

**NEAT Working Group on East Asia's Evolving
Regional Architecture**

Report

**Bangkok, Thailand
4 March 2010**

Introduction

NEAT Working Group Meeting on East Asia's Evolving Regional Architecture was held on 4 March 2010 in Bangkok, Thailand. The Meeting was organized by the East Asia Academic Cooperation Council of Thailand (EACC) with the support of the Ministry of Foreign Affairs of Thailand.

The Meeting was attended by NEAT members and experts from 10 of the ASEAN+3 countries (Brunei Darussalam, Cambodia and Indonesia were absent) and the ASEAN Secretariat. The Meeting was presided over by H.E. Mr. Vitavas Srivihok, Director-General, Department of ASEAN Affairs, Ministry of Foreign Affairs of Thailand.

The Meeting was divided into four sessions. The gist of the four sessions can be summarized as follows:

I. The Relevancy of ASEAN+3 Cooperation in East Asia's Evolving Regional Architecture and Roadmap towards an East Asian community

The world's geo-economic and geo-politic are shifting and changing. The center of the global economy is shifting to Asia with East Asia as a hub. The uni-polar system with the US as a core is now being replaced by an emerging multi-polar system. In response to these changes, ideas and proposals have been made, including "G8 of Asia", Asia-Pacific community and East Asian community.

Since its inception in 1997, the ASEAN+3 process has become a major vehicle in moving forward intra-regional cooperation in East Asia. Currently, ASEAN+3 cooperation is being pursued in more than 20 areas under some 57 bodies. Unlike European integration, East Asia integration is primarily market-driven and characterized by open regionalism, gradual and flexible systems responsive to the region's varying economic, political and cultural realities, multi-track and multi-layer of sub-regional and regional cooperation fora/processes with ASEAN playing a central role.

East Asia community building should be discussed within the context of interaction of globalism, regionalism, and nationalism. The salient features of regionalism in East Asia are respect for sovereignty, non-interference in internal affairs, decision-making by consensus and inclination for informal and soft institutional structure. It remains to be seen whether these principles are to be maintained or superseded by other new principles in the future.

Though it is still too early at this juncture to define the shape and form of the East Asian community (EAc), which is regarded as a long-term goal, it is recognized that the ASEAN+3 process remains relevant and important to East Asia community building. The 2nd Joint Statement on East Asia Cooperation and the ASEAN+3 Cooperation Work Plan (2007-2017), adopted in 2007 on the occasion of the 10th

anniversary of the ASEAN+3 process, serve as a guidance for strengthening ASEAN+3 cooperation towards the long-term goal of building the EAc.

III. Deepening East Asia Economic and Financial Integration

The global economic and financial crisis which originated in the US in 2008 has resulted in two inter-related political and economic outcomes for East Asia. First, the crisis has realigned the political center of gravity to East Asia. Second, the crisis has underscored the status of East Asia as a key pillar not only in global recovery efforts but also in the future growth of the world's economy. China has become an engine of growth for its Asian neighbors while at the same time playing the important role as a key player in regional integration.

Regional economic integration in East Asia is primarily market-driven as a result of growing and irreversible economic inter-dependence among countries in the region. The global financial crisis has presented a golden opportunity for countries in East Asia to further deepen intra-regional trade and, in the process, to further integrate their economies.

The multitude of existing Free Trade Arrangements (FTAs) and Economic Partnership Agreements (EPAs) in the region can further facilitate intra-regional trade and economic integration. An on-going effort has been made to explore the possibility of establishing a region-wide FTA through the establishment of an East Asia Free Trade Area (EAFTA) under the ASEAN+3 framework and a Comprehensive Economic Partnership in East Asian (CEPEA) under the EAS framework. These two initiatives are being examined and considered in parallel.

Financial cooperation in East Asia has reached a major milestone with the launching of Chiang Mai Initiative Multilateralization (CMIM) in December 2009 with the initial size of US\$ 120 billion. Asian Bond Markets Initiative (ABMI) will also be further strengthened with the establishment of Credit Guarantee and Investment Facility (CGIF) to support the issuance of local currency-denominated cooperate bonds in the region.

II. Promoting East Asia Political and Security Cooperation

Although there have been a number of potential conflicts in the region, countries in East Asia have managed to maintain peace and stability in region through regional initiatives. The Treaty of Amity and Cooperation (TAC) in Southeast Asia has been recognized as a norm for cooperation to promote peace and stability not only among ASEAN Member States but also between ASEAN and its friends and partners.

ASEAN Regional Forum (ARF) is recognized as the most premiere forum for peace and security dialogue in the Asia Pacific region. ASEAN Defence Ministers Meeting (ADMM) established in 2006 is also a significant development in defence and security cooperation in the region. The ADMM's decision to establish the ADMM-Plus process is a major effort to develop and enhance regional defence and security cooperation in Southeast Asia and beyond.

In the ASEAN+3 framework, political and security cooperation is quite limited and lagged far behind economic and financial cooperation, even though political and security cooperation can play a positive role in mitigating differences and reducing tensions in the region. In the 1st Joint Statement on East Asia Cooperation adopted at the 2nd ASEAN+3 Summit in 1999, only short reference was made regarding political-security cooperation. In the 2nd Joint Statement and the ASEAN+3 Cooperation Work Plan (2007-2017), though greater reference was made on political and security cooperation, cooperation in this field is still underdeveloped.

The ASEAN+3 Foreign Ministers Meeting established in 2000 is currently the only mechanism to discuss ASEAN+3 political and security cooperation. A proposal to establish ASEAN+3 Defence Ministers Meeting (ADMM+3) is unfortunately not well received owing to a misperception that ASEAN+3 cooperation is mainly economic-oriented. However, in the area of non-traditional security, some cooperation has been undertaken under the framework of the ASEAN Ministerial Meeting on Transnational Crime+3 (AMMTC+3) established in 2004. Humanitarian assistance, natural disaster relief, infectious diseases and pandemic prevention, piracy terrorism and human trafficking are among areas of cooperation that should be promoted in the ASEAN+3 framework.

IV. Enhancing East Asia Social and Cultural Cooperation

Socio-cultural cooperation is part and parcel of East Asian community building process as it helps promote better understanding and public participation. Connectivity through infrastructure, education, communication, as well as cultural and people-to-people exchanges should be further encouraged. East Asia's cultural diversity should be considered as strength not weakness.

There is a need to enhance greater traditional and pop culture exchanges among countries in the region. In recent years, there has been a greater flow of popular culture, especially from Northeast Asia to Southeast Asia, which has profound implications on the way of life as well as the lifestyle of people in the region, especially among younger generations.

ASEAN has developed an extensive network of educational cooperation, especially after the establishment of an ASEAN University Network (AUN) in 1995. The AUN was given a mandate to strengthen existing networks of cooperation among universities in ASEAN, to promote collaborative study, research and educational

programs, and to enhance cooperation and solidarity among scholars, academicians and researchers in the ASEAN Member States. The AUN is currently consisted of 22 member universities and set to expand its membership.

In an effort to develop cooperation among the ASEAN+3 Universities, the ASEAN+3 Higher Education Policy Dialogue was held in March 2009 to explore the possibility of establishing an ASEAN+3 University Network (AUN+3). The Meeting agreed to convene the ASEAN+3 Rectors' Conference and the Meeting of ASEAN+3 University International Relations Officers on an annual basis. Support has also been made in an effort to set up ASEAN+3 Senior Officials Meeting on Education (SOM-ED+3) as a new mechanism to promote ASEAN+3 educational cooperation.

Policy Recommendations

1. Though the shape and form of the EAc have not yet been clearly defined, it is important to reaffirm the long-term goal of building the EAc as it represents the hope and aspiration of countries in East Asia to live in peace and harmony with one another and with the world at large.
2. At this juncture, there is no need to set a definite timeframe for the realization of the EAc. The EAc should be built upon the success of ASEAN community building. The EAc is very much dependent upon ASEAN's ability to integrate itself deeper and faster so that it can continue to play a central role and serve as a building block for wider community building in East Asia.
3. As the world's economic and political center is shifting to East Asia, it is necessary to maintain the principle of open regionalism otherwise there could be a suspicion that East Asia community building may lead to the creation of a "Fortress of East Asia".
4. All stakeholders in East Asia should be welcomed to be part of East Asia evolving regional architecture in order to allow constructive contribution from both inside and outside the region.
5. East Asia community building should not be built on a single structure but on multiple ones as it is part of multi-layered regional architecture. Existing fora/processes such as ASEAN, ASEAN+1, APT, EAS, ARF, APEC and ASEM should be strengthened and allowed to evolve as they have their own merit and mandate.
6. To ensure the openness and inclusiveness of East Asia cooperation, several ideas and initiatives have been proposed for further discussion. These include ASEAN+3+1 (US or EU) formula which can focus on economic cooperation, ASEAN+8 (China, Japan, ROK, India, Australia, New Zealand, the US and Russia) to be held back to back with APEC Summit, and the expansion of the EAS to include the US and Russia.

7. The basic principle for the evolving regional architecture is that ASEAN should be the core of this regional structure. The centrality and pro-active role of ASEAN as the primary driving force in this regional community building process should be maintained.
8. East Asia should create its own growth by promoting greater intra-regional trade and re-balancing capital flows for intra-regional investment. EAFTA under the APT and CEPEA under the EAS should be explored in parallel as they can complement each other and help address the problem of “noodle bowl”.
9. The current global economic and financial crisis helps strengthen ASEAN+3 financial cooperation. Tangible progress has been made on CMIM, but its effectiveness is still in doubt until tested. The member countries would be reluctant to use CMIM unless it offers greater flexibility in its lending, which is still closely tied to the IMF conditionality.
10. East Asia political and security cooperation should be enhanced based on common values and shared interests. The ADMM Plus can promote and advance political and security cooperation between ASEAN and its dialogue partners as well as promoting political and security cooperation in East Asia.
11. Social and cultural cooperation is indispensable in community building in East Asia as it can help promote better understanding and mutual trust. Education in particular can play an important role to enhance better understanding and mutual trust. As a result, efforts to establish an ASEAN+3 University Network and other mechanisms to promote ASEAN+3 educational cooperation should be welcomed and encouraged.
