Making Process, Not Progress: ASEAN and the Evolving East Asian Regional Order
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Source: *International Security,* Vol. 32, No. 1 (Summer, 2007), pp. 148-184
Published by: The MIT Press
Stable URL: https://www.jstor.org/stable/30129804
Accessed: 24-07-2018 13:51 UTC

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Making Process, Not Progress

ASEAN and the Evolving East Asian Regional Order

David Martin Jones
and
Michael L.R. Smith

In August 2007 the Association of Southeast Asian Nations (ASEAN) will celebrate its fortieth anniversary as a regional security arrangement. Over this period it has enjoyed a somewhat checkered history. In its first decade, its founding members rarely met. In its second, it played a diplomatic role in the resolution of the Indochina conflict. In its third decade, it widened its embrace to include the grouping's former antagonist, Vietnam, as well as Burma-Myanmar, Cambodia, and Laos; and it extended its diplomatic style into Northeast Asia via the ASEAN Regional Forum (ARF). The same decade also saw ASEAN encountering an unsettling financial crisis, as well as political and economic uncertainty, which fueled religious and ethnic discord along with environmental and boundary disputes. Its fourth decade, nevertheless, witnessed ASEAN extending its institutional reach. After 1997 ASEAN held regular summits with China, Japan, and South Korea in an arrangement termed, unimaginatively, ASEAN Plus Three (APT). This mechanism, however, incubated the embryonic, and rhetorically more exciting, East Asian Community, whose fertilization occurred in Kuala Lumpur in December 2005.

This incremental evolution earned plaudits from the region's political leaders and from a wider scholarly community that had, in a variety of second-track forums, become increasingly involved in the emerging arrangement's self-definition. Reviewing the field, in 2004 Anthony Smith maintained that "the consensus on ASEAN through to the early 1990s amongst many scholars and journalists was that it was a body without parallel in the developing world."[1]

In 1997 ASEAN was stirred, but not unduly shaken, by the Asian financial crisis. The crisis apparently galvanized the association into deepening its integration and projecting its socialization and managerial processes into Northeast Asia. For Singapore's enduring ambassador-at-large, Tommy Koh,

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1. Anthony L. Smith, "ASEAN's Ninth Summit: Solidifying Regional Cohesion, Advancing External Linkages," *Contemporary Southeast Asia*, Vol. 26, No. 3 (December 2004), p. 417.

the crisis "stimulated a new sense of East Asian regionalism."[2] Regional scholarship reinforced regional aspiration. As early as 1997 ASEAN scholar Amitav Acharya wondered whether the ASEAN way would in time transform itself into the Asia-Pacific way.[3] By 2000 Peter Katzenstein declared that East Asian regional integration was "an idea whose time has come."[4]

Indeed, given the positive evaluations of an expanded ASEAN machinery "to socialize the [East Asian] region with the same norms and values that have proved successful in Southeast Asia,"[5] it comes as something of a disappointment to find that official statements, and the scholarship they generated, are vague about what the association actually is or does. In view of ASEAN's longevity, its apparent centrality to regional security in Southeast Asia, and its procedurally driven transformation of foreign relations across East Asia in the twenty-first century, the uncertainty among its diplomats and its academic admirers about whether ASEAN is an organization, a discourse, or a community of various hues represents something of a puzzle.

To unravel this puzzle, we seek to demonstrate that ASEAN remains what it essentially was from its inception, namely an association of states created to achieve the limited purpose of maintaining regional order. ASEAN was originally founded to establish the conditions of stability among a heterogeneous grouping of weak postcolonial states in Southeast Asia, and subsequent attempts to extend its associative modality beyond this limited goal leads only to organizational ambiguity and academic incoherence. Thus, those in the association or among its academic enthusiasts who seek to embellish it as a framework for a more integrated ASEAN identity grounded in its distinctive norms and processes and framed by its inimical discourse only succeed in creating not a community but an illusion. Moreover, the attempt to project this illusion into a wider East Asian Community only exacerbates the confusion enveloping the behavior of ASEAN's more powerful neighbors in Northeast Asia toward the grouping.

To dispel the illusion, our analysis explores the evolving claims made on behalf of ASEAN by both scholars and diplomats since its inception. From this we outline its governing norms and identify the nature of the ASEAN process

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2. Cited in Dirk Nabers, "The Social Construction of International Institutions: The Case of ASEAN + 3," *International Relations of the Asia-Pacific*, Vol. 3, No. 1 (February 2003), p. 122.
3. Amitav Acharya, "Ideas, Identity, and Institution Building from the 'ASEAN Way' to the 'Asia-Pacific Way?'" *Pacific Review*, Vol. 10, No. 3 (1997), p. 319.
4. Peter Katzenstein, "Regionalism and Asia," *New Political Economy*, Vol. 5, No. 3 (November 2000), p. 361.
5. Smith, "ASEAN's Ninth Summit," p. 432.

and the diplomatic structure this process has evolved. Having established ASEAN's guiding propositions and the cooperative practices they seek to instantiate, we test their efficacy in three discrete spheres of ASEAN engagement: economic integration, intramural integration, and the creation of a wider community. Three case studies exemplify this engagement: the Asian financial crisis and ASEAN's response; ASEAN's collective approach to the transnational threat posed by the so-called war on terrorism in Southeast Asia; and ASEAN's diplomatic management of China's claim to the sovereignty of the Spratly Islands. ASEAN's conduct in these three cases, we argue, reveals that its consensus-driven, conflict-avoidance formula lends itself increasingly to more powerful actors outside the region shaping ASEAN's destiny. We further demonstrate that the central lesson deduced from ASEAN's distinctive diplomatic practice is that norms are essentially what states, pursuing their strategic self-interest, make of them.

From Realism to Surrealism: From an "Embryonic" to a "Nascent" Security Community

The early scholarship of regional security arrangements in Southeast Asia contrasts vividly with more recent commentary regarding the prospects for either an enhanced or a more completely integrated ASEAN community. In the 1960s and 1970s, scholars generally lamented the failure of attempts at regional security cooperation and regarded the eventual formation of ASEAN in 1967 limited in both scope and utility. Assembled from the detritus of stillborn attempts at post–World War II regional cooperation, notably the Southeast Asian Treaty Organization, the Association of Southeast Asia, and Maphilindo, the future grouping cobbled together elements of these tried and failed arrangements into the ASEAN Declaration signed in Bangkok in August 1967.[6] Here the five founding members (Indonesia, Malaysia, the Philippines, Singapore, and Thailand) agreed "to accelerate the economic growth, social progress, and cultural development in the region through joint endeavours in the spirit of equality and partnership in order to strengthen the foundation for a prosperous and peaceful community of Southeast Asian Nations."[7]

That the grouping agreed to anything at all represented the symbolic resolution of a conflict over the postcolonial Southeast Asian regional order and In-

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6. Maphilindo, an abbreviation of Malaysia, the Philippines, and Indonesia, was a short-lived federation in the early 1960s that aimed to unite the ethnic Malay states in Southeast Asia in a loose association.
7. ASEAN Secretariat, "The ASEAN Declaration (Bangkok Declaration)," August 8, 1967, http://www.aseansec.org/1212.htm.

donesia's acceptance of the right of the recently decolonized states of Malaysia and Singapore to a place in that order. Never more than an "intergovernmental entity," ASEAN demonstrated early on "a strong disposition against any supranational tendency."[8] To the extent that the association possessed an identity, moreover, it emerged in response to the Indochina crisis occasioned by Vietnam's invasion of Cambodia in 1978. Vietnam's actions breached ASEAN's 1976 landmark Treaty of Amity and Cooperation (TAC), which ostensibly upheld the principle of noninterference in the internal affairs of member states as the basis of regional cooperation, peace, and stability.

At the end of the Cold War, therefore, ASEAN stood revealed as a diplomatic community of weak states, and its collegial style represented the "institutional fruit" of subregional conflict resolution between 1976 and 1991. It could also be viewed, Michael Leifer contended, as an "embryonic security community" practicing cooperative security.[9] By this Leifer meant a realist, intraelite undertaking that reconciled previously conflicting states through its machinery of dialogue, dispute management, and conflict avoidance. In this, ASEAN's practice contained "an evident dimension of balance of power" within "an institutional framework of multilateral constraint" that actively avoided solving intramural problems.[10] Given the evident political, diplomatic, and economic difficulties confronting Southeast Asia after 1997, Leifer urged caution in "drawing on ASEAN's institutional experience as a model for other regions."[11]

Notwithstanding such caution, ASEAN's international and regional diplomatic stature improved dramatically in the 1990s. The original ASEAN states maintained both peace and impressive economic growth from 1985 to 1997. From the late 1980s, too, a new generation of scholars challenged the realism that informed the early scholarship of Southeast Asia's evolution and diplomatic record. Attracted by ASEAN's distinctive diplomatic style and convinced that the "economic rise of Southeast Asia," along with the rest of the Pacific littoral, had "proven itself a sound developmental model,"[12] this new

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8. Michael Leifer, *ASEAN and the Security of Southeast Asia* (London: Routledge, 1989), p. 104.
9. Michael Leifer, *ASEAN's Search for Regional Order* (Singapore: National University of Singapore, 1987), p. 4.
10. Michael Leifer, "Truth about the Balance of Power," in Kin Wah Chin and Leo Suryadinata, eds., *Michael Leifer Selected Works on Southeast Asia* (Singapore: Institute of Southeast Asian Studies [ISEAS], 2005), p. 153.
11. Michael Leifer, "The ASEAN Peace Process: A Category Mistake," *Pacific Review*, Vol. 12, No. 1 (1999), p. 25.
12. Helen E. S. Nesadurai, "APEC: A Tool for U.S. Regional Domination," *Pacific Review*, Vol. 9, No. 1 (1996), p. 51.

generation of scholars entertained the view that ASEAN's practice might fashion a wider East Asian order.

Indicative of this hermeneutic shift in ASEAN scholarship, the journal that printed Leifer's final article, which questioned ASEAN's ability to promote collective regional security, also published, in the same issue, Nikolas Busse's thesis that ASEAN's processes did, indeed, establish the basis for a wider regional order. Disposing of Leifer's "myopic" realist lens for a long-sighted, constructivist alternative, Busse contended that a shared regional identity had emerged from the "social practice and political interaction" of ASEAN and its interlocutors.[13] For Busse, ASEAN had evolved a distinctive "political culture" in the course of the Indochina crisis. Subsequently, the process of engagement with an emerging China after 1994 had extended ASEAN's procedural norms, establishing them as the basis of a wider regional order.

Following Busse, but abandoning a "parsimonious constructivism" in favor of an all-embracing analytic eclecticism, Katzenstein also considered ASEAN "processes of trust building . . . to be well under way" across the Asia-Pacific.[14] While Katzenstein warned that the construction of a regional identity might be a work of decades rather than years, and neglected to specify the number of states the region might include, other analysts were more prescriptive. Methodologically informed by a heterogeneous mixture of constructivism, eclecticism, and a growing interest in resurrecting an earlier functionalist account of regional community formation via increased transactions, the new ASEAN scholarship imagined the grouping evolving from an already established "diplomatic community" into a "nascent security community." This "nascent" security community, should not, however, be confused with Leifer's earlier, balance of power–oriented, embryonic one. For the new, ideationally driven community theory proposed that dialogue engendering shared norms over time breeds a shared regional identity.[15]

From this perspective, and in contrast to realism, a shared sense of weakness rather than strength facilitated ASEAN's capacity to transform the regional order. Discourse conducted according to the nonlegalistic, consensus-oriented ASEAN way that represented a distinctive alternative to European styles of di-

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13. Nikolas Busse, "Constructivism and Southeast Asian Security," *Pacific Review,* Vol. 12, No. 1 (1999), p. 59.
14. Peter J. Katzenstein and Nobuo Okawara, "Japan and Asian-Pacific Security," in J. J. Suh, Katzenstein, and Allen Carlson, eds., *Rethinking Security in East Asia: Identity, Power, and Efficiency* (Stanford, Calif.: Stanford University Press, 2004), pp. 114–115.
15. Amitav Acharya, *Constructing a Security Community in Southeast Asia: ASEAN and the Problem of Regional Order* (London: Routledge, 2000).

plomacy would forge an ideational alternative, thereby inducing a collective sense of "we-ness."[16] Interestingly, while those who adopted either a realist or a constructivist lens to examine ASEAN agreed on the collective weakness of the states that formed it, those of a transformational disposition serendipitously discovered that state weakness produced positive ideational and normative outcomes, culminating in an enhanced identity and purpose.

Furthermore, for a number of scholars, China's growing enthusiasm for normalizing regional relations through the ARF and APT processes gave evidentiary support to the transformative possibilities of both the norms and the distinctive diplomatic culture pervading this widening, distinctively non-Western, regional grouping. This contrasted dramatically with China's previous experience of the "unfair" international treaty system, considered responsible for a century of humiliation at the hands of Western imperial powers between 1842 and 1949. Moreover, Japan's growing enthusiasm for the APT mechanism gave additional purchase to the new intellectual and political frameworks encompassing the emerging regional reality. In January 2002 Japanese Prime Minister Junichiro Koizumi proposed that East Asia should become a "community" that "acts together and advances together." Koizumi contended that "East Asia's whole can be greater than the sum of its parts," that Southeast and Northeast Asia's political futures were entwined, and that the APT framework should be the forum for this shared East Asian destiny.[17]

International relations theory, as it increasingly assumed a transformative idiom in the course of the 1990s, thus found both ontological and empirical justification in the ASEAN process. ASEAN's emergence in the context of *konfrontasi*, to its role in the resolution of the Indochina crisis between 1978 and 1991, through the challenge posed by the Asian financial crisis in 1997, to the active community-building initiatives that both deepened ASEAN integration and established the machinery of the APT to embrace a wider Northeast Asia between 1997 and 2005 demonstrated institutional adaptation, the construction of shared norms, and a common identity mediated through the ASEAN way.[18]

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16. Yuen Foong Khong, "Coping with Strategic Uncertainty: Institutions and Soft Balancing in ASEAN's Post–Cold War Strategy," in Suh, Katzenstein, and Carlson, *Rethinking Security in East Asia*, p. 189.
17. Quoted in Ignatius Low, "Wanted: An E. Asian 'Community,'" *Straits Times,* January 16, 2002.
18. Acharya, "Ideas, Identity, and Institution Building from the 'ASEAN Way' to the 'Asia-Pacific Way?'" pp. 319–346. See also Nabers, "The Social Construction of International Institutions," pp. 130–132. *Konfrontasi* is a Malay/Indonesian word for confrontation, and refers to the period of conflict that took place from 1963 to 1966 between Malaysia and Indonesia over the disputed territory of Borneo.

Indeed, Alastair Iain Johnston maintained that the ASEAN way of regional integration allowed states to establish an extremely low level of institutionalization with a highly nonintrusive agenda. This, in turn, created a process of social interaction that allowed further institutional movement. Ironically, the movement ASEAN generated "promises to negate it, as the ARF converges, tentatively, with European-like models." This rendered the whole process "a happy myth."[19]

Thus, the dominant understanding of ASEAN-driven regionalism came to assume that, first, a collocation of weak state actors engineered a set of procedural norms and persuaded stronger regional actors to both adopt and adapt to them; and second, these distinctively non-Western procedural norms and processes have informed a practice of socialization that over time constructs new and more inclusive identities, transforms interests, and establishes the lineaments of a regional community. What, then, are these norms and processes? And by what diplomatic mechanisms are they maintained and implemented?

Norms, Processes, and the ASEAN Way

The defining ASEAN norm, identified in the Treaty of Amity and Cooperation, requires noninterference in the affairs of member states. All who conform to the ASEAN process, therefore, accept the nonnegotiable inviolability of national sovereignty. Second, ASEAN eschews the use of force. The organization resolves disputes peacefully. In 1971 ASEAN declared itself a zone of peace, freedom, and neutrality and subsequently a nuclear weapons–free zone. These norms are not unique. The 1949 United Nations Charter and the Nonaligned Movement at its Bandung meeting in 1955 had expounded them prior to ASEAN's formation. The language of both the ASEAN Declaration and the TAC, thus, reflects the internationalist and postcolonial values of the postwar era.

What actually distinguishes ASEAN's norms is not their content, but their implementation in a framework of regional interaction. The ASEAN way, according to Acharya, is "about the process through which such interactions are carried out."[20] This process requires the cultivation of certain habits, notably,

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19. Alastair Iain Johnston, "The Myth of the ASEAN Way? Explaining the Evolution of the ASEAN Regional Forum," in Helga Haftendorn, Robert O. Keohane, and Celeste A. Wallander, eds., *Imperfect Unions: Security Institutions over Time and Space* (Oxford: Oxford University Press, 1999), p. 324.
20. Acharya, "Ideas, Identity, and Institution Building from the 'ASEAN Way' to the 'Asia-Pacific Way?'" p. 329.

discretion, informality, expediency, consensus building, and nonconfrontational bargaining. Consequently, the ASEAN way contrasts with the "adversarial posturing" and "legalistic decision-making procedures" apparently found in multilateral negotiations conducted according to Western diplomatic criteria. A preoccupation with expediency and informality, itself a reflection of member state weakness and insecurity, requires the practice of nonconfrontation and acute sensitivity to the "comfort level" experienced by participants. The effort to raise the comfort level entails the avoidance of open disagreement between participants.[21]

Comfort, therefore, means either evading the discussion of bilateral disputes between member states or addressing them obliquely in nonbinding "workshops," second-track forums, and dialogue sessions. As one former ASEAN secretary-general explained, "When ASEAN cannot solve a problem, what does it do? First, it may put the problem under the carpet and not highlight it."[22] This approach further required that multilateral discussions in ASEAN ministerial meetings excluded issues of defense cooperation. Subsequently, the ARF process required a conflict-avoidance strategy to inform all deliberations concerning wider regional security. Rather than formal or legally binding alliances, the ASEAN process promotes the practice of consultation and consensus.

Consensus encourages a shared appreciation of the problem without necessarily producing a shared approach to it. Agreement may be reached provided nonadherents do not lose face in the process. Given the nonbinding character of ASEAN agreements, those who dissent are rarely discomfited. The ASEAN and ARF processes "[are] about agreeing to disagree rather than allowing disagreement to cloud and undermine the spirit of regionalism."[23] This apparent informality further entails that close interpersonal ties between leaders and senior governmental figures trump rules and enforcement mechanisms. For Acharya, "whilst ASEAN is not lacking regularized ministerial and bureaucratic consultations, it has not embraced the idea of a centralized permanent bureaucracy with decision-making authority."[24] Indeed, ASEAN possesses no clear format for decisionmaking, and meetings "often lack a formal agenda."[25]

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21. Ibid.
22. Quoted in Amitav Acharya, "Culture, Security, Multilateralism: The 'ASEAN Way' and Regional Order," *Contemporary Security Policy*, Vol. 19, No. 1 (April 1998), p. 62.
23. Ibid., p. 63.
24. Ibid., p. 59.
25. Acharya, "Ideas, Identity, and Institution Building from the 'ASEAN Way' to the 'Asia-Pacific Way?'" p. 329.

INFORMALITY OR INTERGOVERNMENTABILITY?

The cumulative effect of these processes is a weak institutional framework. Nevertheless, ASEAN has evolved a distinctively intergovernmental structure over time. Since the fourth ASEAN summit in 1992, and given additional momentum by the APT, ASEAN has developed a complicated framework of meetings and formal and informal summits to both discuss and agree on policy. Below this level, the annual ASEAN Ministers Meeting of foreign ministers constitutes the intergovernmental "receptacle" of the "political sovereignties of the regional arrangement." Annual meetings of ASEAN economic and finance ministers evolved to complement this format, which dates from ASEAN's founding. Since 1977 the ASEAN economic ministers and, in the aftermath of the financial crisis, the ASEAN finance ministers have also met annually. The ASEAN Standing Committee coordinates the work of the association between these annual meetings, and the ASEAN chair and vice chair rotate on an annual basis among member states. The ASEAN Secretariat, headed by the secretary-general of ASEAN, manages this complex arrangement of formal and informal summits, dialogues, meetings, and standing committees. The secretary-general holds office on a two-to-three-year renewable term and is chosen from candidates proposed by member states. To improve organizational efficiency in the aftermath of the financial crisis and to implement the 1998 post–financial crisis Hanoi Plan of Action and the 2003 Vientiane Action Program, the ASEAN secretary-general received "an enlarged mandate to initiate, advise, coordinate, and implement ASEAN activities."[26]

The mandate responds to ASEAN's dramatically accelerated policymaking following the financial crisis. After 1997, ASEAN summits agreed to a plethora of protocols and action plans designed both to increase Southeast Asian integration and to establish a regional leadership role for the organization. They embrace a prospectus ranging from relatively technical sectoral protocols to declarations that refine the character of the organization, such as the 2003 Declaration of ASEAN Concord II (Bali Concord II), which established a framework to achieve an integrated ASEAN community, and the 2005 Kuala Lumpur Declaration on the Establishment of the ASEAN Charter, which would, when codified, afford the organization a legal persona. They also cover framework agreements, such as those establishing an ASEAN investment area in 1998 and an ASEAN development fund in 2005, that give substance to the

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26. ASEAN Secretariat, "The ASEAN Secretariat: Basic Mandate, Functions, and Composition," http://www.aseansec.org/11856.htm.

organization's 1997 Vision 2020 statement, and the Hanoi Plan of Action and Vientiane Action Program to strengthen economic integration. Since 1997 the ASEAN process has also established a structure governing ASEAN's external trade via framework agreements on economic partnership with Japan and India and a strategic partnership for peace and prosperity with China in 2003.

TRACK-TWO DIPLOMACY CONSTRUCTS AN ASEAN COMMUNITY
In constructing this normative order through the process of dialogue and trust building, ASEAN scholars consider particularly influential the role that track-two meetings and workshops—involving both diplomats and scholars—play in clarifying the evolving character of the organization and extending its processes into the ARF and the APT. Acharya argues that "an important feature of regional security debates in ASEAN is the role of think tanks specializing in international relations and security studies in sponsoring what has been called second-track dialogues and discussions on regional security issues."[27]

It is here that an evident incongruity appears in the discourse of ASEAN's normative evolution. For this informal process is neither unofficial nor independent. As Carolina Hernandez observes, the track-two process reflects an evolving relationship between ASEAN and the various member states' Institutes of Strategic and International Studies (ISIS). These institutes have, since the formation of the ARF, developed close ties with ASEAN. Indeed, "ASEAN-ISIS is the most important and visible peace and security–related track-two mechanism in Southeast Asia.[28] This "non-official dialogue process" has increased dramatically in tandem with ASEAN's regional profile. Daljit Singh calculated that by 1995 "there were 83 known Track Two multilateral dialogues compared with 17 Track One meetings."[29]

Like the official ASEAN process itself, ASEAN-ISIS meetings widened their scope in the course of the 1990s to embrace states outside ASEAN through the Council for Security Cooperation in the Asia-Pacific (CSCAP). In Sheldon Simon's opinion, "Because many national CSCAPs are very close to their governments, CSCAP recommendations . . . provide added dimensions to official government views."[30] CSCAP's preventive diplomacy workshops, Simon

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27. Acharaya, "Culture, Security, Multilateralism," p. 75.
28. Carolina A. Hernandez, "The ASEAN-ISIS and CSCAP Experience," in Sharon Siddique and Sree Kumar, eds., *The 2nd ASEAN Reader* (Singapore: ISEAS, 2003), p. 280.
29. Daljit Singh, "Evolution of the Security Dialogue Process in the Asia-Pacific Region," in Siddique and Kumar, *The 2nd ASEAN Reader*, p. 287.
30. Sheldon W. Simon, "The ASEAN Regional Forum Views the Councils for Security Cooperation in the Asia Pacific: How Track II Assists Track I," *NBR Analysis,* Vol. 13, No. 4 (July 2002), pp. 16–17.

maintains, helped advance the ARF process. More broadly, Acharya finds that "while the ASEAN-ISIS played a key role in the direction of a formal process of security dialogue, the CSCAP in which ASEAN-ISIS plays a major role, has begun to provide similar inputs into the ARF."[31]

Acharya accepts that regional "think tanks involved are . . . closely linked to their respective national governments and rely on government for their academic and policy-relevant activities."[32] Hernandez further comments that "the role of track-two diplomacy may be seen in the institutionalization of meetings between ASEAN-ISIS policy-making structures such as ASEAN-SOM [Senior Officials Meeting] in the adoption of an overwhelming majority of its policy recommendations by ASEAN."[33] Given the close relationship between the various member states' Institutes of Strategic and International Studies and the ASEAN and ARF processes, it is not altogether surprising to find that the prevailing academic orthodoxy regarding community building occurs through dialogue, and that normative transformation informs both the style and content of official ASEAN pronouncements. In other words, as the ASEAN-ISIS process gathered strength, the language of trust building, identity, norms, and community found its way into official documents.

Thus, ASEAN's Vision 2020 foresees Southeast Asia "bound by a common regional identity."[34] Somewhat differently, the Bali Concord II redescribes the Treaty of Amity and Cooperation in language that could be found in many undergraduate course outlines in international relations. Consequently, the ASEAN security community (ASC) subscribes "to the principle of comprehensive security."[35] It explores "innovative ways to increase its security and establish modalities . . . which include, *inter alia*, the following elements: norms-setting, approaches to conflict resolution, and post-conflict peace building."[36] Conflating the prevailing scholarship into a single mission statement, the 2005 Kuala Lumpur Declaration on the Establishment of the ASEAN Charter desired "to realize an ASEAN Community," and envisioned "ASEAN as a concert of Southeast Asian nations; outward looking, living together in peace,

31. Acharya, "Culture, Security, Multilateralism," p. 76.
32. Moreover, ASEAN-ISIS meetings and meetings between ASEAN-ISIS and ASEAN senior officials, held annually since 1997, both "allow and encourage participation by government officials." Ibid.
33. Hernandez, "The ASEAN-ISIS and CSCAP Experience," p. 282.
34. ASEAN Secretariat, *Vision 2020,* http://www.aseansec.org/1814.htm.
35. ASEAN Secretariat, "Declaration of ASEAN Concord II (Bali Concord II)," October 7, 2003, http://www.aseansec.org/15159.htm.
36. Ibid., par. 12.

stability, and prosperity, bonded together in partnership in . . . a community of caring societies."[37]

Academic forecasters of regional integration, such as Katzenstein and Nobuo Okawara, argued that the relationship between regional scholarship and regional organizations "socialize[s] elites either directly or indirectly to different norms and identities," and that the relationship between ASEAN-ISIS has become an "important feature of Asia-Pacific security affairs."[38] In fact, it would seem that scholars who wish to see shared norms transforming identities and interests have written their ideological preferences into the organization's goals. Constructivism aside, however, words are not deeds. Central to the case for ASEAN transforming both its member states and the wider region is the contention that the process of meeting and dialogue in an atmosphere of unstructured informality over time promotes trust, creates shared norms, and induces a shared identity. This should be observable both in the changing practice of the organization and in its manner of addressing a range of regional economic and security problems.

One difficulty with this transformation appears almost immediately: the actual administrative practice of the organization, notwithstanding the enhanced mandate of the ASEAN Secretariat, lacks any supranational capacity. In other words, despite the proliferation of meetings, declarations, and protocols since 1997, the organizational structure of ASEAN remains essentially intergovernmental. The ASEAN-ISIS process, for example, works through, is dependent on, and is accountable to generally illiberal member state governments.

An analogous pattern of state-driven interaction is evident in the areas of economic and security cooperation within ASEAN. In fact, it is the staff of each member state's ASEAN National Secretariat, housed in their respective foreign ministries, that proposes, and once accepted at a Heads of Government meeting, disposes policy. Eighty percent of ASEAN business conducted by the Secretariat's machinery concerns fairly mundane technical and economic matters. The press and ASEAN scholarship, by contrast, glamorize ASEAN's political role. The Secretariat forms the actual bureaucracy of ASEAN. Moreover, at this level, what distinguishes the ASEAN process is not informality, but a high degree of formality and hierarchy.

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37. ASEAN Secretariat, "Kuala Lumpur Declaration on the Establishment of the ASEAN Charter," December 12, 2005, http://www.aseansec.org/18030.htm.
38. Peter J. Katzenstein and Nobuo Okawara, "Japan, Asian-Pacific Security, and the Case for Analytic Eclecticism," *International Security*, Vol. 26, No. 3 (Winter 2002/03), p. 162.

The dissonance between an official declaratory intent of deepening ASEAN integration and extending its nonbinding processes to the wider region, and the actual intra-ASEAN policy practice that remains intergovernmental and bureaucratic, has important implications not only for how ASEAN functions, but also for the extent to which its aspiration to build a common regional identity based on shared norms can be realized. To explore this dissonance, we examine ASEAN's rhetorical and practical response to its financial crisis.

ASEAN's Economic Community and Its Regional Implications

In the early 1990s, the supercharged economic growth of Southeast Asia, together with the initiation of the process to form an ASEAN free trade area (AFTA) seemed to presage what Singapore Home Affairs Minister George Yeo somewhat misguidedly described in 1995 as a "new East Asian Co-Prosperity Sphere."[39] This premonitory vision of an integrated East Asian economic region disintegrated in the deep recession brought on by the Asian financial crisis of 1997.

The crisis began in July when the Bank of Thailand failed to maintain the baht peg to the dollar. The subsequent restructuring of the economy with the aid of an International Monetary Fund (IMF) rescue package of $18 billion witnessed the bankruptcy of financial institutions, manufacturing decline, rising interest and unemployment rates, and a liquidity crunch. An analogous pattern repeated itself with even more drastic political and economic consequences in Indonesia, which saw the collapse of its financial sector and a number of government-linked conglomerates: it also undermined the authority of Indonesia's New Order regime. By contrast, Malaysia responded to the collapsing ringgit by imposing currency controls and refusing an IMF rescue package. The controversial strategy salvaged the authority of then Prime Minister Mahathir Mohamad, but the unpredictable policy environment severely dented Malaysia's credibility among foreign investors. At the peak of the crisis, World Bank Director Jean-Michel Severino calculated that $115 billion in foreign direct investment had fled Indonesia, Malaysia, the Philippines, South Korea, and Thailand. The equivalent of 18 percent of gross domestic product vanished from Southeast Asia and South Korea between June 1997 and January 1998.[40]

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39. George Yeo, "A New Greater East Asia Co-Prosperity Sphere?" in Greg Sheriden, ed., *Living with Dragons: Australia Confronts Its Asian Destiny* (Sydney: Allen and Unwin, 1995), p. 55.
40. Martin Wolf, "Let Lenders Beware," *Financial Times*, January 3, 1998.

As the crisis developed, East Asian states pursued their own national interests, and recourse to a Darwinian survival of the fittest appeared the only shared regional value. Given that the immediate aftermath of the financial crisis revealed a Southeast Asia typified by political and economic fragility, the response to the crisis affords a test of ASEAN's capacity to develop an enhanced institutional framework, coupled with enforcement mechanisms for pooling the economic sovereignty of ASEAN member states in a common community, creating an ASEAN free market in goods and services, and integrating areas where ASEAN may possess comparative advantages. This would be measurable in terms of the growth of inter-ASEAN trade, the decline in ASEAN's dependence on both foreign direct investment and external markets primarily in the United States, the corresponding growth of an internal market both within ASEAN and across the wider East Asian Community for ASEAN products, and the growth of ASEAN domestic consumption.

ASEAN AND THE SOUTHEAST ASIAN DEVELOPMENTAL STATE

As the financial crisis demonstrated, ASEAN, as a regional economic grouping, was far from integrated. The structure of the more dynamic ASEAN economies were export oriented, and competed between themselves both for foreign direct investment and as low-cost manufacturing bases for Northeast Asian, European, or North American multinational corporations. Unlike increasingly integrated markets such as the European Union (EU), where intra-European trade among the core economies accounted for more than 60 percent of total EU trade by the mid-1990s, intra-ASEAN trade represented a mere 20 percent of total ASEAN trade at the time of AFTA's formation in 1992.

Moreover, moving from the optimism of the Asian miracle decade to financial crisis within a year constituted a shock to the model of state-led economic development and left regional politicians and academics floundering for explanations and solutions. In this context, the ASEAN orthodoxy holds that even if attempts at economic integration had been largely ineffectual prior to the crisis, the aftermath of the crisis encouraged both a deepening of ASEAN integration and a widening of its processes to embrace Northeast Asia. To what extent then has ASEAN built an integrated economic community, one of the pillars of the 2003 Bali Concord II?

CRISIS, DIAGNOSIS, AND ASEAN'S RESPONSE

The financial crisis spawned two essentially contested understandings of what happened. The prevailing economic orthodoxy maintained that the structural features of the Asian economic model were the cause of the financial melt-

down. In this view, current account deficits, a speculative property boom, short-term borrowing to fund long-term investment, as well as poor banking and financial regulation, which ran the spectrum from the inept and opaque to the fraudulent and corrupt, constituted a fundamental systemic fault. In 1997 the world markets severely punished this weakness.

By contrast, the market-unfriendly school, led by Prime Minister Mahathir, and abetted by a curious range of supporters that included Paul Krugman, Jeffrey Sachs, Joseph Stiglitz, and Indonesia's President Suharto maintained that the crisis was a product of deregulated global capitalism. Having opened their capital markets to global trade in the course of the 1990s, the new Asian boys on the international currency trading bloc were the innocent victims of a brutal mugging by a gang of spivish hedge fund managers and futures traders in New York, Chicago, and London. From this perspective, there was little wrong with the Asian developmental model that a few lessons in central banking and sovereign bond floating could not fix.

It was Dr. Mahathir's diagnosis that achieved increasing regional appeal. As the meltdown spread from Southeast Asia to Northeast Asia, most notably South Korea, it induced a sense of collective humiliation. The formerly "high-performing Asian economies," as the World Bank report described Indonesia, South Korea, and Thailand in 1995, had to endure the imposition of hitherto unknown levels of financial stringency in return for IMF aid. That Western countries on the Asian periphery, such as Australia and New Zealand, along with the United States (but also including China, India, and Taiwan), escaped the worst effects of the economic contagion merely compounded the humiliation.

Shame induced resentment. Proponents of enhanced regionalism maintained the IMF had aggravated the crisis through its "too harsh" demands for economic restructuring and financial reform.[41] This version of the crisis served the ideologically useful function of shifting the burden of responsibility onto insensitive Western institutions and the malign impact of global capitalism.[42] Consequently, designing Asian solutions for Asian problems would both engender a greater sense of East Asian independence and strengthen regional

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41. Jeffrey Lewis, "Fiscal: Asian vs. International: Structuring an Asian Monetary Fund," *Harvard Asian Quarterly*, Vol. 3, No. 4 (Autumn 1999), par. 1, http://www.asiaquarterly.com/content/view/48/40/. The IMF had also, allegedly, ignored local sensibilities, notably in Indonesia. See Peter Katzenstein, "Regionalism in Asia," paper presented at the Centre for the Study of Globalisation and Regionalisation conference, "After the Global Crises: What Next for Regionalism?" Scarman House, University of Warwick, United Kingdom, September 16–18, 1999, p. 19.
42. See Richard Higgott, "The Asian Economic Crisis: A Study in the Politics of Resentment," *New Political Economy*, Vol. 3, No. 3 (November 1998), pp. 333–356.

economies against further externally induced shocks. As Deputy Prime Minster of Thailand Supachai Panitchpakdi explained in 2000, "We cannot rely on the World Bank, Asian Development Bank, or International Monetary Fund, but we must rely on regional cooperation."[43]

The years following the crisis therefore witnessed an upsurge in the rhetoric of pan-Asian economic renewal. Scholars and diplomats saw a "need to revitalize multilateral institutions in the region," because "only by strengthening this cooperation can the East Asian region have some influence globally."[44] A feeling of shared destiny and a commitment to renewal spurred ASEAN into action. In the months following the outbreak of the economic crisis, ASEAN sought to institute a dialogue partnership with the Northeast Asian states of China, Japan, and South Korea. The sixth ASEAN summit, held in Hanoi in December 1998, committed members to "a higher plane of regional cooperation in order to strengthen ASEAN's effectiveness in dealing with the challenges of growing interdependence within ASEAN and of its integration into the global economy."[45]

The same summit further agreed to formalize meetings with the Northeast Asian states into the arrangement known as ASEAN Plus Three. The push for greater East Asian institutionalization also produced a number of ideas to reinforce economic cooperation. Japan proposed an Asian monetary fund specifically to address regional needs in a more effective and sensitive manner than the IMF.[46] Even more grandiose visions were floated, including an Asian free trade area and a monetary union. Regionalist ardor reached its apogee when Prime Minister Koizumi proposed in January 2002 that East Asia should, indeed, evolve into a "community."[47]

The 1997 financial crisis, therefore, inspired numerous official declarations of regional solidarity. Yet it was the APT that represented its lasting institutional fruit, constituting the "embryo of an East Asian regional organiza-tion."[48] The arrangement was intended as a vehicle to regenerate ASEAN.

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43. Quoted in "Thailand's Financial Dilemma," *Nation* (Bangkok), June 10, 2000.
44. Jusuf Wanandi, "ASEAN's Challenges for its Future," CSIS PacNet Newsletter, No. 3 (Honolulu: Center for Strategic and International Studies, January 22, 1999), http://www.csis.org/media/csis/pubs/pac9903.pdf.
45. ASEAN Secretariat, "Hanoi Declaration of 1998," December 16, 1998, http://www.aseansec.org/8752.htm.
46. Christopher B. Johnstone, "Strained Alliance: U.S.-Japan Diplomacy in the Asian Financial Crisis," *Survival,* Vol. 41, No. 1 (Summer 1999), p. 125.
47. Low, "Wanted."
48. Hadi Soesastro, "Wither ASEAN Plus Three? Regional Trading Arrangement: Stocktake and Next Steps," Pacific Economic Cooperation Council, Trade Policy Forum, Bangkok, Thailand, June 12–13, 2001, p. 1.

Moves toward a more developed sense of East Asian regionalism thereby entailed a new and enhanced role for the association. As one of its proponents, former Indonesian Foreign Minister Ali Alatas averred, the APT, like the practice informing the ARF, "should, at least during the initial phase, continue to be ASEAN driven."[49] Following the ASEAN way, the process informing future summits would be gradual, consensual, and nonbinding.

Perhaps the most distinctive feature of the APT arrangement was that it symbolized an exclusive understanding of regional cooperation. Unlike more open regional forums such as APEC (Asia-Pacific Economic Cooperation), the APT implicitly set the boundaries of "East Asia" in a way that excluded those countries on the Asian periphery that were, ipso facto, deemed "external" to the region. Those most obviously designated outsiders were Australia, New Zealand, and the United States.

ASEAN'S COMMUNITARIAN RHETORIC VERSUS ITS ECONOMIC PRACTICE

Declarations of solidarity, of course, are frequently made for effect. Despite the widely advertised official enthusiasm, caution should be exercised in assuming the emergence of either a more integrated ASEAN economic market or a wider regional one as a result of this rhetorical response. In fact, trans-Pacific economic and trade practice since ASEAN launched its various deepening and widening initiatives reveals a rather different economic story than the official version of growing integration tells. For central to the somewhat uncertain economic revival of ASEAN since 2002 has not been any significant deepening of intra-ASEAN economic cooperation or the growth of a transparent regional market for foreign investment, but rather the economic rise of China and the ambivalent role it has come to play in ASEAN and the wider region's political economy.

China's rapid growth since 1997 is the economic font of ASEAN's bout of post–financial crisis pan-Asian enthusiasm. By 2003 the Organization for Economic Cooperation and Development calculated that of $62 billion in global foreign direct investment, China accounted for $52 billion.[50] Its demand for resources, automobiles, industrial parks, and apartments, as well as its emergence as the globe's low-cost manufacturing base for everything from baseball caps and footwear to computers and televisions, revived growth across Northeast Asia after 2002.

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49. Ali Alatas, "'ASEAN Plus Three' Equals Peace Plus Prosperity," Regional Outlook Forum, Institute of Southeast Asian Studies, January 2001, p. 4.
50. "China Ahead in Foreign Direct Investment," *OECD Observer*, No. 237, May 2003. See also "Foreign Investors Find Value in China," *Jakarta Post*, June 29, 2004.

This growth, however, has been a mixed blessing, especially for the ASEAN economies. While China's economic appetite has revived the high-technology economies of Japan, South Korea, and Taiwan, it has simultaneously sucked investment out of the largely technology-less economies of Southeast Asia. The rise of China after 1998, and its attraction for foreign investors, actually affected growth negatively in Southeast Asia, whose low-technology manufacturing industries also depend upon foreign direct investment. In zero-sum terms, ASEAN's deteriorating foreign direct investment attractiveness reflects the rapid growth of the Chinese "titan." In 2003 ASEAN attracted only 16 percent of Asian foreign direct investment compared with China's 66 percent—the exact reverse of the position in 1990.[51] By 2004 Chinese competition had devastated the Indonesian and Filipino garment and footwear industries. Global brands such as Nike and Gap increasingly source China and Vietnam for new supplies where "wages are lower and productivity higher."[52] As the IMF observed, "Countries whose factor endowments are similar to China and which . . . compete with it in world markets will need to undertake sizable adjustments and display flexibility in product and labor markets."[53]

ASEAN'S NORMS AND THE FAILURE TO INTEGRATE ITS MARKET

Flexibility has not been a feature of the ASEAN way in industrial policy. Significantly, the creation of an ASEAN free trade area, which officially came into existence in 2002, together with the Hanoi Plan of Action of 1998, which accelerated the pace of integration by creating a common ASEAN investment area, has failed to transform the trade practice of the ASEAN states. Nor has it significantly revived foreign investment flows or established an integrated ASEAN economic community.[54] Although the six longest-standing members—Brunei, Indonesia, Malaysia, the Philippines, Singapore, and Thailand—agreed in 1998 to a common effective preferential tariff scheme to reduce levies on one another's goods to a maximum 5 percent, nontariff barriers and excise duties remain in place. Numerous commodities are put on a temporary exclusion list, a general exception list, and a sensitive list (that permanently excludes items from any liberalization).[55] Many "trade sensitive"

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51. Rowan Callick, "China's Rise," *Australian Financial Review*, April 26, 2004.
52. Morgan Meluish, "The View from Jakarta," *Australian Financial Review*, March 31, 2004.
53. International Monetary Fund, *The Global Implications of the U.S. Fiscal Deficit and of China's Growth* (Washington, D.C.: IMF, 2003), p. 63.
54. See ASEAN Secretariat, "Foreign Direct Investment Statistics," statistics for levels of intra-ASEAN trade and levels of foreign investment, 2001–05, Tables 26, 27, http://www.aseansec.org/18144.htm.
55. Soesastro, "Whither ASEAN Plus Three?" pp. 3–6.

items are the object of continuous renegotiation, most notably by countries such as Indonesia and Thailand, that will extend protection beyond the next decade. A cursory examination of the protocols and framework agreements establishing common trade and customs practice across ASEAN reveals that very few are signed by all member states, which illustrates the process of nonbinding consensus, but does little to integrate the regional economy.

More particularly, where manufacturing industries might benefit from economies of scale and an integrated internal market, ASEAN governments remain intransigently protectionist. Malaysia insists on protecting the state-owned automobile maker Proton, oblivious to the growing preference among patriotic Malays to pay an extra $10,000 for a Toyota that has a higher propensity to start.[56] The Philippines protects its ailing petrochemical industry, while rice, the region's staple, is excluded from AFTA altogether. That AFTA and the ASEAN investment area have had a minimal impact on regional integration receives further confirmation from the ASEAN Secretariat's home page devoted to trade. It observes that "while trade with traditional industrial markets remained robust, [the] share of intra-ASEAN trade remained low with intra-ASEAN exports constituting 23.3 percent in 2001. The share was 21.4 percent in 1993 when AFTA was formed."[57] Furthermore, in those areas where a relatively free flow of goods occurs, it appears that lower-cost ASEAN bases for manufacturing, such as Vietnam, take investment away from more expensive regional "partners," such as Indonesia and the Philippines.

To the extent that the ASEAN economies have grown since 2002, it has been a result of both their diminished role as a low-cost base for manufacturing goods assembled in Southeast Asia for export to the United States and Europe, and their emerging role as a supplier of commodities to China. Therefore, although trade with China rose by 18 percent in 2002, this reflected China's insatiable demand for the region's raw materials, not for its low-cost manufacturing. ASEAN, unlike Northeast Asia, has had little success in exporting higher value-added products to China. Ironically, former Malaysian Prime Minister Mahathir revealed the problematic character of intra-Asian trade in 2001, warning of the danger posed by the unfettered flow of imported goods

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56. "Tariff Burdens Market Integration," *Financial Times*, January 2, 2004. For the broader failings of AFTA, see Dorsati H. Maidini, "Regional Integration and Industrial Growth among Developing Countries: The Case of Three ASEAN Members," Policy Research Working Paper, No. 2697 (Washington, D.C.: World Bank, 2001),
57. The ASEAN Free Trade Area, p. 2, http://www.aseansec.org/12021pdf (accessed July 2005). See also ASEAN Secretariat, "ASEAN Free Trade Area," http://www.asean.org/12025.htm.

from China.[58] Nevertheless, ASEAN proceeded to negotiate a framework for economic partnership with China the following year.

Even more significantly, the more market-oriented states in the region increasingly act autonomously of AFTA, exploring preferential trade deals both within and beyond the region. As John Ravenhill argues, the Japan-Singapore Economic Partnership Agreement in January 2003 constituted a "dramatic . . . turn in East Asia to preferential trade."[59] The conclusion of bilateral trade deals between Singapore and New Zealand, and Singapore and Australia, as well as between Thailand and Australia followed. ASEAN's poor record of trade integration "has been punctuated by some member states flouting even its modest demands" and provides "little reason for confidence that rapid progress will be made" across the broader Asia-Pacific.[60] Bilateralism has altered both the direction and pattern of trade in the region and illustrates that ASEAN's most developed countries, Singapore and Thailand, are concentrating on their own markets and "depriving ASEAN of its best integrators in the process."[61] The recourse to bilateralism in practice, while paying lip service to economic integration at the annual meetings of ASEAN's economic ministers, reveals profound differences over regional economic cooperation. Singapore evidently favors trade liberalization while other ASEAN states, such as Malaysia, tend toward mutual technical and economic assistance seemingly aimed at developing a "fortress Asia" bloc.[62] Consequently, integrative schemes for an Asia free trade area, an Asian monetary fund, and an ASEAN development fund are largely cosmetic.

At the same time, meltdown and recession have dramatically altered the economic landscape of Southeast Asia, but not in the way proponents of an integrated ASEAN market assume. Prior to the 1997 financial crisis, it was plausible to speak of shared developmental commonalities such as export-oriented growth dependent on Japanese foreign direct investment, technocratic planning, single-party rule, and a governed labor and domestic market. Since 1997 the strategies adopted to deal with the meltdown, particularly in Southeast Asia, have created distinctive differences among the ASEAN political economies that presage not greater integration but growing disparity. With a num-

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58. John Ravenhill, "A Three Bloc World? The New East Asian Regionalism," *International Relations of the Asia-Pacific*, Vol. 2, No. 2 (August 2002), p. 181.
59. Ibid., p. 182.
60. Ibid.
61. "ASEAN's Woes," *Economist*, July 31, 2004.
62. See Ravenhill, "A Three Bloc World?" p. 178.

ber of ASEAN's core components undermined by the crisis of 1997, the direction in which the wider Asian economic model moves can no longer be as smoothly interdependent or as export oriented as it was before the financial crisis era. Southeast Asia, in particular, is less dependent on Northeast Asian investment and increasingly reliant on Western foreign investment. Between 2001 and 2005, foreign direct investment flows from the West, most notably the United States and the EU, grew to 44 percent. Meanwhile that from Japan fell below 10 percent, while China's investment in the region was negligible. Here, moreover, ASEAN faces increasing competition with China and its far greater attraction to fund managers.[63]

Finally, any attempt to broaden East Asian economic and financial integration has to take into account that, since 2001, economic growth in East Asia has become even more dependent on U.S. consumption and Western foreign investment. East Asia's high savings rates and budget surpluses, after 1998, together with central bank interventions in the foreign exchange markets to keep currencies cheap, support both the U.S. current account deficit and the dollar. Ultimately, governments across the Pacific littoral and particularly in China seek to bring the Asian labor pool into efficient employment by encouraging inward direct investment. For export-led growth, East Asia requires accommodating markets and willing inward investors. The United States is the most accommodating final market and the most willing inward investor. In a Faustian bargain, the Asian economies necessarily finance the United States' twin deficits as a form of collateral against the direct investments they receive from multinational conglomerates. The United States is Asia's consumer of first and last resort.

In other words, despite the post–financial crisis enthusiasm for deeper regional integration elaborated in the Bali Concord II in 2003, there is little to sustain its vision of a "stable, prosperous, and highly competitive ASEAN economic region in which there is a free flow of goods, services, [and] investment."[64] Instead, ASEAN remains a fragmented market hampered by "high transaction costs and an unpredictable policy environment."[65] As the 2006 "Report of the Eminent Persons Group on the ASEAN Charter" lamented, "ASEAN's problem is not one of lack of vision, ideas, or action plans. The

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63. The United States, moreover, contributed the largest share of foreign direct investment: 23 percent in 2005. See ASEAN Secretariat, "ASEAN Statistics," http://www.aseansec.org/13100.htm.
64. ASEAN Secretariat, "Declaration of ASEAN Concord II (Bali Concord II)."
65. ASEAN Secretariat, "Report of the Eminent Persons Group on the ASEAN Charter," December 2006, p. 12, http://www.aseansec.org/19247.pdf.

problem is one of ensuring compliance."[66] Here, ASEAN's norms and pro-cesses have hindered the creation of an integrated market and failed to address its member states' continuing dependence on external markets. Consequently, the rise of China and to a lesser extent India, together with Japan's aversion to technology transfer, leaves ASEAN between an investment-friendly rock and a technology-free hard place.

If an ASEAN-driven multilateral approach to regional economic integration looks long on vision and short on practical implementation, what of ASEAN's attempt to build a stable and prosperous Asia by its evolution into a security community and by the extension of its processes through the ARF into the wider Asia-Pacific?

Nontraditional Security Threats and the ASEAN Security Community

The ASEAN security community promulgated in the Bali Concord II seeks to resolve intrastate and transnational security threats without violating respect for territorial integrity outlined in the TAC. The ASC, therefore, envisages co-operative security deepening ASEAN integration without undermining the sovereignty of member states. Historically, security community theory consid-ered threats to regional order state-based. Since the end of the Cold War, however (especially after the terrorist attacks of September 11, 2001), nontradi-tional threats such as haze pollution from burning rain forests in the Indone-sian provinces of Kalimantan and Sumatra, the Severe Acute Respiratory Syndrome epidemic in 2002–03, Avian influenza, and transnational terrorism challenged the individual and collective security of the ASEAN states. In the case of terrorism, intraregional groups such as Jemaah Islamiyah (JI), a re-gional franchise of al-Qaida, seeks to transform, by violence, the ASEAN states into a *Darul Islam Nusantara* (an Islamic realm of Southeast Asia), which di-rectly threatens the ASEAN norms of noninterference and peaceful conflict resolution. After 2000, JI's attacks on soft targets across the region transformed Southeast Asia from a zone of peace into the second front in the so-called global war on terrorism.

The ASC represents a collective response to nontraditional threats such as terrorism. It is plausible to test whether declarations of a common resolve to

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66. Ibid., p. 3.

overcome an intraregional threat have enhanced multilateral cooperation and engendered a denser web of inter-ASEAN security cooperation. Security community theory of a constructivist or neofunctionalist provenance assumes that ASEAN would evolve common structures of intelligence gathering and sharing, intra-ASEAN police cooperation, and a shared regional approach to the problem.[67] The security community paradigm, as ASEAN has applied it intraregionally, maintains the centrality of norms in regulating interstate behavior. In a security community, norms should enhance regional cooperation against a common security threat. This, however, is precisely what we do not find. In the case of Southeast Asia, shared norms have not engendered a sense of unity in the face of regionally generated transboundary threats that the ASC collectively faces. In practice, as opposed to ASEAN rhetoric, responses have remained steadfastly bilateral and extraregional.

ASEAN'S DISCOURSE ON TERRORISM

At the discursive level of ASEAN summitry, the organization, of course, evinces a sense of collective purpose. ASEAN responded to the September 11 attacks and the Bali bombings of 2002 and 2005 with a series of declarations outlining a common stance. The 2001 Declaration on Joint Action to Counter Terrorism required ASEAN states to strengthen national mechanisms to combat terrorism, deepen cooperation in the areas of intelligence sharing and law enforcement, and develop regional capacity-building programs to enhance the capabilities of member countries to investigate, detect, monitor, and report terrorist activities.[68]

Following the Bali bombings of October 12, 2002, a further ASEAN declaration reiterated ASEAN's commitment to fighting terrorism through enhanced cooperation and established a regional counterterrorism center in Kuala Lumpur. In 2004 the Vientiane Action Program announced a mutual legal assistance agreement (MLAA) in criminal matters relating to terrorism, a convention on counterterrorism, as well as an ASEAN extradition treaty to improve counterterrorism cooperation. All member states signed the MLAA.

ASEAN additionally sought to combat terrorism by cooperating with states outside the region. In August 2002 ASEAN signed the Joint Declaration for Cooperation to Combat International Terrorism with the United States. This com-

67. John Garofano, "Power, Institutions, and the ASEAN Regional Forum: A Security Community for Asia?" *Asian Survey*, Vol. 42, No. 3 (May/June 2002), pp. 508–511.
68. ASEAN Secretariat, "2001 ASEAN Declaration on Joint Action to Counter Terrorism," November 5, 2001, http://www.aseansec.org/5620.htm.

mitted both parties to a series of counterterrorism initiatives with a proviso that safeguarded the national sovereignty of ASEAN states.

This preoccupation with the noninterference norm is curious given the transnational character of the threat ASEAN faces. Indeed, despite ASEAN's efforts to forge a common response to the threat, the association, somewhat problematically, failed to agree on a common definition of the terrorist threat they confront.[69] Rather than integrating, ASEAN's institutional machinery for countering terrorism remains intergovernmental, managed by the ASEAN Ministerial Meeting on Transnational Crime. Reflecting this approach, the MLAA recognizes that intergovernmental assistance may decline if its provision affects "the sovereignty, security . . . or essential interests of the Requested Party."[70] Therefore, any intelligence and information exchange central to identifying, monitoring, and disrupting terrorist activity occurs at the subregional level.[71] Thus, the limited successes in curtailing regional terrorism reflect bilateral and trilateral cooperation between ASEAN states or, alternatively, between ASEAN states and states outside the ASC, and not an integrated community approach. This has implications for the manner in which ASEAN, or more precisely individual ASEAN states, respond to the shared threat.

THE DOMESTIC DRIVERS OF ASEAN SECURITY PRACTICE

As bilateral and intergovernmental approaches prevail by default, domestic political issues combined with suspicion of external interference trump any effort to construct a comprehensive ASEAN counterterrorism policy. The 2002 Trilateral Agreement [between Indonesia, Malaysia, and the Philippines] on Information Exchange and Establishment of Communication Procedures to cooperate in combating terrorism and transnational crime, subsequently signed in 2003 by Brunei, Cambodia, and Thailand, illustrates this. The agreement requires greater intelligence sharing, joint antiterrorism exercises, and combined operations to hunt suspected terrorists especially across the borderlands between Indonesia, Malaysia, the Philippines, and Thailand, where various longstanding ethnoreligious conflicts mutated during the 1990s into franchises of JI. Yet, the reluctance of governments to alienate domestic constituencies, coordinate joint responses to cross-border terrorist activity, or even maintain effective border controls means that terrorism within this critical geopolitical zone

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69. Reme Ahmad, "ASEAN Ministers Acknowledge Defining Terrorism Not Crucial, Fighting It Is," *Straits Times*, May 21, 2002.
70. ASEAN, *Mutual Legal Assistance Agreement* (Jakarta: ASEAN Secretariat, 2004), p. 8.
71. Department of Foreign Affairs and Trade (DFAT), *Transnational Terrorism: The Threat to Australia* (Canberra: DFAT, 2004), p. 88.

proliferates. In December 2004, despite the nonbinding agreement, continuing support for the separatist insurgency in southern Thailand from across the border in the Malaysian state of Kelantan prompted former Thai Prime Minister Thaksin Shinawatra to condemn the failure of the Malaysian government to curtail transborder radical Muslim activity.[72]

Elsewhere, cooperation between Thai and Singaporean, and Singaporean and Indonesian, intelligence agencies resulted in some success in detaining key members of the Singaporean JI cell in Bangkok, Thailand, and the Riau Islands of Indonesia. Even so, the most telling disruption of JI occurred not as a result of intra-ASEAN cooperation, but through individual ASEAN governments collaborating bilaterally with non-ASEAN states outside the region. Thus, a joint U.S.-Thai operation secured the arrest of the strategic coordinator of al-Qaida activity in Southeast Asia, Riduan "Hambali" Isamuddin, in Bangkok in August 2003. U.S. cooperation with the Indonesian police force also helped develop Indonesia's counterterrorist Detachment 88. Meanwhile, it was cooperation between the Australian federal police and the Indonesian police that eventually uncovered and disrupted the JI cell responsible for the Bali bombings of 2002 and 2005 and the Marriot Hotel and Australian embassy bombings in Jakarta in 2003 and 2004.

Ironically, while ASEAN states require external assistance to sustain an effective counterterrorism strategy, a debilitating interagency rivalry characterizes relations between Southeast Asia's security services.[73] In practice, moreover, domestic political considerations and an obsessive concern with national sovereignty frustrate intergovernmental or bilateral counterterrorism initiatives, not to mention any notion of a grander communitarian security strategy. Thus, in Indonesia, the epicenter of regional terror, the uncertain process of democratization since 1998 has amplified domestic political sensitivities. No politician can afford to alienate the Muslim mainstream by an overvigorous response to radical Islamic proselytizing. During President Megawati Sukarnoputri's 2001–04 tenure of office, Indonesia retracted its earlier support for the war on terrorism when public opinion opposed international military operations in Afghanistan in 2001. Throughout Megawati's incumbency, the government refused to acknowledge the existence of JI. By contrast, President Susilo Bambang Yudhoyono's more energetic prosecution

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72. See "Thai Muslims Condemn Thaksin," *New Straits Times*, December 19, 2004.
73. International Crisis Group (ICG), "Indonesia: Rethinking Internal Security Strategy," Asia Report, No. 90 (Brussels: ICG, 2004), p. 13.

of homegrown terrorism after his election in 2004 reflected a carefully orchestrated campaign to establish his strong leadership credentials.

Somewhat differently, Filipino President Gloria Macagapal Arroyo used the rhetoric of the global war on terrorism to build closer ties with the United States. Arroyo's pledge to fight terrorism secured a military aid package and garnered international backing for the more forceful prosecution of the enduring internal problem of Moro separatism in the southern province of Mindanao. Like Indonesia, the Philippines avoids closer cooperation with neighboring Southeast Asian states. Instead, it has enhanced bilateral cooperation with the United States and Australia to develop its capacity to conduct counterterrorism operations.

In Thailand, too, after 2003, domestic political factors motivated Prime Minister Thaksin Shinawatra's support for the international campaign against terrorism. An incident similar to Bali's on Thai soil would devastate Thailand's tourism industry, which accounts for more than 7 percent of its gross domestic product.[74] Consequently, Thailand, like the Philippines, has established closer links with the United States through the joint Counter Terrorism Intelligence Center, established in 2001. U.S.-Thailand counterterrorism cooperation is more openly apparent in annual joint military exercises such as Known Warrior and Cobra Gold, which focus on building the Thai military's capacity to combat the growing insurgency in southern Thailand.

Singapore's counterterrorism response has likewise entailed deepening security ties with the United States. The United States Pacific Command Joint Intelligence Center regularly shares information with Singapore's Joint Counter Terrorism Center. Closer ties with the United States, however, have also served the domestic political interests of the ruling People's Action Party. Singapore's externally oriented economy relies heavily on foreign direct investment, which would suffer dramatically if the city state experienced a terrorist attack. Singapore's support for the war on terrorism reflects the pragmatic need to maintain investor confidence in the city state.

Across the causeway, Malaysia, like Indonesia—though in contrast with Thailand, the Philippines, and Singapore—has demonstrated ambivalence about the U.S.-led war on terrorism. Here, too, internal security considerations prevail in the majority Muslim-populated federal state's conduct of counterterrorism policy. Prime Minister Mahathir notably used the war on terrorism

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74. Thitinan Pongsudhirak, "Behind Thaksin's War on Terror," *Far Eastern Economic Review,* September 25, 2003, p. 29.

to reestablish relations with the United States, which had soured during the 1990s.[75] Mahathir denounced Islamist terror after the September 11 attacks, and in May 2002 signed a memorandum of understanding with the United States to enhance law enforcement and intelligence cooperation. Following Mahathir's resignation in 2003, Malaysia's new prime minister, Abdullah Ahmad Badawi, pledged Malaysia's continuing support for the war against terrorism.[76] Malaysia, like Indonesia, the Philippines, Singapore, and Thailand, has not established any collaborative working relationship with its neighbors to counter regional terrorism.

Therefore, despite the rhetorical commitment to deepening regional security ties, the core ASEAN states have in practice cooperated with the United States in the area of law enforcement or intelligence gathering to maintain their counterterrorism response. By contrast, counterterrorist police cooperation among the core ASEAN states is minimal. To the extent that cooperation occurs at the bilateral level between ASEAN states, it is hampered by mutual suspicion and domestic preoccupations. This severely impedes ASEAN's ability to develop a collective response to the dangers of regional terrorism. An evident dissonance appears between official declarations of community solidarity and the domestically driven responses undertaken by member states to transnational threats.

Significantly, ASEAN norms have not enhanced regional counterterrorism cooperation. Counterterrorism policy continues to safeguard state sovereignty. Moreover, the bilateral conduct of regional counterterrorism cooperation, primarily with the United States, impairs the development of more solid regional networks required of a security community.

FAILED RESPONSE TO TRANSBOUNDARY ENVIRONMENTAL THREATS
The contradiction between official consensus and actual practice is not confined to the ASC's regional terrorism policy. A similar dissonance affects the ASEAN response to regionally generated transboundary problems such as air pollution.[77] Indonesian farmers and plantation owners are the main source of the land and forest fires that causes the pollution that perennially envelops Singapore and much of peninsular Malaysia. To address the problem, ASEAN, following its consensus-seeking norm, convened a number of meetings. The

75. David Capie, "Between a Hegemon and a Hard Place: The 'War on Terror' and Southeast Asian–U.S. Relations," *Pacific Review*, Vol. 17, No. 2 (June 2004), p. 230.
76. Mark Manyin, *Terrorism in Southeast Asia* (Washington, D.C.: Congressional Research Service, 2004), p. 24.
77. James Cotton, "The 'Haze' over Southeast Asia: Challenging the ASEAN Mode of Regional Engagement," *Pacific Affairs*, Vol. 72, No. 3 (Autumn 1999), pp. 331–351.

first, in 1990, arrived at the Kuala Lumpur Accord on the Environment and Development. Further meetings and agreements followed. The 1995 Regional Action Plan on Transboundary Haze, however, failed to stop the most extreme, costly, and life-threatening haze of 1997. These largely ineffectual initiatives culminated in the 2002 ASEAN Agreement on Transboundary Haze Pollution. Although the agreement emphasizes the importance of monitoring and preventing haze pollution, somewhat problematically, like all ASEAN agreements it lacks any mechanism of enforcement or deterrence. That the main source of pollution, Indonesia, has yet to sign the agreement compounds this limitation.

ASEAN and China's Principles of Peaceful Coexistence in the South China Sea

If the ASEAN economic community approach to regional integration looks long on rhetoric and short on implementation, and its evolution into a Southeast Asian security community compromised by the domestic preoccupations of member states, what of ASEAN's attempt to build a stable East Asian order by projecting its norms into the wider Asia-Pacific?

The security community presumption contends that the organization's diplomacy in the ASEAN Regional Forum and ASEAN Plus Three processes can address protracted security issues in Northeast Asia. Those who promote ASEAN's normatively driven process of nonbinding consensus assume that over time it will transform regional flashpoints into disputes amenable to peaceful resolution. To assess ASEAN's effectiveness as a security community in this wider domain, we next examine how ASEAN norms addressed China's territorial claim to the South China Sea and its resources, a claim that directly impinges on the maritime boundaries of several ASEAN states and Taiwan and has implications for international sea-lanes of vital importance to both Japan and the United States, as well as to their perceptions of the APT process.

ASEAN'S SECURITY DILEMMA IN THE SOUTH CHINA SEA

The source of the South China Sea dispute may be traced to the San Francisco peace agreement of 1951, which failed to stipulate possession of the Spratly Islands after Japan relinquished its title to them following its defeat in World War II. The Spratlys' contested ownership developed into an international conflict in the wake of the resolution of the Indochina crisis and as a result of overlapping sovereignty claims to the islands and their maritime resources. That a number of claimants began extracting resources from the seabed contiguous to their claims from the mid-1970s exacerbated the conflict, especially af-

ter rapid economic growth turned China into a major oil and gas importer after 1992.

Taiwan has occupied the largest island in the group (Itu Aba) since 1956. Between 1968 and 1972, as the Cultural Revolution distracted the Chinese, both the Philippines and Vietnam took the opportunity to occupy six islands each in the South China Sea. By 1992 the Philippines had seven oil wells in production and Vietnam one. Meanwhile in 1979, Malaysia began offshore oil exploration in the vicinity of Swallow Reef and by 1990 had ninety oil-producing wells in its exclusive economic zone. The small Sultanate of Brunei also claimed Louisa Reef adjacent to its shoreline and exploited its oil resources. All these states together with Indonesia, which disputes areas of both the South China Sea and Sulawesi Sea with Malaysia, have failed to resolve their bilateral and sometimes trilateral maritime boundary disputes through the ASEAN process.

ASEAN did, however, apply its consultative machinery to the problem after 1990, and the Manila Declaration of July 1992 asserted that disputes should be resolved peacefully and cooperatively in the spirit of the TAC. Significantly, it was China's growing interest in the South China Sea that concentrated ASEAN's collective mind. In February 1992 China's Law of the Territorial Sea and Contiguous Zones laid claim to the entire South China Sea on the basis of its historical right to the area dating from the Xia dynasty, which ruled between the twenty-first and sixteenth centuries B.C.[78] ASEAN's Manila Declaration thus represented the first effort of the organization's decade-long attempt to enmesh China in habits of regional good citizenship through participation in nonbinding and nonconfrontational workshops on Managing Potential Conflicts in the South China Sea.[79] These workshops mutated after 1994 into the centerpiece of ASEAN's collective diplomacy toward China, the ASEAN Regional Forum. This, too, adopted a "non-confrontational and process-oriented approach" that deferred "issues that do not lend themselves easily to compromise" in an attempt to engage China in a "broad security-oriented dialogue."[80]

Despite attending ASEAN colloquies between 1992 and 1999, China rejected attempts to address the South China Sea issue multilaterally. Instead, preoccu-

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78. Xavier Furtado, "International Law and the Dispute over the Spratly Islands: Whither UNCLOS?" *Contemporary Southeast Asia*, Vol. 21, No. 3 (December 1999), p. 388.
79. Liselotte Odgaard, "Deterrence and Cooperation in the South China Sea," *Contemporary Southeast Asia*, Vol. 23, No. 2 (August 2001), p. 298.
80. Ibid., p. 299.

pied with its lost territory and suspicious of the international treaty system, China insisted on a bilateral approach to what was "a truly multilateral dispute."[81] Further, China's international behavior indicated "Beijing's willingness to use force as an instrument of foreign policy."[82] China's occupation of Mischief Reef in 1995, challenging the Philippine claim to an exclusive economic zone, furnished ASEAN with direct proof of China's uncompromising approach to recovering lost territory.

Although China signed the 1982 UN Convention on the Law of the Seas (UNCLOS) in 1996, attended ASEAN-sponsored workshops, and participated in the ARF, it continued to build its presence on Mischief Reef. China's increasing power relative to Southeast Asia and its propensity to assert its claims unilaterally presented ASEAN with a classic security dilemma. As Liselotte Odgaard observes, the dispute brought "to the fore incompatibilities between the practices China and the countries of Southeast Asia normally employ to ensure peace and stability in their regional environment."[83] The difficulty in reconciling the historically based claims advanced by China, Taiwan, and Vietnam to the Spratlys with those that applied the norms of international law (particularly those established by UNCLOS and advocated by Brunei, Malaysia, and the Philippines) exacerbated these incompatibilities. Despite signing UNCLOS in 1996, China refused to address the various competing claims on anything other than a bilateral basis. That some members of ASEAN, notably Malaysia, the Philippines, and Vietnam between 1995 and 2000, acceded to China's bilateral blandishments, rather than supporting ASEAN's collective diplomacy, compounded the weakness of the ARF process.

CHINA'S COMFORT WITH ASEAN'S CONFLICT AVOIDANCE
Significantly, during the Asian financial crisis, China moderated its "righteous" claims to the South China Sea.[84] After 1998 China displayed an increasing sympathy for the ASEAN view that intractable disputes should be shelved and peacefully resolved according to the formula intimated in the Manila Dec-

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81. Eric Hyer, "The South China Sea Disputes: Implications of China's Earlier Territorial Settlements," *Pacific Affairs*, Vol. 68, No. 1 (Spring 1995), p. 42.
82. Tim Huxley, "A Threat in the South China Sea? A Rejoinder," *Security Dialogue*, Vol. 29, No. 1 (March 1998), p. 115. China forcibly expelled Vietnam from the Western Paracel Islands in 1974 and engaged in a naval clash with Vietnam off the Spratly Islands in 1988.
83. See Odgaard, "Deterrence and Cooperation in the South China Sea," pp. 292–293.
84. Ji Guoxing, "China versus South China Sea Security," *Security Dialogue*, Vol. 29, No. 1 (March 1998), pp. 101–112.

laration of 1992 and reaffirmed at the ASEAN Ministerial Meeting in Jakarta, in July 1996. China also indicated its agreement in principle to the joint development of the South China Sea's economic potential. This growing comfort with the ASEAN process further manifested itself in 2002 in the signing of the Declaration on the Conduct of Parties in the South China Sea. The declaration reaffirmed UNCLOS, the TAC, and China's five principles of peaceful coexistence. The parties in conformity with these norms eschewed the use of force, assumed a practice of self-restraint, and sought to build an atmosphere of trust and cooperation through dialogue and joint initiatives.[85]

In November 2002 China and ASEAN agreed to the creation of the ASEAN-China Strategic Partnership for Peace and Prosperity and the Framework Agreement on ASEAN-China Economic Cooperation. In 2003 China signed the TAC, a document whose preoccupation with national sovereignty and noninterference in the internal affairs of member states seemed only to reinforce what China viewed as the basic principles of peaceful coexistence. All these agreements in keeping with ASEAN practice were nonbinding and thus committed China to very little. Nevertheless, that China had apparently shifted from norm-avoiding to norm-affirming behavior in relation to the ARF and APT processes seemed to support the view that an ASEAN-driven security community could transform both state interests and regional identity and secure peaceful cooperation through its process of dialogue and consensus.

Regional scholarship contended that the Declaration on the South China Sea connoted a paradigm shift in China's foreign policy from unilateralism to multilateralism, or in Chinese terms a "good neighborliness policy" (*mulin zheng ci*)[86] enabling China-ASEAN relations to go "from strength to strength."[87] From this normative perspective, China had limited "its own sovereign interests for the sake of engagement in multilateral frameworks and pursuit of greater regional interdependence."[88] In this view, China's interest in multilateralism indicated its constructively redefined desire to become a status quo state within the prevailing regional order.[89]

85. ASEAN Secretariat, "Declaration on the Conduct of Parties in the South China Sea," November 4, 2002, http://www.aseansec.org/13163.htm.
86. Cheng Chwee Kuik, "Multilateralism in China's ASEAN Policy: Its Evolution, Characteristics, and Aspiration," *Contemporary Southeast Asia*, Vol. 27, No. 1 (April 2005), p. 105.
87. Smith, "ASEAN's Ninth Summit," p. 427. See also Nabers, "The Social Construction of International Relations," p. 113.
88. Nabers, "The Social Construction of International Relations," p. 76.
89. Alastair Iain Johnston, "Is China a Status Quo Power?" *International Security*, Vol. 27, No. 4 (Spring 2003), pp. 5–56.

ASEAN NORMS: SERVING CHINA'S INTEREST

For commentators to place this interpretation on the ARF process is highly misleading. Despite signing the Declaration on the South China Sea, China avoided any commitment to a legally binding code, and did not relinquish its historical claim to its lost territory or its preference to resolve the dispute bilaterally. Rather, China moderated the manner in which it addressed ASEAN. After 1998 its approach shifted from a "hard" to a "soft" line.[90] China's fourth-generation leadership's advocacy of the good neighborliness policy symbolized this shift. China had not, therefore, abandoned its goal of achieving control over the South China Sea or, by extension, securing a wider regional hegemony. Instead, it had prudentially adjusted the means by which it pursued its grand strategy. The pragmatic accommodation of ASEAN's desire for nonbinding consensus on the South China Sea, moreover, facilitated China's capacity to address more pressing strategic concerns. The hard line China pursued prior to 1998 exacerbated these concerns. More precisely, agreement with ASEAN permitted China to separate its claim to the Spratly Islands from its claim to sovereignty over Taiwan, which had become entwined with the South China Sea dispute by China's aggressive occupation of Mischief Reef in 1995.

The hard line had additional negative implications for China's strategic goals. It had the potential to split the ASEAN membership, by driving the Philippines into signing a visiting forces agreement with the United States in 1999. This, in turn, raised the undesirable possibility of U.S. involvement in the Spratly dispute, which China preferred to treat as a neighborhood watch issue. The soft line, by contrast, had the positive outcome of quarantining the problem of Taiwan. Significantly, Taiwan was not a party to the 2002 declaration. Adopting ASEAN's nonconfrontational approach, China drew ASEAN into its sphere of influence, while renewed emphasis on the region's distinctive ASEAN way effectively excluded the United States.

Meanwhile, the actual resolution of the dispute remains stalemated in the ARF's preferred strategy of managing problems rather than solving them. This serves China's rather than ASEAN's long-term strategic interest. Conflict avoidance plays into China's hegemonic ambition of returning the region to its precolonial order where the mandate of heaven exercises itself over the *Nanyang* through a tributary arrangement with the various governments of Southeast Asia, maintained through bilateral trade and policy ties.[91] For with-

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90. See Hyer, "The South China Sea Disputes."
91. *Nanyang* is a Chinese term meaning "southern ocean." The term refers to the areas around

out a balance between the weaker states of ASEAN and the rising power of a potential hegemon, "the emphasis upon norms becomes a public relations exercise, unrelated to the real security concerns of the states involved."[92]

The Spratly dispute demonstrates how more powerful actors can manipulate ASEAN's pliable norms to advance their strategic interests. The maneuvering brought about by the ARF process, furthermore, has complicated the strategic relationship between the United States, the three Northeast Asian states, and ASEAN in ways that ASEAN evidently did not foresee. As the ARF and APT processes evolved, they affected in different ways the strategic perceptions of both the U.S. global hegemon and the competing regional hegemons, Japan and China, which have never previously been powerful at the same time. Indeed, if we reverse the dialectic of the APT and thereby unpack the rhetoric of regional community building, it becomes clear that the APT and its unwieldy offshoot, the East Asian Community, has little to do with constructing a shared East Asian identity and a lot to do with the realist pursuit of state interests.

Norms and Illusions

Why, then, has what is essentially an illusion commanded so much official rhetoric and scholarly devotion? Several reasons present themselves: ASEAN's communitarian ambitions emerged in a conducive environment that envisaged the erosion of a state-based order and its replacement by a normative one; this engendered a self-justifying and self-reinforcing framework that emphasizes the process of transformation over the actual practice of statecraft; and both weak and strong states have found it prudent to embrace this illusion to advance their self-interest.

On the epistemological level, ASEAN norms and their expansive regional projection occurred in a post–Cold War context that viewed such developments as both positive and inevitable. This has produced a widespread perspective that assumes the inexorable withering away of the state as the primary unit in the international system. The goal of normatively driven international relations is to facilitate this inexorable transformation. Regionalism,

China, mainly in Southeast Asia, that contain significant numbers of ethnic Chinese, most of whom, in countries such as Malaysia, Singapore, and Indonesia, are descendents of migrants from the southern provinces of China.
92. Leszek Buszynski, "ASEAN, the Declaration on Conduct, and the South China Sea," *Contemporary Southeast Asia*, Vol. 25, No. 3 (December 2003), p. 359.

from this perspective, constitutes "an important tool for promoting a range of positive values" throughout the international system.[93]

This progress toward what John Rawls termed "realistic utopia" through international law and shared norms is, of course, itself a normative construct.[94] Ideational factors, norms, and denser networks of communication modifying perceptions of material self-interest sustain this open-ended transformative process. Equipped with a teleology that assumes a global "trend towards intrusive regionalism" resulting in the "development and mutual observance"[95] of shared norms, the ASEAN-ISIS process consequently interprets events, speech, acts, and foreign policy initiatives confirming the transformation from state interest to collective identity.

At the same time, this theorizing provides the ideological guarantee for the process of security community building by acknowledging that the "transformation of identity and interest" is "incremental and slow."[96] Consequently, analysts can dismiss impediments to shared identity formation, such as regional terrorism, and the absence of denser networks to restrain it, as short-term delays on the inexorable path to a rational order grounded in public reason. Given this mind-set, regional interdependency in the Asia-Pacific represents a "basic truth," and that it "is not in doubt that the process will foster the identity of an East Asian community."[97]

Examining the discourse of contemporary East Asian regionalism ultimately reveals a self-justifying and self-reinforcing framework. This is evident in the way the prevailing constructivist idiom replaces the requirement to question ruling assumptions with a policy-procedural description of the "institutionalisation of the ASEAN+3 process."[98] Thus, despite empirical evidence to the contrary, commentators maintain that "ASEAN is not as weak as it may seem," because it makes "an important contribution [to] the normative environment of the region by reinforcing the fundamental principles of international society."[99] The problem here is that the only "institutional principle" to which

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93. Amitav Acharya, "Regionalism and the Emerging World Order: Sovereignty, Autonomy, Identity," paper presented at the Centre for the Study of Globalisation and Regionalisation Conference, "After the Global Crises: What Next for Regionalism?" p. 24.
94. See John Rawls, *The Law of Peoples* (London: Harvard University Press, 2002), pp. 35–38.
95. Acharya, "Regionalism and the Emerging World Order," p. 23.
96. Alexander Wendt, "Anarchy Is What States Make of It: The Social Construction of Power Politics," *International Organization,* Vol. 46, No. 2 (Spring 1992), p. 418.
97. Nabers, "The Social Construction of International Institutions," p. 133.
98. Summary of Asia-Europe Roundtable, "Regions in Transition," inaugural Asia-Europe roundtable jointly organized by the Asia-Europe Foundation (Singapore), the Friedrich Ebert Siftung, and the Singapore Institute of International Affairs, August 29–31, 2000, p. 2.
99. Shaun Narine, "Institutional Theory and Southeast Asia: The Case of ASEAN," *World Affairs,*

ASEAN is effectively committed is that of noninterference. Somewhat paradoxically, the only fundamental principle of international society it has reinforced is a realist commitment to the inviolable sovereignty of the nation-state.

Moreover, this strange conjunction between the normative character of academic commentary, recent ASEAN declarations of unity and harmony, and the essentially realist conduct of interstate diplomacy ultimately reveals the always aspirational discourse of community building. Viewing ASEAN in historical perspective suggests the regional aspiration has presented itself in many guises over time. ASEAN, the ARF, and the East Asian Community represent the culmination of visionary aspirations that may be traced through the violently imposed East Asian Co-Prosperity Sphere of the 1940s and even into the precolonial period when imperial China sought to extend a tributary system across its world of harmonious civilizational influence.

All these visions founder, however, when they confront the reality of global politics and state-driven self-interest. Thus ASEAN's schemes to promote community even within Southeast Asia mask intense bilateral antipathies, a lack of economic cohesion, and since 1997, conspicuous distrust, clearly evident in the regional response to transnational terror. The play of entrenched interests is even more apparent in both the APT and the East Asian Community processes.

What we observe, therefore, is the continual recasting of the regionalist project in ever more implausible directions, but—Japan's failed attempt to forcibly incorporate an East Asian sphere during World War II notwithstanding—anything solid quickly melts into discourse. Rather than asking why this might be the case, regional junkies fix their attention instead on the latest Asian regional incarnation.

Conclusion: Norms Are What Strong States Make of Them

Regional scholars and diplomats maintain that ASEAN represents an evolving economic and security community. They further contend that the norms the distinctive ASEAN process implemented over time transformed Southeast Asia and are in the process of building a shared East Asian identity. ASEAN's deeper integration into an economic, political, and security community and its

extension into the ASEAN-driven APT process after 1997 offer an interesting test of the dominant assumptions in both ASEAN scholarship and liberal, idealist, and constructivist accounts of international relations theory. The latter maintains that the future of international relations requires regional identities to progressively replace self-interested, state-based ones. A process of discourse would transform state interests into shared norms creating the ideational basis of a shared identity. Nation speaking unto nation would see states evolving progressively into postnational constellations. This teleology that came to profoundly influence the discipline of international relations after the Cold War found its exemplification in the evolution of ASEAN and its mutation into the East Asian Community. In the eyes of such observers, this otherwise obscure association of weak states seemed in the course of its forty-year history to epitomize the positive transformative impact that norms could achieve, first in Southeast Asia's identity, then in the wider region.

To test whether ASEAN was in fact transforming both itself and the wider regional identity, we examined the evolution of ASEAN scholarship and its understanding of both ASEAN as an organization and its norms and processes. Problematically, however, we found that those who advanced the view that ASEAN has transformed itself into a nascent security community sedulously attended to ASEAN declaratory rhetoric and the processes that informed ASEAN diplomacy, but failed to acknowledge that the statements East Asian political leaders made affirming a commonality of interests needed "to be read in the particular context in which they were made."[100]

That scholars who endorsed and promoted the ASEAN way were themselves imbricated in the process only added to the suspicion that there was a contradiction between official rhetoric and countervailing reality. This scholarship, informed by a norm-endorsing methodology, replaced hypothesis testing with thick description. This we found actually obscures how declaratory statements are applied in ASEAN practice.

The three case studies we examined of intra- and extra-ASEAN diplomatic and economic practice revealed that ASEAN's norm of noninterference and its practice of nonbinding consensus prevented deeper integration either within ASEAN or the wider East Asian region. Thus, we found that while the official view of ASEAN emphasizes its political role and the informal, unstructured, cooperative, and consensus-oriented character of the organization, at the quotidian level of policy formulation and implementation, the organization re-

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100. Ravenhill, "A Three Bloc World?" p. 175.

mains an essentially intergovernmental one, dealing primarily with trade and economic issues and dominated by member state bureaucracies, rather than one that possesses the institutional infrastructure to develop into a "mature" security community or establish a common identity. This dissonance appears in all our case studies. The actual intergovernmental practice that the community norms paradoxically reinforce undermines official declarations of community and regional identity building.

Following this intergovernmental practice, ASEAN states pursue bilateral or trilateral arrangements rather than building a supranational practice. This is evident in the political economy of the ASEAN states, where theoretical lip service to an ASEAN economic community masks an actual practice of bilateral trade deals and the fragmentation of the regional market.

Analogously, the construction of a regional security community to address transnational threats reveals bilateral ties and domestic considerations shaping the regional terror response. Here, also, despite the rhetorical exclusion of the United States at the summit level of ASEAN diplomacy, containing the threat at the state level requires cooperation and evolving security ties with the United States on an intergovernmental basis. This again negates building a denser web of regional relations.

Meanwhile, extending conflict avoidance strategies to the wider East Asian Community has not altered the strategic reality of the weakness of Southeast Asian states individually and collectively. What appears to be a Japanese and Chinese acculturation to these norms is far from it. Instead, these more powerful regional players manipulate ASEAN's shared norms and nonbinding processes for their own strategic advantage. For a more aggressive posture either by Japan or China would have a countervailing effect: in Japan's case it would evoke memories of 1942, while China is still regarded with a certain amount of regional suspicion.

Whatever strategic mutation ASEAN assumes in terms of its wider community building, it can only mask the reality that weaker states cannot shape the fates of stronger ones. Ultimately, ideational and normative constructivism conceals how weak states making a virtue out of the necessity of weakness cannot transform the practices of more powerful actors. Ultimately, the conflict avoidance approach to intramural problems is unsustainable in a context where such problems become increasingly transnationalized. What is revealed in the case of the Spratlys and ASEAN Plus Three is that ASEAN norms facilitate the transformation of weaker states by stronger ones. Norms advanced by an association of weak states in such circumstances can only be what stronger states make of them.