implementation appears largely in-flux and inconsistent. The United States has both sought to engage China and viewed China as a strategic competitor. The George W. Bush Administration moderated its initial view which emphasized China as a strategic competitor. This shift has been explained by the need for China's cooperation in the war against terror and on other issues. Militarily, China is the dominant regional power in Asia and one of the world's emerging great powers. Some analysts view the emergence of a new great power onto the world stage as causing likely disruption to the existing balance of power which could lead to conflict. Others see the potential to manage such a shift in the balance of power in a peaceful manner. How China engages Southeast Asia may tell us much about the nature of China's rise. This essay compares Asian regionalism with Europe's. It contrasts their differing approaches to regional cooperation and integration and draws lessons for how they could address the global crisis and other common challenges. Models of regionalism. A common thread runs through the turbulent histories of Asia and Europe: the immense dynamism and impressive discoveries of their great civilizations have often been directed towards destruction and death. But since Asia's exports of final goods mostly go to the United States and Europe, closer regional connections have gone hand in hand with greater global ties. The catalyst for the recent enhancement of regional cooperation in Asia was the 1997/8 financial crisis.