

# The hot issue for E. Asia: Who's in or out?

by: Barry Wain

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THE latest skirmish in what has become an increasingly acrimonious debate about Asia's long-term future will take place in Singapore tomorrow.

A conference organised by the Pacific Economic Cooperation Council (PECC), which groups prominent thinkers and decision makers from government and business in 22 countries, will consider a report on 'regional institutional architecture'. That eye-glazing title belies what is involved - the geopolitical shape of the region in the 21st century.

In both official exchanges and second-track forums such as PECC, a once-dry debate is sharpening as it becomes apparent that some countries and organisations might be sidelined as the regional institutional furniture is rearranged. Friction is growing among friends in the scramble not to be left disadvantaged or dependent.

Emotions run high over core issues, such as the role of both China and the United States, and their place in the international economic and political system in which Asia is certain to play a larger part.

The global financial crisis and recession - which some believe has accelerated China's ascendancy - has increased anxiety in parts of South-east Asia. With some countries beguiled by Beijing's charm offensive - and other major powers either ineffectual or distracted - the Chinese have worked skillfully and fairly successfully through existing bodies to mould the region to their advantage.

Newly elected Japanese Prime Minister Yukio Hatoyama's advocacy of an East Asian community only deepens the concern. While it would be constructive for Tokyo to improve relations with Beijing, Mr Hatoyama's comments suggest a tilt towards China that might strengthen its hand.

Beijing's vision of a future regional community is narrow - essentially ASEAN plus 3 (Japan, South Korea and China). Quietly, Beijing is doing its utmost to limit the involvement of rivals US and India, portraying them as outsiders.

The Obama administration's new willingness to actively engage ASEAN and regional process is regarded as a belated riposte to these Chinese moves. The US engagement, however, will need to be sustained if the outcome is not to be a Beijing-centric set of arrangements.

While it may be years before these questions are settled, the stakes for Southeast Asia, according to one senior official, are enormous: 'Nothing less, ultimately, than all our futures.'

On the back of ASEAN, formed in 1967, regional institutions have been added piecemeal: the Asia-Pacific Economic Cooperation forum in 1989, the security-focused ASEAN Regional Forum in 1994, ASEAN plus 3 in 1997 and the East Asia Summit in 2005.

Against a background of a rising China and India, however, a rough consensus exists that these organisations are relatively weak and unable to ensure the peaceful integration of the region and shape its policies on global issues. The weakness is most glaring in the security arena, illustrated by the lack of machinery to deal with the East Timor conflagration in 1999 and the ongoing Korean crisis.

Proposals being considered range from doing practically nothing to forming a new, overarching organisation in which major economic, political and security issues can be discussed at leadership level. After four years of research, a PECC task force recommends a new heads of government meeting - an Asia Pacific summit - to address all issues.

The trouble is there are two competing geographical concepts of the region: eastern Asia, favoured by China and its allies; and a more expansive trans-Pacific concept that includes parts of North and South America. An exclusive view would shut out the US and allow China to hold sway over the neighbourhood.

China pushed hard for the participants in the first East Asia Summit to be limited to ASEAN plus 3. But countries that feared Beijing's domination of the region - led by Japan, Indonesia and Singapore - persuaded ASEAN to invite India, Australia and New Zealand as well.

While that stretched the definition of 'East Asia', it also helped counterbalance China. These countries now hope to include the US in the East Asia Summit, since Washington has qualified for admission by signing ASEAN's Treaty of Amity and Cooperation.

For its part, China has reacted to the setback by throwing its full weight behind the ASEAN plus 3 process and doing its best to downgrade the East Asia Summit.

Privately, Chinese officials and academics complain that ASEAN has invited big powers into the region to dilute China's voice. They paint a seductive picture of China and South-east Asia locked in even deeper economic embrace, with a China-ASEAN Free Trade Area to take effect in January this year and two-way trade and investment booming.

ASEAN, though, worries about losing its place 'in the driver's seat', the central position it has enjoyed to date, if new institutions are formed. That is why Singapore, in particular, strongly objects to Australian Prime Minister Kevin Rudd's proposal for an Asia-Pacific community, arguing that it 'betrays a fundamental disregard for the interests of South-east Asian countries and ASEAN'.

But ASEAN itself is in disarray. At least half of the group's membership has taken Beijing's bait, lining up in favour of an exclusive East Asian community, according to diplomats active in negotiations. Along with Laos and Cambodia, Malaysia and Thailand also are supporting China, the diplomats report. Even Myanmar, usually considered close to China, is showing more independence than Bangkok, they say. The Philippines, all too predictably, is inconsistent.

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