

# Kevin Rudd's Asia-Pacific Community Initiative: Suggestions and Insights for the Future Process of East Asian Regional Cooperation

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Carlyle A. Thayer\*

**Introduction: The East Asian Region**

What are the geographic boundaries of and what states comprise the East Asian Region? This paper will argue that regions and sub-regions are what statesmen, scholars and businessmen make of them. They are artificial constructs drawn to serve some particular purpose, such as promoting economic growth, for example. Drawing regional boundaries is a political process that determines which states are included and which states are excluded.

The Asia-Pacific Region is generally conceptualized as including five sub-regions: North East Asia, South East Asia, South Asia, Central Asia and Oceania (the South West Pacific). North East Asia normally includes China (including Taiwan), Japan, North and South Korea, and Mongolia. During the Cold War some scholars included the Soviet Union as a sub-regional actor while others excluded it. But the East Asian Region is not congruent with the North East Asia sub-region because it straddles the traditional boundaries between North East Asia and South East Asia.

Is the East Asian Region equivalent to the East Asia Summit (EAS)? The EAS is the only multilateral institution in the Asia-Pacific to bear the name East Asia. The EAS includes sixteen members: the ten states comprising the Association of Southeast Asian Nations (ASEAN), China, Japan, South Korea, India, Australia and New Zealand. This definition of the East Asian Region includes countries from four of the Asia-Pacific's sub-regions: North East Asia, South East Asia, South Asia and Oceania.

Regional boundaries are not fixed in time and space; they may be expanded to include states that were previously excluded. The expansion of the ASEAN Regional Forum's membership to include states from South Asia (India, Pakistan, Sri Lanka and Bangladesh) is a case in point.

The question of defining regional boundaries and therefore membership is important for framing this session's discussion on "suggestions and insights for the future process of East Asian regional cooperation." If we confine our discussion to the sixteen members of the EAS we risk excluding major states, such as the United States and the Russian Federation, which play important roles in regional cooperation. The presence here of participants

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from Fiji and Samoa suggests a much broader conceptualization of the East Asian region than the EAS implies.

This paper will discuss prospects for regional cooperation by critically examining the proposal by Australia's Prime Minister Kevin Rudd to create an Asia-Pacific Community (APC) by 2020. Veteran journalist Paul Kelly offered this uniquely Australian perspective:

what nations constitute Rudd's Asia-Pacific community? The history of the past 20 years shows that whenever such forums are raised the membership is contested. When Australia talks about the Asia-Pacific it has a strategic concept in mind: the integration of East Asia with North America. But not everybody thinks like Australia.<sup>1</sup>

### **The Asia-Pacific Community Initiative**

In June 2008, Prime Minister Kevin Rudd first announced his initiative in an address to the Asia Society in Sydney.<sup>2</sup> His central premise was that "none of our existing regional mechanisms as currently configured" were capable of engaging "in the full spectrum of dialogue, cooperation and action on economic and political matters and future challenges to security." Prime Minister Rudd, therefore, proposed a regional institution that spanned the entire Asia-Pacific region capable of achieving these objectives. It is worth quoting directly from his inaugural presentation:

...there is a brittleness in a foreign policy based only on bilateral relations. To remove some of that brittleness, we need strong and effective regional institutions. Strong institutions that will underpin an open, peaceful, stable, prosperous and sustainable region.

We need them because regional institutions are important in addressing collective challenges that no one country can address alone – and they help us develop a common idea of what those challenges are.

Prime Minister Rudd listed four major challenges: enhancing a sense of security community; developing a capacity to deal with terrorism, natural disasters and disease; enhancing non-discriminatory and open trading regimes; and providing long-term energy, resource and food security.

Rudd then reviewed the premier multilateral institutions that made up the Asia-Pacific's regional architecture – Asia-Pacific Economic Cooperation (APEC), ASEAN Regional Forum (ARF), ASEAN Plus Three (APT) and the East Asia Summit. Rudd posed the rhetorical question, "what should the long-term vision for our region's architecture be?" In his view the answer lay in a vision for an Asia-Pacific Community that embraced:

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<sup>1</sup> Paul Kelly, "Time may not be ripe for brave new forum," *The Australian*, July 9, 2009.

<sup>2</sup> Kevin Rudd, "It's time to build an Asia-Pacific Community," Address to the Asia Society AustralAsia Centre, Sydney, June 4, 2008.

A regional institution which spans the entire Asia-Pacific region – including the United States, Japan, China, India, Indonesia and the other states of the region.

A regional institution which is able to engage in the full spectrum of dialogue, cooperation and action on economic and political matters and future challenges related to security.

Rudd concluded “[a]t present none of our existing regional mechanisms as currently configured are capable of achieving these purposes [of creating a comprehensive sense of community].” He then proposed a “regional debate about where we want to be in 2020.” Rudd also stressed that his proposal:

did not mean the diminution of any of the existing regional bodies. APEC, the ASEAN Regional Forum, the East Asia Summit, ASEAN Plus Three and ASEAN itself will continue to play important roles and longer-term may continue in their own right or embody the building blocks of an Asia-Pacific Community.

Finally, Rudd announced the appointment of veteran diplomat, Richard Woolcott, as Australia’s envoy to promote his initiative.

Prime Minister Rudd appears to have been motivated by three major considerations.<sup>3</sup> First, he was consciously following in the footsteps of his Australian Labor Party predecessors in promoting Australia’s engagement with the region. None was more successful than Bob Hawke who promoted APEC. Second, Rudd sought to promote Australia’s interests as a proactive middle power. Third, he wanted to ensure that both China and the United States were drawn into an effective regional framework designed to cope with current and future economic and strategic issues.

Journalist Mike Steketee suggested a fourth motivation, “Mr Rudd was keen to proclaim a new initiative as the centerpiece of the government’s declared policy of ‘comprehensive engagement’ with Asia in advance of his trip to Japan and Indonesia...”<sup>4</sup> According to Steketee, the Rudd proposal for an Asia-Pacific Community “was hatched at the last minute, triggering hasty drafting work in Canberra and a flurry of diplomacy in key Asian capitals in recent days.” Richard Woolcott reportedly was notified of his new position as Special Envoy five hours before the Prime Minister made his announcement.

Prime Minister Rudd raised his APC proposal with his counterparts when he visited Japan and Indonesia (11-14 June). While in Jakarta he pointedly paid the first visit to the ASEAN Secretariat by an Australian prime minister.

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<sup>3</sup> Carlyle A. Thayer, “A Sense of Community,” *Australasia ASEAN Business* (Sydney: Palamedia), 1(1), May 2009, 149-150 and Richard Woolcott AC, Address to the AIIA, Sydney, June 9, 2009, 4. The AIIA is an abbreviation for the Australian Institute of International Affairs.

<sup>4</sup> Mike Steketee, “Don’t push EU model: say ex-PMs,” *The Australian*, June 6, 2009.

## Taking the Initiative to the Region

In July 2008, Prime Minister Rudd took his case for an Asia-Pacific Community to the region when he addressed an audience in Singapore. Rudd sought to address some of the criticisms that had been raised after his initiative was launched. First, the Prime Minister was at pains to allay concerns that his APC proposal would be at the expense of ASEAN. Rudd praised ASEAN lavishly for its contribution to regional security:

Some criticize ASEAN for being insufficiently activist.

I argue that this criticism is misplaced because it fails to appreciate that ASEAN's great success has been to avoid conflict among member states and allow economic development to progress unimpeded by intra-regional security concerns.

That is why I argue that ASEAN has been a remarkable success story.

ASEAN in turn has given rise to other elements of the wider regional architecture including the East Asia Summit (EAS), the Asia Europe Meeting (ASEM) and the ASEAN Regional Forum.<sup>5</sup>

Rudd then argued the case for "a regional discussion about the sort of regional architecture we want to see in the next 20 years." He expanded the number of major players that he felt should be included in a dialogue on the region's future to include South Korea, Malaysia and Singapore on his initial list of five (United States, China, Japan, Indonesia and India).<sup>6</sup>

When Prime Minister Rudd first made his proposal his remarks on the relevance of Europe were widely misinterpreted to mean that he was proposing a European Union model for the Asia-Pacific.<sup>7</sup> Former Labor Prime Ministers Bob Hawke and Paul Keating both publicly counseled against it. Hawke stated, "I don't want to knock references to the EU but don't let us say that's the way it must be for Asia."<sup>8</sup> Keating wrote in an article "even the basic first step made towards the European community – the European steel plan of the 1950s – would not, I believe be capable of emulation these days, across East Asia and the subcontinent."<sup>9</sup>

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<sup>5</sup> Kevin Rudd, "Building on ASEAN's Success – Towards an Asia-Pacific Century," The Singapore Lecture, August 12, 2008.

<sup>6</sup> In Rudd's Singapore Lecture China was advanced to second place before Japan and Indonesia was listed before India.

<sup>7</sup> Both Reuters and *The Sydney Morning Herald* reported that Rudd wanted to create an Asia-Pacific Community based on the European Union. See: Michael Perry, Reuters, "Australian PM wants Europe-style Asia-Pacific Union," June 4, 2009 and Phillip Coorey, "Rudd's vision: an EU of the Asia-Pacific," *The Sydney Morning Herald*, June 5, 2009. One report even suggested that Rudd's regional security body would be "an Asia-Pacific version of NATO." See: "Rudd push for Asian 'NATO'," *The Advertiser* (Adelaide), June 5, 2009.

<sup>8</sup> Mike Stekete, "Don't push EU model: say ex-PMs," *The Australian*, June 6, 2009.

<sup>9</sup> Quoted in Peter Hartcher and Phillip Coorey, "Keating delivers a blow to PM's pitch for regional unity," *The Sydney Morning Herald*, June 6, 2008.

In light of this controversy it is worth quoting what the prime minister actually said:

The European Union of course does not represent an identikit model of what we would seek to develop in the Asia-Pacific.

But what we can learn from Europe is this – it is necessary to take the first step.

In the 1950s, skeptics saw European integration as unrealistic.

But most people would now agree that the goal of the visionaries in Europe who sat down in the 1950s and resolved to build prosperity and a common sense of security community has been achieved.

It is that spirit we need to capture in our hemisphere.

Our special challenge is that we face a region with greater diversity in political systems and economic structures, levels of development, religions beliefs, languages and cultures, than did our counterparts in Europe.

But that should not stop us from thinking big.<sup>10</sup>

In his Singapore Lecture, Rudd responded to those critics who accused him of attempting to create a European Union-type body for the Asia-Pacific, by spelling out “what an Asia-Pacific Community is not:”

It is not an economic union.

It is not a monetary union.

It is not at this stage a customs union.

And it is certainly not a political union.

All of our existing mechanisms have a critical role to play both now and into the future – including ASEAN, APEC and the EAS.

In November 2008, Prime Minister Rudd returned to his proposal for an Asia-Pacific Community in an address to a Canberra-based think tank. He stated, “[o]ur ambition is to create an Asia-Pacific Community by 2020. And that is a single pan-regional body that brings together the United States, China, India, Indonesia, Japan and the other countries of the region with a broad agenda to deal with the political, economic and security challenges of the future.”<sup>11</sup> Importantly, Rudd noted that the process of creating an APC would be gradual and “ASEAN must be at its core.” The following month, Prime Minister Rudd provided an important rationale for his Asia-Pacific Community proposal when delivering the first National Security Statement to Parliament. Rudd argued:

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<sup>10</sup> Kevin Rudd, ‘It’s time to build an Asia-Pacific Community,’ Address to the Asia Society AustralAsia Centre, Sydney, June 4, 2008, 5.

<sup>11</sup> Kevin Rudd, ‘Towards an Asia-Pacific Century,’ Speech to the Kokoda Foundation Australia-US Trilogy, November 20, 2008, 7.

As our security is linked inextricably to the security of our region, regional engagement is crucial. This includes strengthening our bilateral relationships and effective engagement in regional institutions. It also means seeking to positively influence the shape of the future regional architecture in a manner that develops a culture of security policy cooperation rather than defaults to any assumption that conflict is somehow inevitable (underlining in original).<sup>12</sup>

The Prime Minister's rationale was also incorporated in Australia's Defence White Paper issued in May 2009. This document declared:

The Government's approach to enhancing strategic stability in the Asia-Pacific region is to work to strengthen the regional security architecture so that it embraces the United States, Japan, China, India, Indonesia and other regional states within a community that is able to engage in the full spectrum of dialogue, cooperation and action on economic and political matters, as well as future challenges related to security. The Government has proposed the development of an Asia-Pacific Community by 2020 as a means of strengthening political, economic, and security cooperation in the region in the long-term. Success in that endeavour will bring many benefits, not least by easing our defence planning challenges.<sup>13</sup>

### **From Asia-Pacific Community (APC) to Asia-Pacific community (APc)**

In April 2009, Prime Minister Rudd lost an important opportunity to present his APC proposal to a summit of regional leaders scheduled for Thailand when domestic turmoil led to the cancellation of the 14<sup>th</sup> ASEAN and related summit meetings.<sup>14</sup> The following month Rudd used the occasion of a keynote speech to the Shangri-la Dialogue in Singapore to present his justification for an APC in greater detail. Rudd elaborated on a theme he had developed in earlier speeches, namely, that too much was at stake to sit passively by and let events dictate how the region should respond to future security challenges. In the Prime Minister's words:

The choice is whether to seek actively to shape the future of our wider region, the Asia-Pacific region, by building the regional architecture we need for the future if we are together to shape a common regional future; or whether we will adopt a passive approach, where we simply wait to see what evolves, whether that enhances or in fact undermines security. Do we sit by and allow relations between states to be buffeted by economic and strategic

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<sup>12</sup> "The First National Security Statement to the Australian Parliament," Address by the Prime Minister of Australia The Hon. Kevin Rudd MP, December 4, 2008, p. 8.

<sup>13</sup> Australian Government, Department of Defence, *Defending Australia in the Asia-Pacific Century: Force 2030*. Defence White Paper 2009, p. 43.

<sup>14</sup> Carlyle A. Thayer, "A Sense of Community," *Australasia ASEAN Business* (Sydney: Palamedia), 1(1), May 2009, 149-150 and Richard Woolcott AC, Address to the AIIA, Sydney, June 9, 2009, 7.

shifts and shocks or do we seek to build institutions to provide anchorages of stability able to withstand the strategic stresses and strain of the future when they inevitably arise?<sup>15</sup>

Rudd warned of the potential dangers of “mis-communication, of miscalculation and mis-adventure” arising from the proliferation of weapons of mass destruction and the emergence of China and India as major powers. According to Rudd:

We need mechanisms that help us to cope with strategic shocks and discontinuities. We need a body that brings together the leaders of the key nations in the Asia-Pacific region, including Indonesia, India, China, Japan, the US and other nations, with a mandate to engage across the breadth of the security, economic and political challenges we will face in the future.<sup>16</sup>

Prime Minister Rudd then made public three key findings arising from consultations between his Special Envoy, Richard Woolcott, and regional leaders:

First, there has been broad agreement on the value of a focused discussion about how regional architecture can best serve all of our interests in the future...

Secondly, there is widespread recognition that our current structures do not provide a single forum for all relevant leaders to discuss the full range of political, economic, and security challenges we face in the future.

Thirdly, it is clear that no one wants more meetings. There is no appetite for additional institutions.

Rudd concluded by noting that “Australia has no prescriptive view...The clear conclusion from my envoy’s report is that there is an interest in the region in this discussion, and there is a wish to explore the possibilities without any fixed or final views on a destination.” Therefore, Rudd announced he would brief leaders at the EAS and APEC summits scheduled for later in the year and that Australia would invite “key government officials, academics and opinion makers from around the region” to attend “a one and a half track conference to further explore the idea of an Asia-Pacific community.”

Veteran ABC foreign correspondent Graeme Dobell quickly noted that in the text of the Prime Minister’s keynote address the word community was now spelled with “c” demoted to lower case. Dobell concluded that as a result of regional reservations about the Asia-Pacific community initiative,

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<sup>15</sup> Keynote Address by Kevin Rudd, Prime Minister, Australia to the 8<sup>th</sup> IISS Regional Security Summit, The Shangri-La Dialogue, Singapore, May 29, 2009, 2-3.

<sup>16</sup> Keynote Address by Kevin Rudd, Prime Minister, Australia to the 8<sup>th</sup> IISS Regional Security Summit, The Shangri-La Dialogue, Singapore, May 29, 2009, 4.

the Prime Minister had cut his losses and “moved on.”<sup>17</sup> Government insiders, however, insisted that the change from upper to lower case was to dispel confusion that Rudd was advancing a proposal for a EU-type arrangement for the Asia-Pacific.<sup>18</sup> The Prime Minister’s decision to proceed with a conference on his proposal undermines Dobell’s assessment.<sup>19</sup> Indeed, Prime Minister Rudd wrote to 21 heads of government soliciting ideas for his APC in advance of his one and a track conference scheduled for early 2010.<sup>20</sup> Rudd also lobbied Malaysia’s prime minister during a brief visit on 10<sup>th</sup> July.

### **Assessments by the Special Envoy**

The most authoritative assessment of regional reactions to Rudd’s proposal for an Asia-Pacific community was provided in a public address by his Special Envoy, Richard Woolcott, in mid-2009.<sup>21</sup> He delivered an interim report to the Prime Minister in November 2008 on the eve of the APEC Summit in Lima, Peru and a final report in March 2009. At the time of the interim report, Woolcott had visited 16 countries and held discussions with 162 persons. When Woolcott submitted his final report, he had visited 21 regional countries and consulted with over 300 persons. Woolcott visited all of the ASEAN states except Myanmar and all of the members of APEC and EAS, with the exceptions of Hong Kong and Taiwan.

According to an account by Paul Kelly, Richard Woolcott’s interim report contained five options. The option of abandoning the APC initiative was dismissed out of hand by the Prime Minister. Of the remaining four options, two appeared attractive: (1) expanding the East Asia Summit by including the United States and Russia or (2) creating an Asian core group of eight to ten members that would meet on the sidelines of APEC or EAS. An eight-member core group, or G8, would include the United States, China, Japan, Russia, India, Indonesia, South Korea and Australia. The drawback to the G8 option was that ASEAN would no longer be in the “driver’s seat.”

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<sup>17</sup> Graeme Dobell, “Asia Community: Rudd moves on,” *The Interpreter*, weblog of the Lowy Institute for International Policy, May 31, 2009. Dobell incorrectly stated “throughout the printed text, the reference was to an Asia-Pacific community (APc).” Actually, when Rudd first used the term “Asia-Pacific Community (APC)” it was put in quotation marks with “c” in upper case in the text. The abbreviation APC was used six times before “Asia-Pacific community” appeared. This was referred to subsequently as the APC in one reference before reverting to Asia-Pacific community for the remainder of the address. For subsequent commentary see Graeme Dobell, “Reader riposte: ASEAN sets the agenda,” *The Interpreter*, <http://www.lowyinterpreter.org/post/2009/06/10>.

<sup>18</sup> Based on an off-the-record discussion with an Australian government official, Canberra, August 12, 2009.

<sup>19</sup> Peter Drysdale argued that “Prime Minister Rudd took his idea of an Asia-Pacific Community (APC) a decisive step forward,” see: Peter Drysdale, “Rudd in Singapore on the Asia-Pacific Community idea,” *East Asia Forum*, May 31, 2009, <http://www.eastasiaforum.org/2009/05/431> and David Crowe, “Rudd presses on with Asian forum,” *The Weekend Australian Financial Review*, May 30-31, 2009.

<sup>20</sup> Jonathan Pearlman, “Plan gains pace for gathering of regional leaders,” *The Sydney Morning Herald*, June 10, 2009.

<sup>21</sup> Richard Woolcott AC, Address to the AIIA, Sydney, June 9, 2009.

Woolcott proposed a variation called G10 that would include “the present, past and future ASEAN chairs.”<sup>22</sup> The other options included APEC as the basis for the new community or “an umbrella-type link between APEC and the EAS under which APEC covers the economic issues and the EAS the security issues.”<sup>23</sup>

Woolcott’s public address noted that the Prime Minister “is still developing his ideas on the details of the arrangement” and that “[w]hat he (the Prime Minister) has in mind is not an EU type of institution or the creation of some supranational bureaucracy (underline in original).” According to the Special Envoy, Kevin Rudd’s “actual objective is to see a meeting at HOG (Head of Government) level, of the six major regional countries – United States, China, Japan, India, Russia and Indonesia – and other countries in the Asia-Pacific region to discuss... how best to handle the challenges... that our region is likely to face.”<sup>24</sup>

After noting that there are “a plethora of institutions in the Asia-Pacific region dealing with various issues...” Woolcott asked, “So why should we be suggesting additional arrangements?” He offered this explanation:

The problem is that none of the existing institutions has the mandate, the membership or the ability to deal comprehensively with all of the economic, political and security issues that Mr Rudd has in mind. For example, APEC does not include India and its mandate is essentially economic. The EAS does not include the United States and Russia. While the ARF does include all the principal countries it is widely seen as being too large with 27 countries, it does not meet at HOG level and when a serious regional issue arose, such as North Korea’s nuclear capability, it was handled by a new arrangement, the Six

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<sup>22</sup> Paul Kelly, “Shape of the future,” *The Australian*, December 20, 2008. On those occasions when Indonesia is not the past, present or future ASEAN chair, the G10 would actually comprise eleven members. See also John Kerin, “Rudd mission looks a little less impossible,” *The Australian Financial Review*, January 20, 2009 and Daniel Flitton, “Setback for PM’s Asia-Pacific proposal,” *The Age*, April 21, 2009.

<sup>23</sup> Paul Kelly, “Shape of the future,” *The Australian*, December 20, 2008. Kelly also noted that an unwritten assumption was that the Pacific Island nations would not be included. Rodolfo Severino, the former Secretary-General of ASEAN, wrote a stinging critique of the Kelly article and argued for the continued primacy of ASEAN within existing multilateral institutions. See Rodolfo C. Severino, “What’s the point of a new Asia-Pacific architecture?” *The Straits Times*, January 7, 2009. For a reply to Severino by Doug Chester, the Australian High Commissioner in Singapore, see: “Benefits of proposed Asia-Pacific Community,” *The Straits Times*, January 17, 2009, and for Severino’s reply to Chester, see: “Canberra’s best bet: Strengthening Asean,” *The Straits Times*, January 20, 2009. Australia’s Ambassador to ASEAN, Gillian Bird, provided firm assurances that “ASEAN is always the center of our regional architecture,” see interview with Lilian Budianto, “ASEAN is ‘the center of our regional architecture’,” *The Jakarta Post*, May 15, 2009. Coincidentally, Indonesian academic Rizal Sukma, Executive Director of the Centre for Strategic and International Studies, proposed the creation of an “Asia-Pacific 8” to replace what he termed “outmoded [regional] architecture”. Sukma listed the United States, Japan, China, India, Russia, South Korea, Australia and Indonesia as core members. See: Lilian Budianto, “Indonesia told to initiate new Asia-Pacific forum,” *The Jakarta Post*, May 6, 2009.

<sup>24</sup> Richard Woolcott AC, Address to the AIIA, Sydney, June 9, 2009, 4.

Party Talks, although all six countries were members of the ARF. So, there is a clear need for more effective arrangements in the future, especially to deal with political and security issues.<sup>25</sup>

Throughout his public address Woolcott referred to the “Asia-Pacific community,” which was abbreviated APc in the text.

### **Future Regional Cooperation**

The Asia-Pacific Region is beset by a number of security challenges that need to be addressed by the international community collectively. Many if not all of these security challenges are global in nature, such as climate change, and are being addressed by the United Nations. Other international groups, such as the G20, have been involved in considering the global financial crisis. This raises the question whether international security challenges are best dealt with at the regional level by presently existing institutions or whether they could be better addressed by renovating the regional security architecture to make it more effective.<sup>26</sup> Recall that Prime Minister Rudd has argued, “[a]s presently configured, there is no single regional organisation with a pan-regional mandate that covers the full policy spectrum.”

A quick canvass of regional institution bears out this assessment. APEC has focused mainly on trade liberalisation, while the ASEAN Regional Forum has dealt with confidence-building measures. The ASEAN Plus Three and the East Asia Summit processes overlap in membership, but their explicit roles have yet to be clearly defined. Rudd’s proposal was aimed at overcoming the compartmentalisation of existing regional institutions by creating an effective leadership forum where major political, economic and security issues could be dealt with holistically rather than piecemeal. Rudd’s proposal aimed at creating an Asia-Pacific community by 2020.

There are several major issues that must be addressed if Rudd’s proposal is to advance.<sup>27</sup> The first concerns what specific organisational form the Asia-Pacific community should take. Over a year after it was first proposed, it is apparent that there is little regional backing for the creation of a new regional institution. But there appears to be some support for modifying or expanding existing multilateral arrangements in order to create a more effective regional architecture at head of government/state level. It has been suggested, for example, that the ARF could be upgraded to summit level.<sup>28</sup>

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<sup>25</sup> Richard Woolcott AC, Address to the AIIA, Sydney, June 9, 2009, 5.

<sup>26</sup> There is also the possibility of cooperation involving countries from different regions, see Carlyle A. Thayer, “Multilateral Co-operation and Building Trust: Ideas for EU-Asian Relations,” *Asien: The German Journal on Contemporary Asia*, 110, January 2009, 73-97.

<sup>27</sup> Carlyle A. Thayer, “Kevin Rudd’s multi-layered Asia-Pacific Community initiative,” East Asia Forum, June 22, 2009. <http://www.eastasiaforum.org/2009/06/22>.

<sup>28</sup> Tan See Seng, “The Asia-Pacific Community” Idea: What Next?” *RSIS Commentaries*, 49/2009, May 25, 2009, 3.

Both APEC and the EAS seem more likely frontrunners. Either APEC or EAS could be upgraded to serve as the foundation for Rudd's Asia-Pacific community, or both could be upgraded and assume greater responsibility, respectively, for economic and political-security matters. Hadi Soesastro has argued, for example:

The new architecture could be built on two main pillars. One pillar would be that of a revitalized APEC with a strong ASEAN Plus Three (APT) at its core in East Asia. This forms the economic pillar of the regional architecture, and the immediate question is how to involve India in this process.

The other pillar, political security, is that of a transformed East Asian Summit (EAS) that is supported by the ARF at the working level.<sup>29</sup>

The second major question concerns membership. In 2008, Rudd initially nominated the United States, Japan, China, India, Indonesia 'and other states in the region' as members. The initial core group of five has been expanded to six to include Russia. Although neither Rudd nor his Special Envoy Woolcott have publicly specified who the other regional states would be, they have mentioned South Korea, Malaysia and Singapore. As a result of Australian diplomatic soundings, it is clear that if Rudd's proposal is to get off the ground ASEAN must be at its core. This could take one of two forms. All ten ASEAN states, including Myanmar (bypassed by Rudd's Special Envoy), viewed by many as a pariah state, Brunei, and poverty-stricken Laos and Cambodia would be included. Or ASEAN could be represented by its Chair and its Secretary General.<sup>30</sup>

The question of membership could be addressed by expanding existing institutions such as APEC, by including India, and the EAS, by adding the United States and Russia. In either case, adding additional members to these institutions raises the complication of deciding what to do with countries (or 'economies' as in the case of APEC) that belong to one but not both bodies. APEC includes Hong Kong and Taiwan as well as Mexico, Chile and Peru, none of whom are participants in the EAS. Additionally, Papua New Guinea, Bangladesh, Sri Lanka, Pakistan and the European Union are all members of the ARF and could legitimately claim they should be included in any new regional architecture.

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<sup>29</sup> Hadi Soesastro, "Kevin Rudd's architecture for the Asia-Pacific," *The Jakarta Post*, June 11, 2008. A similar version appeared two days earlier, see: Hadi Soesastro, "Kevin Rudd's architecture for the Asia-Pacific," *The East Asia Forum*, June 9, 2009. <http://www.eastasiaforum.org/2009/06/12/>.

<sup>30</sup> Jusuf Wanandi, "The ASEAN Charter and remodeling regional architecture," *East Asia Forum*, November 9, 2008. <http://www.eastasiaforum.org/2008/11/09/>. Wanandi made this suggestion as part of his proposal for an overarching East Asian institution and not specifically in response to Rudd's Asia-Pacific community proposal. See also: Andy Rachmianto, "New challenges to ASEAN," *The Jakarta Post*, August 8, 2009. Rachmianto argued for a "G-8 for East Asia" (Australia, China, India, Indonesia, Japan, Russia, South Korea and the US) in which ASEAN was included or "represented by the chair and the secretary-general of ASEAN."

Because the EAS has a smaller membership, and includes all ASEAN states, it might be a more suitable candidate for community building in the Asia-Pacific than APEC. The EAS already brings together heads of government and state. Russia wants to join and the Obama Administration has laid the groundwork by acceding to the ASEAN Treaty of Amity and Cooperation. A possible US bid for membership in the EAS is currently undergoing an inter-agency review.

Hadi Soesastro has proposed a variant, which he calls the Asia-Pacific Summit, to be composed of the Asia-Pacific members of the G20. He suggests that both APEC and the ARF develop the issues to be considered by the summit. Soesastro suggests that a Korean proposal to create an East Asian caucus of the G20 (Australia, China, India, Indonesia, Japan and South Korea) could serve as a building bloc to his proposed Asia-Pacific Summit. He argues:

This East Asian group can help establish the processes involving a larger Asia-Pacific group as the core of the new Asia-Pacific Summit. This G10 of the Asia-Pacific would include the six Asia-Pacific members of the G20 and Canada, Mexico, Russia and the United States.<sup>31</sup>

If a consensus emerged to build on the EAS process, progress is likely to be evolutionary. The question of how decisions are made (and how binding they would be) needs to be addressed. Should voting be by consensus or majority vote? Or should some variant be adopted along the lines of "ASEAN Minus X formula", whereby states that agree to undertake certain actions are not constrained by the lack of consensus or "X", the number of states who do not agree.

The EAS could gradually develop from a dialogue forum where heads of government and state discuss issues where economic, political and security considerations overlap, into a body that provides leadership and direction to address these issues. Prime Minister Rudd has set out in general terms what issues he feels should be on the agenda:

- Economic
  - Non-discriminatory open-trading regime
- Political
  - Capacity to deal with terrorism
  - Managing the rise of China and India
- Security

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<sup>31</sup> Hadi Soesastro, "Architectural momentum in Asia and the Pacific," East Asia Forum, June 14, 2009. <http://www.eastasiaforum.org/2009/06/14>.

- Natural disasters, disease, energy security, resource security, food security, proliferation of weapons of mass destruction, climate change

Such an ambitious agenda would then raise questions about the efficacy of presently existing regional institutions (APEC, the ARF and ASEAN Plus Three in particular) and their relationship to the process of community building.<sup>32</sup>

The final major question that needs to be addressed is what kind of Asia-Pacific community is envisioned for the future. Rudd's proposal seems to suggest some form of security community in which members do not use force or the threat of force in the conduct of their international relations. A security community generally results when states cooperate multilaterally to build trust and over time develop "dependable expectations of peaceful change."<sup>33</sup> A Chinese academic has raised the question whether US military alliances will have to be disbanded:

Does he [Prime Minister Rudd] envisage an APC replacing these alliances, if not now, then at some later stage? If not, how can one build a viable APC when some of its members are allies and other are not?<sup>34</sup>

This paper has addressed the topic "suggestions and insights for the future process of East Asian Regional cooperation" by querying whether the term East Asian Region is inclusive enough to address a number of high-priority security challenges that affect the entire Asia-Pacific Region. There is only one multilateral institution that includes East Asia in its title, and that is the East Asia Summit process. The EAS presently excludes both the United States and the Russian Federation from its membership. The cooperation of both these powers is essential to address the range of transnational security challenges that affect the Asia-Pacific.

There is only one region-wide security institution, the ASEAN Regional Forum. The ARF appears to have stalled at the confidence building-preventive diplomacy stages.<sup>35</sup> While it has positively contributed to

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<sup>32</sup> Several Southeast Asian leaders have expressed concern that the Rudd APC would undercut the role of ASEAN. Officials in Singapore have been quite vocal on the subject. Ambassador Tommy Koh, for example, has criticized Rudd and "some Indonesian commentators" for attempting to create an "anti-democratic and elitist" core group or bureau of eight key members (G8), the United States, China, India, Japan, Indonesia, Australia, South Korea and Russia. See: Tommy Koh, "Australia must respect Asean's role," *The Straits Times*, June 24, 2009.

<sup>33</sup> For a discussion of security communities see: Carlyle A. Thayer, *Multilateral Institutions in Asia: The ASEAN Regional Forum* (Honolulu: Asia-Pacific Center for Security Studies, 2000), 5-11.

<sup>34</sup> Jia Qingguo, "Realizing the Asia-Pacific Community: geographic, institutional and leadership challenges," East Asia Forum, July 28, 2009. <http://www.eastasiforum.org/2009/07/28> and Malcolm Cook, "The APC and the world of regions," *The Interpreter*, August 3, 2009. <http://www.lowyinterpreter.org/post/2009/08/03>.

<sup>35</sup> Hadi Soesastro has written, for example, "As a member of ASEAN, Indonesia should be prepared to take the lead in reforming and restructuring the ARF that indeed has become a 'tired process'."

regional security in a number of areas, it has not been effective in utilising preventive diplomacy to address major challenges to regional security such as territorial conflict (overlapping maritime sovereignty claims) and competitive naval modernisation programmes. The ARF's adherence to the ASEAN Way has also meant that there are no coordinated regional approaches to domestic conflicts (southern Thailand and southern Philippines) and potentially failed states (Myanmar). These domestic conflicts have the potential to spill over and affect regional security and undermine the process of community building.<sup>36</sup>

This paper also examined Australian Prime Minister Kevin Rudd's proposal to reform regional architecture by creating a forum where heads of government and state can meet to discuss a number of high-priority economic, political and security challenges with a view toward creating an Asia-Pacific community by 2020. As a result of initial reactions to this proposal, Prime Minister Rudd made clear that he had no detailed prescription for his proposal but rather was seeking to promote discussion and debate about how to shape the future. Rudd ruled out a model based on the European Union.

This paper suggested that Rudd's new security architecture proposal could be advanced by building on one or more of the existing multilateral institutions. The paper argued that an expanded EAS offers perhaps the best structure for addressing the wide range of high-priority security challenges confronting the Asia-Pacific Region.

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See: Hadi Soesastro, "Kevin Rudd's architecture for the Asia-Pacific," *The East Asia Forum*, June 9, 2009.

<sup>36</sup> Barry Desker offers a less alarmist view arguing that, "the region is more stable than one might believe." See Barry Desker, "Why war is unlikely in Asia," *The Straits Times*, June 25, 2009. Desker is a veteran Singapore diplomat and Dean of the S. Rajaratham School of International Studies, Nanyang Technological University.