

Views

Asians need to stand together

Anthony Rowley, Tokyo Correspondent | 28 May 2009, Business Times Singapore
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They are in the same bed but are dreaming different dreams, laments an Indonesian analyst

COUNTRIES that are economically integrated 'do not shoot at each other', declared Klaus Regling, a former senior official of the European Commission, during a seminar that I attended in Hanoi last weekend.

The truth of that remark was obvious enough in a now peaceful Vietnam that is well integrated with its Indochina and Asean neighbours, but its relevance became even more clear when I returned to Tokyo.

North Korea had just tested a nuclear device and members of Japan's ruling Liberal Democratic Party were advocating that Japan assume the right to pre-emptive strikes upon belligerent neighbours. To make matters worse, former South Korean president Roh Moo Hyun, a man who sought to heal the open wound between the two halves of Korea, had jumped to his death from a cliff after being hounded by prosecutors on corruption charges.

Meanwhile, Japanese Prime Minister Taro Aso was proclaiming a new Aso Doctrine for Asia that, while not exactly belligerent in tone, was certainly rather aggressive in promoting Japan's 'lead' role in the region.

In other words, it was 'business as usual' in politically divided and strife-torn North-east Asia where Japan, China, the two Koreas and Russia coexist (just about) in a state of undeclared hostility.

Sometimes, it is tempting to despair of Asia as a whole ever summoning up the political will to integrate economically (let alone politically) in the way that Europe has done and in a way also that, as Mr Regling (nowadays an EU fellow at the Lee Kuan Yew School of Public Policy in Singapore) noted, could give the two regions a bigger voice in 'shaping' globalisation.

As Hadi Soesastro, a senior fellow at Indonesia's Centre for strategic and International Studies, put it during the course of an eloquent and frank address to the same Hanoi symposium, there is no Asian vision.

'We have no agreement on what we want to do,' he lamented. 'We are all sleeping in the same bed (geographically speaking) but dreaming different dreams.'

There is, as Mr Soesastro noted, a 'variable geometry and a competing architecture' of cooperation among Asian nations - in the form, for example, of arrangements such as Asean, Afta, Asean+3, the East Asian Summit, Apec, Cepia (the Comprehensive Economic Partnership for East Asia) and so on.

But there is no functioning institutional architecture of cooperation beyond the Asean Secretariat. 'We are poor at institutionalising our initiatives,' lamented Mr Soesastro. Yet it is painfully obvious that the path of 'bottom-up and market-led' development that Asia has drifted along for decades now has left it at the whim of a process of globalisation that can leave vassal states in a position of even greater economic devastation than the lords of the game, once recession strikes. European nations have also been hit but they at least can swim together in their single market while Asian economies drown separately.

Mr Soesastro took some comfort in the idea that agreement among Asean+3 nations to multilateralise the network of bilateral currency swaps known as the Chiang Mai Initiative, and to give it a common secretariat, might point the way towards institutionalised cooperation between East and South-east Asia.

The fact that Japan and China in particular managed to reach agreement on burden sharing within the arrangement was another sign of hope, he suggested. But this is clutching at straws and Mr Aso's grand (or grandstanding) speech to a Nikkei forum in Tokyo on the future of Asia a few days ago gave little cause for hope about the future of pan-Asian economic cooperation.

The speech seemed designed more (as is often the case with Japanese politicians) to further their own image as Asian leaders (especially when, as in Mr Aso's case, they are suffering from very low popularity at home) than to promote regional integration.

Setting out a sweeping vision of an Asia that is 'doubled' in size economically by the year 2020, linked together by pan-Asian infrastructure networks and where local currencies will be used to finance trade and capital transactions while the yen will be freely available throughout the region to underpin confidence, Mr Aso emphasised that 'Japan intends to be at the forefront as it leads these efforts'.

Leaving aside the question of whether Mr Aso can survive long enough politically to implement his vision, it clearly isn't going to work.

Others in the same bed - China for one - are dreaming different dreams and Japan ought to have learned that from the failure of its Asian Monetary Fund idea in 1997, which was killed partly by Chinese opposition.

If Japan and China cannot exercise joint leadership in Asia, it is futile for them to attempt it separately. Nor can they do it by individually currying favour with Asean and trying to shape it as a proxy instrument of their own schemes within the wider Asian region.

Both attempt to do this through their trade and investment policies in South-east Asia, and now Japan is seeking to extend its intellectual influence in South-east Asia by inserting the Economic Research Institute for East Asia and Asean (Eria) into the Asean Secretariat process.

In doing so, Tokyo is in danger of undermining some of the excellent work done by the Asian Development Bank (ADB) in promoting workable plurilateral schemes for regional cooperation. Classic examples are the ADB's proposals for new bodies to support regional infrastructure projects, and for an Asian Regional Secretariat for economic cooperation. By trying to co-opt such schemes for its national ends, Japan risks antagonising China for one.

Mr Soesastro wondered during the Hanoi symposium (organised by the Asia-Europe Foundation, in cooperation with the Vietnam Ministry of Foreign Affairs) about whether Asian integration would eventually be driven by trade or monetary developments.

The answer is probably neither and that it will require some seismic shift - if not the current economic crisis then perhaps a security crisis of some kind - to trigger a European-style revolution in Asia.