

## Multilateralism, American Power and East Asian Regionalism

Mark Beeson

### Abstract:

This paper looks at multilateral processes in the 'Asia-Pacific' region and the impact of American foreign policy on them. The paper suggests that organizations like the Asia-Pacific Economic Co-operation (APEC) forum have been made increasingly irrelevant as American policy becomes more bilateral and even unilateral, and as the very definition of the 'Asia-Pacific' becomes less certain as a consequence. Paradoxically, we are likely to see the consolidation of a more narrowly defined East Asian region as a consequence.

### Introduction

At the end of the 1980s when the Asia Pacific Economic Cooperation (APEC) forum was inaugurated, it looked like an idea whose time had come. APEC seemed ideally placed to benefit from and facilitate the post-Cold War preoccupation with economic development and integration. Moreover, it held out the prospect of institutionalising and managing relations between the 'miraculous' economies of East Asia and the economic heartland of North America. How times change. Not only are the economies of East Asia looked upon with a good deal less awe than they once were, but the basis of the relationship between the Eastern and Western sides of the Pacific has changed profoundly. This change has become especially apparent following the election of George W Bush and terrorist attacks of September 11, as the United States has moved to adopt a more overtly unilateral and/or bilateral foreign policy orientation. However, a closer examination of recent history suggests that potential obstacles to closer economic and political relations between East Asia and the U.S. – or at least, closer *multilaterally*-based relations - have been in place throughout the post-World War II period.

This paper does a number of things. First, it explores the historical background of the US-East Asian relationship.<sup>1</sup> The intention is to identify the political, economic and strategic forces that have made inter-regional relations fraught at times, and rendered the idea of a coherent 'Asia-Pacific' region inherently problematic (Dirlik, 1992). Seen in the unique historical context in which it unfolded, the failure of APEC to realise the hopes of its supporters becomes a good deal less surprising: the relentless focus on trade liberalisation was not only unappealing to many East Asian countries with a proclivity for mercantilism and state activism, but the technocratic elites that shaped APEC's agenda were frequently oblivious to the political and institutional obstacles the lay in the way of such reforms (Beeson, 1996). There is no intention here of simply re-telling the story of APEC's rise and fall, however. Rather, APEC is important because it is emblematic of, and hostage to, wider historical forces and geopolitical realities. The second goal of this paper, therefore, is to explore how these enduring constraints – some East Asian, some American – have always made the idea of an all-encompassing region problematic. What the increasingly assertive and non-multilateral policy-orientation of the Bush regime has done is to make the possibility of creating an Asia-Pacific region

---

<sup>1</sup> As will become apparent in what follows, there is no single US-East Asia relationship as there is – thus far at least – no organisation capable of effectively representing 'East Asian interests'. Given these caveats, however, this formulation provides a convenient shorthand for describing some of the more universal qualities of inter-regional relations. East Asia in the context of this discussion means the ASEAN countries plus China, Japan Korea and Taiwan (although the latter is not part of 'ASEAN+3').

that much more remote. Indeed, American policy is actually encouraging the rise of a distinct form of East Asian regionalism that self-consciously excludes ‘outsiders’ (Beeson, 2003b). Consequently, the idea of an Asia-Pacific region, which APEC claims to represent, looks increasingly implausible - as anything other than the most anodyne and empty of geographical signifiers.

### **Regionalism and Multilateralism in Historical Perspective**

The contention that either multilateralism might be in decline, or that East Asia might be witnessing the consolidation of a more narrowly focused regional order, are somewhat surprising claims and need explaining. Neither the evolution of the international system in general, nor the historical development of East Asia in particular, would have led one to expect such outcomes for much of the post-World War II period. On the contrary, a range of processes subsumed under the rubric of ‘globalisation’, and the role played by American foreign policy in promoting them (Berger, 2001), might have led the disinterested observer to expect the functionally inevitable consolidation of increasingly cooperative patterns of inter-state behaviour and the steady erosion of regional identities. Recent events suggest that neither of these outcomes is inevitable. To see why, and to understand just how novel and perhaps unexpected the current intentional order actually is, we need to place contemporary events in some sort of historical and conceptual context.

#### *Making multilateralism*

If multilateralism is understood as the ‘coordination [of] behaviour among three or more states on the basis of generalised principles of conduct’, then it is clear that it has been around for some time (Ruggie, 1993: 14). What is significant for the purposes of this essay is that in the aftermath of World War II, primarily under American auspices, there was a concerted effort to make multilateralism the basis of the emerging post-war order. The reasons for this, and the story of the creation of the Bretton Woods institutions - which were the organisational expression of this impulse - are well enough known to need little recapitulation here. The key points to note are that the Bretton Woods organisations – the World Bank, the International Monetary Fund (IMF), and the General Agreement on Tariffs and Trade (GATT) – were inaugurated with the express purpose of encouraging, if not locking-in (Gill, 1998), particular patterns of multilateral behaviour. The creation of an ‘open’, liberal economic order may have reflected American norms, economic interests and political preferences (Latham, 1997), but it was also a system that was self consciously designed to avoid the ‘mistakes’ of the inter-war years, when isolationism, autarky, and beggar-thy-neighbour policies effectively undermined the international economic system and helped prolong the Great Depression. It is this happy confluence of circumstances, in which America’s overarching geopolitical aims and narrower economic interests, became symbiotically linked and furthered that characterised much of the post-war period. Remarkably enough, and despite the clear advantages this position has given the U.S., it is this multilaterally-based system that is being actively repudiated and undermined by leading ‘neo-conservative’ figures in America who feel that the U.S. can achieve more unilaterally (see, for example, Kagan, 1998).

This new preference for unilateralism is all the more remarkable when we remember that, despite the criticism of the present international economic order and the role that

the international financial institutions (IFIs) play within it (Stiglitz, 2002; Woods, 2002), there is no doubt that for first thirty years or so after World War II much of the world experienced unparalleled growth and development during the so-called 'golden age' of capitalism (Glyn et al., 1990). While 'American interests', or more specifically U.S.-based multinational corporations and - more recently - the financial sector in the U.S. may have been the principal beneficiaries of this order, it is important to recognise that the system as a whole, and the U.S.'s hegemonic position within it, enjoyed a good deal of legitimacy and support. Indeed, Ikenberry (1998) has persuasively argued that one of the reasons that the U.S.'s dominance has proved so enduring and unchallenged is because American power was constrained by the web of multilateral institutions it helped to create. In these circumstances other countries were able to benefit from the provision of collective goods while remaining confident that the U.S. could not, or would not, take advantage of its overweening power. It was precisely this sort of role that Charles Kindleberger (1973) thought was necessary and appropriate for the U.S. to play if the international economic system was to avoid future crises.

The self-restraint the U.S. practised in much of the post-war period was not solely motivated by altruism, however, or even a shrewd perception of how the largest, most developed economy in the world might expect to be the principal beneficiary of an open economic order. The major factor encouraging American self-restraint was, of course, the Cold War - a period that had a profound, if paradoxical effect, on East Asia; the legacy of which continues to affect intra-and inter-regional relations to this day. Crucially as far as the overall development of East Asia was concerned, the U.S. was prepared to tolerate a variety of social, political and economic practices of which it did not necessarily approve if this was the price of ensuring the consolidation of successful capitalist allies across the region. It was in this environment that many of the countries of East Asia were able to begin the state-led, export-oriented development processes that culminated in the extensive penetration of North American markets (Haggard, 1990; Wade, 1990).

However, while there may have been widespread benefits for the participants of the overarching multilateral, open economic order that emerged under U.S. hegemony, it is important to recognise that it was an international order that had quite distinctive regional variations. One crucial consequence of the Cold War period generally, and the U.S.'s strategic orientation to East Asia in particular, was that American policy effectively divided the region along ideological lines and - even amongst its allies - establishing a 'hub and spokes' series of bilateral alliances that made closer ties and cooperation within the region more problematic (Hemmer & Katzenstein, 2002; Joffe, 1995). In other words, as far as East Asia was concerned, there was an in-built bias toward bilateralism, major constraints on multilateral processes, and formidable potential obstacles to any sort of regional integration. Before looking the long-term impact of American strategic policy in any detail, though, it is important to say something about the nature of regional processes more generally.

### *Regionalism*

The international order created under the auspices of American hegemony in the post-war period has become synonymous with globalisation. It is noteworthy, then, that increased attention at both a scholarly and policymaking level has been given to regional processes. And yet this should not be so surprising: the emergence of the

European Union as a highly successful, politically and economically integrated 'postmodern' state (Cooper, 2003), and the U.S.'s own efforts to develop regionally-based trade agreements (Wyatt-Walter, 1995: 77), have helped add impetus to, and interest in, regional arrangements. Indeed, it is important to remember that part of the potential attraction of APEC for its most active original supporters – Australian and Japan – was that it offered the possibility of giving both countries insider status in a potential trading bloc, at a time when the international fashion for regional economic agreements meant that there was a possibility that both countries might be excluded from key markets or regional groupings (Funabashi, 1995).<sup>2</sup>

The development of regional processes has two quite distinctive components that merit emphasis as they help to differentiate the extent and style of regional cooperation and integration in different parts of the world. Wyatt-Walter (1995: 77), suggests that a basic distinction needs to be made

...between economic regionalism as a *conscious policy* of states or sub-state regions to coordinate activities and arrangements in a greater region, and economic regionalization as the *outcome* of such policies or of 'natural' economic forces [emphasis in original].

In East Asia – and in stark contrast to the European experience – regional integration has thus far been driven primarily by private sector initiatives, particularly as a consequence of corporate restructuring and investment in the region (Ravenhill, 1995). Indeed, what is particularly striking about the 'East Asian region' by contrast with other parts of the world, is the lack of significant regional institutions or organisations of a sort that have proliferated in Europe, and which have come to play a crucial role in the EU's distinctive governance mechanisms. The absence of a similarly extensive array of institutions with which to manage regional relations and mediate global pressures presents a major potential constraint on the course of future regional development (Beeson, 2001a). However, if those who argue that regionally based initiatives are a functionally necessary response to global competitive pressures and technological change are correct (Oman, 1994), then greater efforts at coordination and cooperation seem inevitable as governments attempt to respond to the demands of internationally-oriented economic actors (Milner, 1997). The key question becomes: what form will they take?

Andrew Hurrell (1995) has suggested a number of dimensions of regional processes that are useful in trying to assess East Asia's prospects and the contradictory impact of American power. In addition to the basic distinction between regionalism and regionalisation, Hurrell suggests that 'regional awareness', or the 'shared perception of belonging to a particular community' is an important measure of regional development. Significantly, he argues that regional awareness can rest on common 'internal' cultural foundations and history, or 'it can be defined against some external "other"' (Hurrell: 4). Although Hurrell suggests that this external other is likely to be a security threat, this does not exclude the possibility that a putative sense of regional identity may be consolidated by the actions of powerful external actors like the U.S. or the IFIs over which it exerts a significant influence (Woods, 2003). At the very least, it serves to remind us that the definitions of security are socially constructed and that East Asian

---

<sup>2</sup> It is significant and revealing that Australia's original proposal did not include the U.S. and was consequently of little interest to East Asia nations, all of which to varying degrees were dependent on and wanted to ensure continuing access to American markets.

perspectives are distinctive and encompass a wider array of 'threats' than simply military ones (Alagappa, 1998).

The other major measures of regional development Hurrell identifies – interstate cooperation and regional cohesion – are thus far not well developed. The reasons for this are not hard to discern: in Southeast Asia in particular, the relatively recent decolonisation process, the challenges of nation-building and economic development, and concerns about the maintenance of *internal* security, have all conspired to make regional political elites especially sensitive about threats to their jealously guarded independence and sovereignty (Beeson, 2003c). In this regard, it is revealing that the most enduring example of regional institution-building in the developing world – the Association of Southeast Asian Nations (ASEAN) – has been characterised by a distinctive 'ASEAN way' of managing regional affairs (Acharya, 2001). Consensus, voluntarism, and non-interference in the affairs of other members of ASEAN have been the hallmarks of organisation as a consequence. Whatever one may think of these principles as the basis for an effective organisation, it is worth noting that APEC *modus operandi* closely reflected the 'ASEAN way' of doing things. While this compromise may have been the necessary price to pay for getting East Asian support, it has made APEC a much less powerful and effective organisation as a consequence and highlighted fundamental differences in the attitudes of APEC's East Asian and Anglo-American members.

None of this means that Southeast or East Asian regional initiatives are fatally flawed or inevitably impotent: much depends upon the purposes to which they are put. In this context a more narrowly demarcated regional organisation may actually still serve an important function. The extent of regional definition may be intimately associated with particular forms of regional governance and intra-regional relations (Larner & Walters, 2002: 418), patterns of relationships that simply may not be possible in a wider grouping. Seen in this context., APEC was arguably fatally flawed at the outset and faced the potentially impossible task of reconciling very different perceptions about the purpose and style of intra-regional institutions. In such circumstances, more narrowly conceived East Asian alternatives with a less intrusive, legalistic format may be more attractive. To assess the prospects for East Asian regionalism and the potential impact American power may have in encouraging or inhibiting it, we need to distinguish between the regional initiatives in the economic and strategic spheres. While this definition is to some extent artificial, it has the merit of simplifying a complex set of issues and highlighting the key dynamics influencing regional development in East Asia.

### **Economic and Strategic Regionalism in East Asia**

The prevailing wisdom about the 'new' regionalism is that it is being driven primarily from 'below' in the context of a multipolar world order (Mittelman, 1999: 192), and that the East Asian region has less inherent capacity for regionally organised cooperation than other parts of the world (Beeson, 2001a; Hamilton-Hart, 2003). Both of these observations have merit, although recent events – especially the increasingly unilateral tenor of American foreign policy – have effectively reconfigured the political and strategic space within which regional processes unfold. But even before the administration of George W Bush came to power, forces of regionalization were already exerting a powerful influence on East Asia, something that encouraged

concomitant processes of regionalism. The effect of such processes has been to institutionalise multilateral relations on an intra-East Asian basis. In short, despite America's continuing influence on regional affairs, and its own present proclivity for unilateralism notwithstanding, multilateral processes continue to be an important aspect of East Asia's regional political architecture, but they are increasingly constituted on an intra-regional basis.

### *The political-economy of regionalism*

The story of East Asian economic regionalization is complex and frequently contradictory. However, it is important to recognise that the course of regional economic integration in the post-war period has been profoundly influenced by American policy: support for Japan as the lynchpin of a successful capitalist regional order not only assured Japan's spectacular economic ascendancy (Schaller, 1982), but the subsequent expansion of Japanese multinational corporations across Southeast Asia in particular has also had the effect of knitting the region together through complex production networks (Hatch & Yamamura, 1996). Two points are worth emphasising about the way East Asia has developed over the last fifty years or so. First, the post-war geopolitical context meant the highly distinctive and, of late, much reviled patterns of economic organisation and political practise that are so characteristic of much East Asian capitalism were tolerated in the Cold War context. Whatever criticisms are currently levelled at the 'developmental states' of the region that emulated Japan, there is no doubt that they underpinned substantial long-term economic development throughout the pro-American parts of the region (Beeson, forthcoming). Yet East Asian economies and their associated social and political formations were not just different from the idealised 'Western' model so enthusiastically championed by organisations like the ill-fated APEC, they also had a good deal in common with each other. In other words, there were some potential commonalities and sources of identification that might provide the basis for a nascent sense of regional identity.

The second point to make, though, is somewhat contradictory. Despite the fact that the Japanese model was widely copied with varying degrees of success, and despite Japan's undoubted role as a driver of economic integration and development in East Asia, Japan's influence has not been entirely benign: the so called 'flying geese' model of economic development in which Japan leads the other Asian economies through a similar developmental progress (Gangopadhyay, 1998), has not been replicated throughout the region. On the contrary, Japanese companies have frequently been reluctant to pass on cutting edge technology, and more interested in the region's resources and cheap labour forces than they have been in encouraging the development of potential future rivals (Beeson, 2001b; Bernard & Ravenhill, 1995). Nevertheless, there has been significant development throughout the region and Japan has played a major part in accelerating it. In this regard, it is significant that the 'second tier' industrialising countries – South Korea, Taiwan and Singapore – have now become significant sources of investment capital in their own right, encouraging further development and integration in Southeast Asia (Jung, 1999). Overall, however, regional economic integration, especially in Southeast Asia is still characterised by comparatively low levels of intra-regional trade amongst its competitive economies (Chia, 1999), something that has not been helped by the crisis.

Although investment from the U.S. has been a major force in much of the region, and despite the fact that it has recently been gaining at the expense of Japan in recent years (Hsiao et al., 2003), it is significant that what are arguably the most important regional initiatives designed to manage and facilitate economic integration have occurred at the intra-regional level, rather than the more inclusive Asia-Pacific level. While an initiative like the ASEAN Free Trade Area (AFTA) may not necessarily have had much more success than APEC in actually achieving its trade liberalisation goals, it has had the effect of giving an overlay of regionally-based political cooperation to an underlying economic reality. Put differently, while AFTA can be read as a response to a more competitive global environment - especially as a vehicle with which to attract foreign investment - it is revealing that most consistent efforts to promote economic integration and position Southeast Asia as a coherent potential investment location are occurring at the regional or (in AFTA's case) the sub-regional level (Bowles, 1997).

The defining event in the recent history of East Asian regionalism, of course, has been the economic crisis that began in 1997. For the purposes of this discussion what is significant about the crisis is not the dynamics of the crisis itself, about which much has been written (see, for example, Robison et al., 2000), but the political response of the region. In this regard, a number of things became apparent to East Asian leaders and a number of perceptions were commonly shared on a regional basis. First, it was clear that the region as a whole was potentially vulnerable to externally generated systemic shocks over which East Asians had little control. Whether 'crony capitalists' or foreign speculators were more to blame for the crisis was in many ways less important than the implications of their intersection: East Asian political practices and economic structures were exposed to the potentially devastating judgements of money market managers and ratings agencies from outside the region, raising fundamental doubts about the sustainability of East Asian capitalism in an integrated international economy. The second consequence of the crisis was a widespread feeling of resentment about the highly intrusive policy interventions of the IFIs (Higgott, 1998). This is especially significant given the high profile role played by the U.S. in crisis management, either directly or through the auspices of the IFIs. The crisis presented the U.S. - operating through the auspices of the IMF - with a unique opportunity to forcibly impose the sort of neoliberal reforms it had advocated for so long, but which had generally been studiously ignored throughout most of the region. Even more significantly as far as APEC was concerned was its own relative invisibility and impotence throughout the crisis, and the fact that the U.S. chose to utilise the IMF rather than APEC to push its reform agenda (Beeson, 1999).

Thus, the most important long-term consequence of both the financial crisis and of the U.S.'s perceived role in its subsequent management may have been to encourage a more narrowly conceived form of East Asian regionalism that intentionally excludes 'outsiders' and which is effectively a repudiation of the 'Asia-Pacific' idea. As Paul Bowles observes:

The contours of post-financial crisis regionalism are, by state design, aimed at restoring to Asia a greater degree of political power and autonomy *vis-à-vis* the rest of the world, and the US and the international financial institutions it controls, in particular (Bowles, 2002: 245).

This sort of exclusively East Asian grouping had been proposed by Malaysia's Mahathir less than a decade before, but it had been effectively vetoed by American opposition and Japanese pusillanimity. Recently, however, it has rapidly become the centrepiece of regional cooperative efforts and the embodiment of a regional consensus on the need for such an exclusive 'Asians only' entity (Terada, 2003). Not only do a number of observers claim that there are sufficient historical, strategic, political and economic practices in common to generate a common sense of regional identity (Stubbs, 2002), but some of the supposedly insurmountable internal obstacles to regional cooperation appear less formidable than once thought. True, Japan and China remain regional leadership rivals, but they are increasingly interdependent economically as a consequence of China's growing economic importance in the region. Moreover, the rivalry is actually encouraging a proliferation of trade agreements and negotiations with other regional players that is helping to consolidate a new East Asian regional order (Lawrence, 2002), one that increasingly excludes outsiders and leaves APEC and its 'Asia-Pacific' identity looking increasingly redundant.

It is significant that 'monetary regionalism', a process that might provide the backbone of any closer economic ties and cooperation between Northeast and Southeast Asia, has been driven by Japan – a country with the capacity to underwrite such an initiative if a number of political and 'technical' obstacles to greater coordination of monetary policies can be overcome (Dieter & Higgott, 2003). Perhaps the most significant aspect of this putative process is that Japan, normally the deferential client of its American protector, has asserted itself on its own behalf and as a champion of 'Asia'. As Katada points out, both Japan's proposal for an Asian Monetary Fund (which was initially squashed by the U.S.), and its attempts to boost the use of the yen in the region are designed to improve Japan's position at the expense of the U.S. and insulate the region from external predations :

..Japanese policy makers...became more interested in taking a leadership role to define and strengthen regional monetary cooperation in reaction to the way the United States and the IMF handled the Asian financial crisis ...The idea behind these monetary initiatives is to reduce or balance Asian countries' current heavy reliance on the US dollar. Both of these initiatives appear as a large step towards the institutionalization of Asian economic regionalization in a pure "Asian" form rather than an "Asia-pacific" one (which would include the major presence of the United States) (Katada, 2002: 86).

The attractiveness of East Asian, rather than Asia-Pacific led economic initiatives has been given added impetus by recent U.S. foreign policy. The failure of both APEC and the World Trade Organization to make significant progress in institutionalising a multilateral trade liberalisation agenda has given further momentum to the growing preference for bilateral rather than multilateral trade agreements - particularly in the more broadly defined Asia-Pacific region (Dent, 2003). The U.S. has displayed an increased willingness to use its economic leverage to pursue bilateral deals. The reliance of much of the region for continuing access to American markets means that there are powerful constraints on what Asian countries can do, and many have evinced a good deal of 'pragmatism' as a consequence. Singapore, the most 'globalised' of all the East Asian economies, concluded the first bilateral free trade agreement between the U.S. and an Asian nation. Given Singapore's size and the complimentary nature of its economy, this may be a deal of greater symbolism than substance, but it is emblematic of an evolving regional order that is characterised by increasingly complex intra- and inter-regional economic networks and agreements. What is of even greater significance



for the purposes of this essay, is that the U.S. has made the prospect of such deals and continuing access to critically important American markets contingent on support for its wider strategic objectives in the 'war on terror' (Higgott, 2003).

The picture that emerges in the economic domain is, therefore, complex and evolving. American policy and the growing willingness to link economic outcomes and strategic goals adds another layer of unpredictability to this picture. An examination of the patterns of American engagement with the region suggest that such a move, while far from unprecedented, is likely to have unpredictable but generally negative implications for the idea of an Asia-Pacific region.

### *Regionalism and security*

No region was more affected by the Cold War than East Asia. True, Europe may have been the epicentre of the super-power stand-off for much of the Cold War period, but this did not erupt into major conflict as it did in Asia. Like Europe, though, the super-power rivalry in East Asia created ideological divisions that effectively split the region into pro-and anti-American camps. This potential for intra-regional cleavage was reinforced by American strategic policy. The 'hub and spoke' security architecture that the U.S. constructed in much of East Asia was predicated on a series of bilateral relationships that made the establishment of intra-regional relations within East Asia inherently problematic. Indeed, it is important to recognise that the U.S.'s preference for bilateral security relations was not simply a functional consequence of the divided and unstable nature of the East Asian region, as some have argued (Joffe, 1995), but a key element of its overall grand strategy. In other words, as Michael Mastanduno points out,

since the United States does not want to encourage a balancing coalition against its dominant position, it is not clear that it has a strategic interest in the full resolution of differences between, say, Japan and China or Russia and China. Some level of tension among these states reinforces their individual need for a special relationship with the United States (Mastanduno, 2003: 200).

Against an established backdrop of American strategic involvement in the region that is expressly designed to keep East Asia divided and its security orientation firmly oriented toward Washington, the prospects for a more exclusive, East Asian mechanism with which to manage regional security concerns might seem bleak. And yet an examination of the historical record and the impact of the U.S.'s 'war on terror' suggests that the prospects for a more exclusive regional order are not as remote or unprecedented as some observers believe.

The conventional wisdom has it that a region that contains two great powers like China and Japan which are competing for regional leadership, which have fought a major war in living memory, and which have enduring misgivings about each other as a consequence, is hardly a recipe for regional cooperation and harmony. When combined with a modest record of achievement in, and capacity for, managing regional security issues independently of extra-regional powers, East Asia, it is suggested, looks 'ripe for rivalry' (Friedberg, 1993/94). And yet an increasing number of observers are questioning whether Asia's future will inevitably replicate nineteenth century Europe's

past, and whether the region is necessarily as unstable and prone to conflict as such realist analyses imply.

While there is great scepticism about the capacity of both the Association of Southeast Asian Nations (ASEAN), and the security organisation it spawned – the Asean Regional Forum (ARF) – to manage effectively a number of pressing issues (Narine, 1998), a focus on substantive ‘outcomes’ may miss more subtle processes of socialisation and identification that are steadily transforming perceptions within, and of, the region. Although ASEAN may have originally emerged as a defensive response to the actions of extra-regional powers during the Cold War, its very endurance has effectively given political expression and an increasing sense of identity to what was hitherto a rather arbitrary geographical space (Charrier, 2001). Even if the sceptics are right to claim that the so-called ‘ASEAN way’ of consultation, consensus and voluntarism has been primarily a mechanism with which to shield questionable domestic political practices and economic structures from outside ‘interference’, this does not mean that it has not provided an effective glue to keep regional cooperation on track and reinforce a collective sense of identity (Acharya, 2001: 26-30). On the contrary, it is precisely the accommodating nature of the socially constructed norms and values that has made them so effective in shoring up shaky Southeast Asian regimes confronted with the multiple challenges of nation-building, economic development in a region historically overlaid by super-power contestation (Beeson, 2003c).

The ARF is to security what APEC was intended to be for economics: a multilateral vehicle to manage ‘Asia-Pacific’ concerns. Like APEC, the ARF has a membership that includes both the original ASEAN nations, their Northeast Asian neighbours, China, Japan, and South Korea, as well as the U.S., Russia, and Australia. Like APEC, it should be well placed to manage regional security issues, as it includes the key regional players involved in potential flashpoints. But like APEC, the ARF is divided between those countries such as China and most of the ASEAN nations which prefer consultation and non-binding discussion, and the ‘Anglo-Americans’ who favour problem solving and practical confidence building measures (Simon, 1998: 207). Given that the original subtext of the ARF was to develop a mechanism that might socialise China into ‘good’ behaviour and make it an institutionally constrained, stable and predictable member of the regional community, there is a certain irony in the fact that China may ultimately become a source of regional stability and security that is exclusively East Asian. At the very least, it further undermines the idea of developing a wider Asia-Pacific security community.

Somewhat surprisingly, and despite some initial misgivings, China has been rapidly incorporated into an array of multilateral institutions at both the regional and global levels, and its political elites do, indeed, appear to be undergoing an extensive socialisation process of precisely the sort many in both Southeast Asia and the U.S. desired (Johnston, 2003). Yet despite – perhaps, because of – the increasing sophistication of Chinese foreign policy, this is likely to consolidate an East Asian, rather than an Asia-Pacific identity. China’s assiduous wooing of its ASEAN neighbours, combined with its growing strategic and economic importance in East Asia, are giving China a centrality in regional affairs that may ultimately restore an order that prevailed for hundreds if not thousands of years. As David Kang (2003: 66) has persuasively argued, ‘When China has been strong and stable, order has been preserved. East Asian regional relations have historically been hierarchic, more peaceful, and more

stable than those in the West'. In other words, not only is there no inevitability about the form that international relations may take, contrary to what much realist scholarship might have us believe, but it is entirely possible a different, regional order centred on Chinese rather than American power may re-emerge. Indeed, Kang (2003: 78) points out that more Japanese are worried about a strong U.S. than are worried about a strong China.

Given Japan's long-term dependence on, not to say subordination to, the U.S. any change in support for the alliance is a significant measure of the evolving relationship between the U.S and the countries of East Asia. It is not entirely surprising, however: years of American pressure for domestic reform in Japan, the thwarting of Japan's regional leadership ambitions, and the pressure to play a supportive role in the 'war on terror' have all placed additional strain on relations with the U.S. in a country that is in any case gradually becoming more independent. Elsewhere in the region American policy generally and the 'war on terror' in particular have eroded popular support for the U.S. even more dramatically (PRC, 2003). That enthusiasm for the U.S. in Islamic Indonesia might plummet as a consequence of the U.S.'s increasingly unilateral, for-us-or-against-us policy stance in the 'war on terror' is perhaps predictable enough. What is more surprising is that the U.S.'s frequently heavy-handed, uncompromising approach, when combined with a frequently unsophisticated understanding of, or apparent disregard for, Southeast Asia's particular difficulties, may actually be encouraging further opposition to its policies, rather than counteracting what may in any case be an overstated terrorist threat (Gersham, 2002).

The other fact that may be effectively creating a divide, or at least a growing sense of difference, between the East Asian and North America sides of the Asia-Pacific is the growing realisation that, while the hub and spokes architecture that the U.S. continues to dominate may further American grand strategy (Art, 1998/99; Ikenberry, 2001-02), it is not necessarily helpful in resolving specific East Asian problems or promoting greater regional cooperation. As Muthiah Alagappa (2003: 594) points out, it is striking that 'the development of international society has made the greatest progress in a subregion - Southeast Asia - after American disengagement and has made much less progress in a subregion - Northeast Asia - where the United States has continued to be engaged most heavily'. Not only has Southeast Asia been able to foster a sense of regional identity in the absence of direct American engagement - with no obvious loss of security or stability - but American policy has made little progress in resolving the East Asian region's most intractable and dangerous confrontation on the Korean peninsula. Indeed, Alagappa argues that American troop deployments across Northeast Asia may actually be making the resolution of stand-offs in North Korea, and between Taiwan and China, more difficult to resolve. Like Kang, Alagappa (2003: 599) concludes that 'the consequences of American disengagement- may not be as disastrous as posited'.

Such a possibility is still quite unimaginable for many policymakers and commentators around the region. Yet it is becoming increasingly less controversial to suggest that China's rise will inevitably draw Southeast and Northeast Asia into 'a single East Asia regional security dynamic' (Buzan & Waever, 2003: 129). If the 'Korean problem' can be resolved satisfactorily, if the status quo prevails in relation to Taiwan, if Japan and the rest of the region remain comfortable with the inevitability of a more powerful China and do not seek to 'balance' its ascendancy in the manner much Western

scholarship predicts – all clearly big ‘ifs’ – then it is not obvious what justification or support there would be for continued American troop deployments across the region, or even a security architecture that continues to revolve around Washington rather than Beijing. In such circumstances the Asia-Pacific would become the emptiest of signifiers.

Confirmation that the idea of an Asia-Pacific region as either a source of identity or as the basis for regional, institutionalised cooperation may be past its use by date can be found in the rapid move toward greater regional cooperation along East Asia lines. The emergence of ASEAN+3, which in addition to the ASEAN nations includes Japan, China and South Korea, is clearly the most potentially important initiative in this context, and it is significant that its development has actually been accelerated by American foreign policy (Beeson, 2003b). More fundamentally, perhaps, there are potentially enough historical, political and economic commonalities across the region to provide the basis for a sense of common purpose and identity (Stubbs, 2002), in a way that APEC plainly has not.

### **Concluding remarks**

The intrusive, heavy-handed and unilateral style of the Bush administration’s foreign policy is making life difficult for even the staunchest of allies (Beeson, 2003a), and making the creation of regional mechanisms to off-set American power more attractive; this is ‘balancing’ of a sort, but its greatest long-term significance may prove to be that it is happening through regionally based institutions, rather than individual states. Paradoxically, therefore, current U.S foreign policy may be effectively undermining the multilateral, transnational basis of American power by encouraging the creation of regionally based groupings that may represent and protect local interests more effectively. This does not mean that multilateralism is necessarily in overall decline. On the contrary, the international system will continue to be distinguished by high-profile, multilateral regimes and institutions – like the WTO - that operate at the most encompassing of international levels, but they look likely to be increasingly supplemented, if not opposed by, regionally based institutions and organisations.

In such circumstances the definition of ‘regionness’ and the scope of any putative organisation will be critical. An inability to represent or give expression to a more or less coherent set of interests or identity could prove fatal – as the history of APEC reminds us. This is not to say that the path of ASEAN+3 is likely to be untroubled or straightforward: there are major challenges in trying to facilitate political and economic cooperation in such a heterogeneous area, there are fundamental capacity constraints affecting some of the poorer countries of the region, and there *are* enduring historical animosities that make closer ties problematic. Nevertheless, it is clear that many in the region think that ASEAN+3 and a more narrowly defined sense of East Asian regionalism is, in the words of former Indonesian offering minister Ali Alatas, ‘an idea whose time has come’ (Alatas, n/d: 1).

In the longer term, and given the rise of China, signs of a Japanese renaissance and the U.S.’s structural dependence on the region for continuing inflows of capital to underpin budget deficits and consumption patterns, there may be even greater reasons to encourage more assertive, less deferential attitudes in East Asia. Even the region’s supposed dependence on the U.S.’s strategic umbrella may prove less critical than many

suppose: for all ASEAN's supposed institutional inadequacies, and despite the region's bloody history, there hasn't been a major intra-regional war for some time. Indeed, it is significant that the major conflicts to afflict the region – the wars in Vietnam and Korea – have had extra-regional origins, rather than springing from any irreconcilable East Asian problems. This is not to say that there are no potential flashpoints or tensions in the region – plainly there are. But neither does this mean that they will inevitably erupt into inter-state conflict. On the contrary, the non-traditional nature of the security threats facing the region, combined with increasingly levels of interdependence, make greater regional cooperation and the continuation of legitimacy-inducing economic development more important than ever. What we may see in the future, however, is that such cooperative practices will take on an increasingly East Asian tenor, making the prospects for 'Asia-Pacific' oriented organisations like APEC even bleaker.

## References

Acharya, Amitav (2001) *Constructing a Security Community in Southeast Asia: ASEAN and the Problem of Regional Order*: Routledge).

Alagappa, M. (1998), 'Asian practice of security: Key features and explanations'. In M. Alagappa (Ed.), *Asian Security Practice: Material and Ideational Influences* ((Stanford: Stanford Uni Press): 611-76.

Alagappa, M. (2003), 'Managing Asian security: Competition, cooperation, and evolutionary change'. In M. Alagappa (Ed.), *Asian Security Order: Instrumental and Normative Features* ((Stanford: Stanford University Press): 571-606.

Alatas, Ali (n/d) "*ASEAN Plus Three*" *Equals Peace Plus Prosperity*: Institute of Southeast Asian Studies.

Art, Robert J (1998/99) 'Geopolitics updated: The strategy of selective engagement', *International Security*, 23(3): 79-113.

Beeson, Mark (1996) 'APEC: Nice theory, shame about the practice', *Australian Quarterly*, 68(2): 35-48.

Beeson, Mark (1999) 'Reshaping regional institutions: APEC and the IMF in East Asia', *The Pacific Review*, 12(1): 1-24.

Beeson, Mark (2001a) 'Globalisation, governance, and the political-economy of public policy reform in East Asia', *Governance: An International Journal of Policy, Administration and Institutions*, 14(4): 481-502.

Beeson, Mark. (2001b), 'Japan and Southeast Asia: The lineaments of quasi-hegemony'. In G. Rodan, K. Hewison, & R. Robison (Eds.), *The Political Economy of South-East Asia: An Introduction* (2nd Edition ed. (Melbourne: Oxford University Press): 283-306.

Beeson, Mark (2003a) 'American hegemony: The view from Australia', *SAIS Review*, 23(2): 113-31.

Beeson, Mark (2003b) 'ASEAN Plus Three and the rise of reactionary regionalism', *Contemporary Southeast Asia*, 25(2): 251-68.

- Beeson, Mark (2003c) 'Sovereignty under siege: Globalisation and the state in Southeast Asia', *Third World Quarterly*, 24(2): 357-374.
- Beeson, Mark. (forthcoming), 'Politics and markets in East Asia: Is the developmental state compatible with globalisation?' In R. Stubbs & G. R. D. Underhill (Eds.), *Political Economy and the Changing Global Order, 3rd Edition* ((Ontario: Oxford University Press).
- Berger, Mark T. (2001) 'The rise and demise of national development and the origins of post-Cold War capitalism', *Millennium-Journal of International Studies*, 30(2): 211-+.
- Bernard, Mitchell, & Ravenhill, John (1995) 'Beyond product cycles and flying geese: Regionalization, hierarchy, and the industrialization of East Asia', *World Politics*, 47.
- Bowles, Paul (1997) 'ASEAN, AFTA and the "new regionalism"', *Pacific Affairs*, 70(2): 219-44.
- Bowles, Paul (2002) 'Asia's post-crisis regionalism: Bringing the state back in, keeping the (United) States out', *Review of International Political Economy*, 9(2): 244-270.
- Buzan, Barry, & Waeuver, Ole (2003) *Regions and Powers: The Structure of International Security*. (Cambridge: Cambridge University Press).
- Charrier, Philip (2001) 'ASEAN's inheritance: The regionalization of Southeast Asia, 1941-61', *Pacific Review*, 48(3): 313-338.
- Chia, Siow Yue (1999) 'Trade, foreign direct investment and economic development of Southeast Asia', *Pacific Review*, 12(2): 249-70.
- Cooper, Robert (2003) *The Breaking of Nations: Order and Chaos in the Twenty-first Century*. (New York: Atlantic Monthly Press).
- Dent, Christopher M (2003) 'Networking the region? The emergence and impact of Asia-Pacific bilateral free trade agreement projects', *The Pacific Review*, 16.(1): 1-28.
- Dieter, H., & Higgott, R. (2003) 'Exploring alternative theories of economic regionalism: from trade to finance in Asian co-operation?' *Review of International Political Economy*, 10(3): 430-454.
- Dirlik, Arif (1992) 'The Asia-Pacific idea: reality and representation in the invention of regional structure', *Journal of World History*, 3(1): 55-79.
- Friedberg, A (1993/94) 'Ripe for rivalry: Prospects for peace in a multipolar Asia', *International Security*, 18(3): 5-33.
- Funabashi, Yoichi (1995) *Asia Pacific Fusion: Japan's Role in APEC*. (Washington: Institute for International Economics).
- Gangopadhyay, P. (1998), 'Patterns of Trade, Investment and Migration in the Asia-Pacific Region'. In G. Thompson (Ed.), *Economic Dynamism in the Asia-Pacific* ((London: Routledge): 20-54.

- Gersham, John (2002) 'Is Southeast Asia the second front?' *Foreign Affairs*, 81(4): 60-74.
- Gill, Stephen (1998) 'New constitutionalism, democratisation and global political economy', *Pacifica Review*, 10(1): 23-38.
- Glyn, A, Hughes, A, Lipietz, A, & Singh, A. (1990), 'The Rise and fall of the Golden Age'. In S. Marglin & J. Schor (Eds.), *The Golden Age of Capitalism: Reinterpreting the Postwar Experience* (Clarendon Press).
- Haggard, Stephan (1990) *Pathways From the Periphery: The Politics of Growth in the Newly Industrialising Countries*. (Ithaca: Cornell University Press).
- Hamilton-Hart, Natasha (2003) 'Asia's new regionalism: government capacity and cooperation in the Western Pacific', *Review of International Political Economy*, 10(2): 222 -- 245.
- Hatch, Walter, & Yamamura, Kozo (1996) *Asia in Japan's Embrace: Building a Regional Production Alliance*. (Cambridge: Cambridge University Press).
- Hemmer, Christopher, & Katzenstein, Peter J (2002) 'Why is there no NATO in Asia? Collective identity, regionalism, and the origins of multilateralism', *International Organization*, 56(3): 575-607.
- Higgott, Richard A (1998) 'The Asian economic crisis: A study in the politics of resentment', *New Political Economy*, 3(3): 333-56.
- Higgott, Richard A. (2003), 'American unilateralism, foreign economic policy, and the "securitisation" of globalisation', *CSGR Working Paper*, 124/03. (
- Hsiao, Frank S T, Hsiao, Mei-chu W, & Yamashita, Akio (2003) 'The impact of the US economy on the Asia-Pacific region: Does it matter?' *Journal of Asian Economics*, 14: 219-241.
- Hurrell, Andrew. (1995), 'Regionalism in theoretical perspective'. In L. Fawcett & A. Hurrell (Eds.), *Regionalism in World Politics: Regional Organization and International Order* (Oxford University Press): 37-73.
- Ikenberry, G J (1998) 'Institutions, strategic restraint, and the persistence of the American postwar order', *International Security*, 23(3): 43-78.
- Ikenberry, G J (2001-02) 'American grand strategy in the age of terror', *Survival*, 43(4): 19-34.
- Joffe, Josef (1995) "'Bismarck" or "Britain"? Toward an American grand strategy after bipolarity', *Foreign Affairs*, 14(4): 94-117.
- Johnston, Alastair I. (2003), 'Socialization in international institutions: The ASEAN way and international relations theory'. In G. J. Ikenberry & M. Mastanduno (Eds.), *International Relations and the Asia-Pacific* ((New York: Columbia University Press): 107-62.

- Jung, Ku-Hyun (1999) 'Foreign direct investment and corporate restructuring in East Asia', *Pacific Review*, 12(2): 271-90.
- Kagan, Robert (1998) 'The benevolent empire', *Foreign Policy*, 111: 24-35.
- Kang, David C (2003) 'Getting Asia wrong: The need for new analytical frameworks', *International Security*, 27(4): 57-85.
- Katada, Saori N (2002) 'Japan and Asian monetary regionalisation: Cultivating a new regional leadership after the Asia financial crisis', *Geopolitics*, 7(1): 85-112.
- Kindleberger, Charles P (1973) *The World in Depression 1929-1939*: University of California Press).
- Larner, Wendy, & Walters, William (2002) 'The political rationality of "New regionalism": Toward a genealogy of the region', *Theory and Society*, 31: 391-432.
- Latham, Robert (1997) *The Liberal Moment: Modernity, Security, and the Making of Postwar International Order*. (New York: Columbia University Press).
- Lawrence, Susan V (2002) 'Enough for everyone', *Far Eastern Economic Review*, June 13: 14-18.
- Mastanduno, Michael. (2003), 'Incomplete hegemony: The United States and security order in Asia'. In M. Alagappa (Ed.), *Asian Security Order: Instrumental and Normative Features* ((Stanford: Stanford University Press): 141-70.
- Milner, Helen V. (1997), 'Industries, governments, and regional trade blocs'. In E. D. Mansfield & H. V. Milner (Eds.), *The Political Economy of Regionalism* ((New York: 77-106.
- Mittelman, James H. (1999), 'Rethinking the "new regionalism" in the context of globalisation'. In B. Hettne & et al (Eds.), *Globalism and the New Regionalism* ((London: Macmillan): 25-53.
- Narine, S (1998) 'ASEAN and the management of regional security', *Pacific Affairs*, 71(2): 195-214.
- Oman, Charles (1994) *Globalisation and Regionalisation: The Challenge for Developing Countries*. (Paris: OECD).
- PRC (2003) *Views of a Changing World 2003*. Washington: Pew Research Center.
- Ravenhill, John (1995) 'Competing logics of regionalism in the Asia-Pacific', *Journal of European Integration*, 18: 179-99.
- Robison, Richard, Beeson, Mark, Jayasuriya, Kanishka, & Kim, Hyuk-Rae (Eds.). (2000). *Politics and Markets in the Wake of the Asian Crisis*. London: Routledge.
- Ruggie, John Gerard (1993) 'Multilateralism: the anatomy of an institution', *International Organization*, 46(3): 561-98.



Schaller, Michael (1982) 'Securing the Great Crescent: Occupied Japan and the origins of containment in Southeast Asia', *Journal of American History*, 69(2): 392-414.

Simon, Sheldon (1998) 'Security prospects in Southeast Asia: Collaborative efforts and the ASEAN Regional Forum', *The Pacific Review*, 11(2): 195-212.

Stiglitz, Joseph E (2002) *Globalization and Its Discontents*. (New York: Norton).

Stubbs, R (2002) 'ASEAN Plus Three: Emerging East Asian Regionalism?' *Asian Survey*, 42(3): 440-55.

Terada, T (2003) 'Constructing an "East Asia" concept and growing regional identity: From EAEC to ASEAN+3', *Pacific Review*, 16(2): 251-77.

Wade, Robert (1990) *Governing the Market: Economic Theory and the Role of Government in East Asian Industrialization*. (Princeton, NJ: Princeton University Press).

Woods, Ngarie. (2002), 'Global governance and the role of institutions'. In D. Held & A. McGrew (Eds.), *Governing Globalization: Power, Authority and Global Governance* ((Oxford: Polity Press): 25-45.

Woods, Ngarie. (2003), 'The United States and the international financial institutions: Power and influence within the World Bank and the IMF'. In R. Foot & et al (Eds.), *US Hegemony and International Organizations* ((Oxford: Oxford University Press): 92-114.

Wyatt-Walter, Andrew. (1995), 'Regionalism, globalization, and world economic order'. In L. Fawcett & A. Hurrell (Eds.), *Regionalism in World Politics: Regional Organization and International Order* (Oxford University Press): 74-121.