

# Policy Dialogue Brief

Critical thinking from Stanley Foundation conferences



Asian Regional  
Architecture Project

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## Building an Open and Inclusive Regional Architecture for Asia

### Summary of Recommendations

- Build on US alliances with Japan, Korea, and Australia and the new partnership with India to set ambitious objectives for “principled” multilateral cooperation in Asia and to ensure the development of an open and inclusive regional architecture. Seize opportunities to build patterns of regional and trans-Pacific cooperation, improve America’s position, and strengthen linkages across the region. US strategy should strive to ensure that strengthening American alliances and nurturing the emerging multilateral institutions should be symbiotic and mutually reinforcing.
- Work with China in the development of new Asian architecture and to expand US-China cooperation within these forums. Encourage positive aspects of Beijing’s participation in multilateral mechanisms, such as confidence-building with neighbors, which embed China in regional prosperity and stability. Strengthen US-China bilateral strategic dialogue to identify and deepen common purpose in Asia.
- Encourage partners to take the lead in building new initiatives, while stepping up senior-level US engagement and visibility in the Association of Southeast Asian Nations (ASEAN) Regional Forum and other regional institutions and ensure the president continues attending the Asia-Pacific Economic Cooperation (APEC) summits. Work with partners to encourage back-to-back sessions of the East Asia Summit (EAS) and the APEC summit so that India can become an observer in APEC and the United States can begin participating in the EAS, and examining modalities for signing the Treaty of Amity and Cooperation with ASEAN to pave the way.
- Complete the US-ROK Free Trade Agreement and reinvigorate the ASEAN-US Enhanced Partnership; push for simultaneous discussion of the Free Trade Area of the Asia-Pacific (FTAAP) in parallel with planning for the ASEAN+3 Free Trade Agreement (FTA) and ASEAN+6 FTA concepts.
- Expand US participation in and encouragement of regional cooperation on transnational security challenges such as: terrorism; maritime security; trafficking of arms, narcotics, and people; health issues; and the environment.
- Continue building on the six-party talks with an eye to establishing a permanent Northeast Asian security mechanism.

The sweeping arc of Asia—from the Indian Ocean to the Bering Straits and from Tashkent to Tasmania—stands out as the world’s most dynamic region. Unprecedented economic and political forces powerfully shift the region’s relationships large and small, from the rise of China and India to the glimmers of democratic change. New transnational challenges—from environmen-

tal disasters to outbreaks of infectious disease, to the impact of globalization, to terrorist networks—defy old notions of sovereignty. At the same time, traditional rivalries and emergent confrontations between regional powers raise the specter of past conflicts.

On the one hand, many of these developments hold out great prospects for the region’s

This brief summarizes the primary findings of the conference as interpreted by the project chairs. Participants neither reviewed nor approved this brief. Therefore, it should not be assumed that every participant subscribes to all of its recommendations, observations, and conclusions. The project coauthors would like to thank Ashley Calkins, Arthur Lord, Yuko Nakano, and Nicholas Szechenyi for their work on this project.

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future stability and prosperity. But on the other hand, these forces also bring undercurrents of uncertainty and a search for order. But how best to assure greater certainty, bring order to the region's dynamic power shifts, and realize a more stable and thriving Asia for the 21st century?

Part of the answer lies in efforts to establish and strengthen regional mechanisms aimed at bringing stability, confidence, and economic opportunity to the relationships among states in the region. These arrangements range from longstanding alliance partnerships such as between the United States and its friends in the region to more recent institutions such as the Association of Southeast Asian Nations (ASEAN) Regional Forum, or ARF, to such ad hoc arrangements as the six-party talks on Korean peninsula security, the Proliferation Security Initiative (PSI), or currency and trade agreements, to the newly established East Asia Summit (EAS).

Reflective of the region itself, this "architecture" is increasingly fluid. What is more, the future direction and success of these arrangements—and the implications for global and regional security and prosperity—remain unclear even as the elements of this dynamic regional architecture expand and become more complex. In Washington and in the region, concerns persist whether the architecture is evolving toward less inclusive, bloc-based "talking shops" rather than toward a more open, inclusive, and problem-solving regionalism.

Given the uncertain and often troubling nature of power relations in Asia today, renewed efforts to build regional institutions in the Asia-Pacific region seem to be growing in frequency and scope. Yet, in response to these developments, a serious and authoritative discussion among concerned experts has been elusive. To engage and address this increasingly rich and diverse discussion, and to offer some practical judgments for future US policy, the Stanley Foundation, in collaboration with the Freeman Chair in China Studies and the Japan Chair, both at the Center for Strategic and International Studies, hosted a two-day conference in St. Michaels, Maryland, in November 2006 concerning the emerging regional architecture in Asia. To fully gain from a regional

perspective, this conference drew from the expertise of scholars, journalists, and government officials from Australia, China, India, Japan, Singapore, South Korea, and the United States. Among the many issues on the table, the conference grappled with several pressing questions:

- How have views regarding regional multilateralism evolved in the post-war era?
- Will regional mechanisms and institutions become arenas for competition or cooperation?
- What drives the debate about regionalism? Is it connected to national identity, economic interests, or security concerns?
- What are the differing perspectives on the establishment of an East Asia Community? Are there different perspectives within governmental ministries, the business community, or academia?
- What perspectives are there on the role of the United States and US alliances? What should be the role of the Asia-Pacific Economic Cooperation (APEC) forum, the EAS, the ARF, ASEAN+3, and other forums such as the six-party talks?
- Are these new institutions actually establishing regionwide norms?
- What should the future regional institutional architecture look like in 10 to 15 years, and what specific challenges will it be designed to address? Will this future structure meet some challenges better than others?

In asking and developing answers to these questions, conference participants advanced the debate on the myth and reality of "community-building" in Asia.

The overarching analytical framework for the conference took the shape of a matrix, with national and regional perspectives on one axis and the functional challenges that regional institutions should address—such as security, economic, political, and transnational affairs—on the other. By correlating national interests with these functional challenges,

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participants were better able to illuminate how significant the emerging regional institutional architecture is in shaping state policies and, conversely, how real-world actions by states inhibit or promote security, prosperity, and institutional cooperation and confidence-building.

As the discussions unfolded, we began to understand which patterns of multilateral cooperation offer the greatest prospect for moving from superficial rhetoric about “communities” toward substantive collaboration marked by convergence of norms and strengthening of domestic institutions across the region. Participants also discussed whether the emerging architecture is likely to reinforce Asian states’ connection to global norms and institutions, increase regional exceptionalism, or have little effect at all. Discussions also helped us recognize more clearly the implications of the emerging regional architecture for the role of the United States and its bilateral alliances in the region.

Throughout the discussion, it was clear that the “strong function-weak institution” framework for regional institutions was widely appreciated given the extent of diverging views on what Asian regionalism should look like. Ad hoc regional institutions focusing first and foremost on economic growth would perhaps in a more distant horizon also constitute an important forum for political socialization between interconnected yet diverse community members. Although participants expressed interest in a variety of regional institutions, in the words of one participant, “institutionalism for institutionalism’s sake is not a good idea.”

Participants also expressed the need for greater American involvement in Asian institutional architecture, despite the perceived sense of “benign neglect” in Washington. As one Asian participant noted, reflecting a widespread view at the conference, “It is imperative that a multilateral security regime be formed with the United States playing a stabilizing role.” Strong American involvement in economic integration was also considered a central goal. Participants agreed that as the US alliance system in Asia is the basis for the region’s stability and security, we

should find ways to make those alliances more effective rather than how to replace them with new multilateral institutions, although there was much interest in making the six-party talks a permanent institution. The consensus among participants was that nontraditional security threats such as transnational terrorism, environmental degradation, and infectious diseases present important opportunities for multilateral institutions to collaborate, particularly because of their inherently transnational character.

Along with these points of convergence, there were several areas where views diverged.

- One was whether security cooperation should be US-led or simply US-backed. Another was the usefulness of looking at traditional security threats as opposed to the less controversial if not equally or more complex nontraditional security threats.
- There was also a range of views on whether the East Asia community should be pan-Asian or trans-Pacific. Some participants stressed the fundamental importance of deepening financial and trade flows as facts-on-the-ground and powerful forces for integrative regionalism, regardless of whether or not political institutions are capable of keeping pace with them. Participants from the region disagreed on whether “community-building” would narrow the differences among nations and create a common vision and set of norms for the region, or celebrate and protect the diversity of systems and adhere to the principle of noninterference in internal affairs.
- Lastly, participants did not reach consensus on which organizations should play which role in the creation of more stable and effective regional institutional architecture building.

In order to provide a more detailed and policy-relevant look at these critical developments, this report will first present an overview of the history of Asia-Pacific regionalism. Next, drawing from our discussions in St. Michaels, we will explore the frameworks and contested issues that will shape the future of Asian regional architecture. Drawing from the presentations and discussions in

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St. Michaels, the report concludes with several specific policy recommendations for how, as a new Asia-Pacific architecture emerges, Washington can most effectively realize the interests of the United States and its friends in the region.

### **Asian Regionalism: More Challenges, More Mechanisms**

Regional political, security, and economic arrangements are not new to Asia. Indeed, Cold War-era rivalries defined the security and economic groupings of the period. Beginning in the early-1950s, Cold War alliance arrangements quickly formed on each side of the divide, with the United States establishing bilateral partnerships with Australia (1951), New Zealand (1951), the Philippines (1951), Republic of Korea (1953), Japan (1954), Thailand (1954), and the Republic of China (Taiwan)(1954). In 1954, one of the original multilateral security arrangements in the region, the Southeast Asia Treaty Organization (SEATO), was formed, bringing together the United States, Australia, France, New Zealand, Pakistan, the Philippines, Thailand, and the United Kingdom, aiming to stem the spread of communism in Southeast Asia. China and the Soviet Union formed their alliance in February 1950, and both formed their de facto alliance with North Korea with the onset of the Korean War later that year. In 1967, also in response to concerns about communist encroachment, governments in Southeast Asia formed a looser political and economic organization, ASEAN, comprising Indonesia, Malaysia, the Philippines, Singapore, and Thailand as founding members.

As the intensity of Cold War divisions waned by the late 1980s, the region began to explore new arrangements commensurate with the political and economic dynamics of the time. The APEC forum—founded in the same month and year the Berlin Wall came down, November 1989—became the first major regionwide economic and trade organization. With the advent of the APEC Leaders' Meeting in 1993—which annually brings together the heads of state of APEC member countries—APEC also became a forum for political and security discussions.

In one of the most important reflections of the post-Cold War era for Asian security mechanisms, the ARF was created in 1994. The ARF emerged from a luncheon discussion the previous year among members of ASEAN; its formal “dialogue partners” (including Australia, Canada, the European Union, Japan, and the United States); as well as China, Russia, and Vietnam, which were invited as outside observers. Today, the ARF consists of 26 countries, and is the largest Asia-Pacific forum dedicated to discussions on regional security and the creation of confidence-building measures.

Since the mid- to late-1990s, the region has also seen the “Asianization” of multilateral institutions. That is, more and more regional mechanisms have been established and run by countries located in Asia proper, and do not always include members from the broader “Asia-Pacific” such as Australia, Canada, New Zealand, or the United States. For example, meetings in the early-1990s amongst China and four former Soviet republics—Russia, Kazakhstan, Kyrgyzstan, and Tajikistan—to settle longstanding border disputes and introduce confidence-building measures along their frontiers—coalesced into the Shanghai Five in 1996, and later became a formal institution, the Shanghai Cooperation Organization (SCO), in 2001. The group added Uzbekistan as a member, established a secretariat and regional antiterrorism center, and now holds regular working- and summit-level exchanges on political, economic, and security issues.

In another example, the ASEAN+3 process (the ten ASEAN countries plus China, Japan, and South Korea) began in 1997 in the wake of the Asian financial crisis (and perceptions that Western countries had done little to assist those countries hardest hit by the disastrous fiscal downturn). The ASEAN+3 process led to discussions to establish a China-ASEAN free trade area, and to the creation of a task force, the East Asia Vision Group, to draft a report outlining ASEAN+3 cooperation for the future. The findings of that group later led to the establishment of a new mechanism, the EAS, which held its first meeting in December 2005 and its second in January 2007. Membership in the EAS was a matter of some

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controversy, particularly as the United States was not included. Instead, EAS meetings so far have had heads of state from the ASEAN+3, in addition to Australia, India, New Zealand, and Russia. It is too early to know whether the EAS will become a more action-oriented body. But the group will continue to meet at least once a year in an ASEAN capital, with ASEAN taking the lead as the principal “driver.”

Since the end of the Cold War, identity, geography, purpose, and regional influence have been the thematic undercurrents shaping Asian regional architecture. A more confident Asia seeks to build on its successes and common experience to establish more readily identifiable Asian institutions. This has led to debates over whether countries geographically outside of a traditionally defined Asia should have a place at the table of Asian regional arrangements. Hence the American argument that groups such as APEC and ARF should be the lead agents of an “Asia-Pacific” approach to trade and security, in contrast to arguments from Malaysia and other Asian countries that the region should aim for a more narrowly defined “East Asian” community.

Differences also arise over the purpose and goals of the various elements of the Asian regional architecture. The United States often finds the Asian model of multilateralism—and the high priority it places on consensus and lowest-common-denominator approaches to confidence-building—as moving too slowly to solve the region’s pressing political, economic, and security problems.

This helps explain the US interest in establishing “ad hoc” multilateral mechanisms aimed at meeting specific regional challenges. For example, the Korean Peninsula Energy Development Organization (KEDO), led principally by the United States, Japan, and South Korea, with the objective of organizing and delivering light water reactors to North Korea as an incentive to stem North Korea’s nuclear ambitions in the late-1990s, was a “coalition of the willing” meant to solve a specific regional security problem. Similar American motivations to see concrete results in Asia are behind the establishment of the six-party talks on Korean peninsula security, the

PSI, and the Asia-Pacific Partnership on Clean Development and Climate (APPCDC)—bringing together Australia, China, India, Japan, South Korea, and the United States.

### Key Takeaways From the Conference

Our discussions began with some generally shared understandings on the main schools of thought regarding Asian regional architecture. On the one hand, liberal institutional models of international relations suggest that states change behavior based on participation in international institutions because they are either rewarded for adhering to community norms or because they are punished for breaking them. In addition, states may change behavior when participating in international institutions because that participation alters the domestic distribution of power, in effect creating “bureaucracies for peace.” Finally, according to this school, participation in international forums and organizations can change state behavior by gradually socializing leaders and governments as they come to share a common lexicon for talking about security or economics in the region.

On the other hand, however, modern Asia is a place where such neoliberal expectations must coexist with patterns more closely associated with neorealism. The Kantian world and the Hobbesian world both fill the headlines of Asian newspapers every day. Unprecedented economic interdependence coexists with emerging great power rivalry. Across the region, national strategies for participation in multilateral institutions also seek to maximize power and influence and pursue relative gains over other states. This balancing behavior is particularly pronounced in an Asian context where the traditional international order has always been hierarchical and states have always hedged against their rivals if not fought them outright. Though Churchill was right that “jaw, jaw, jaw is better than war, war, war,” multilateral forums can become arenas for competition as much as for cooperation.

### Four Contested Issues

In discussing national strategies for Asia’s emerging regional architecture with colleagues from the region, we found that beneath the projected

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images of pan-Asian solidarity and some important new areas of regional cooperation, there are also four contested issues that have not been resolved.

**What Agenda? What Norms?** The most important divergence within Asia may be on the question of what norms or values are to guide regional integration and institution-building. For example, China and some ASEAN members look to the region's multilateral groupings as a means to advance the principles of "noninterference in internal affairs." On the other hand, Japan under Koizumi and Abe have increasingly urged their vision of principled multilateralism with integration that leads steadily toward common norms of democracy, rule of law, and good governance. This is a striking departure for Japan from an approach to the region that was guided primarily by mercantilist concerns, but it makes perfect sense for Japan to be seeking tools to shape its regional environment. India has also emphasized the importance of democratic principles to enhancing peace and stability in the region, but is slower in moving beyond its traditional non-aligned sentiments and is careful not to impose its values on regional states. ASEAN is in transition, but leaders sent a strong signal in January 2007 by endorsing the recommendations of the Eminent Person's Group that the organization secure peace and stability through the advancement of democracy, governance, and human rights—a step that will bump up against traditional notions of state sovereignty.

Debates over norms also introduce tensions into relations between the United States and some states in the region, as well as within trans-Pacific organizations in which the United States is a member. Citing human rights concerns, for example, the United States announced its intention to boycott the 2006 ARF meeting if it were held in Burma. ASEAN leaders relented and Myanmar was taken out of the rotation to host the meeting. Washington has also urged that the ARF move more seriously toward achieving its goals of confidence-building and preventive diplomacy in the region. But with organizational consensus a must, and with most ARF members supporting the principle of "noninterference in internal affairs," progress toward these goals is

slow—and a source of frustration for US officials. The notion persists in parts of Asia that "Asian values" and "Western values" are different, and we heard echoes of that debate in St. Michaels.

**Who Is in Asia?** In addition to contested normative security debates within Asia, there are questions of membership. No major country in the region contests the idea of "openness and inclusivity" in principle, but in practice there are different definitions of who in "Asia" reflects each nation's effort to maximize the participation by its partners and minimize the influence of others. For example, since the end of the Cold War, Washington has increasingly favored a vision of Asian architecture that is open, inclusive, and trans-Pacific, centered on APEC. While the United States maintains its alliances and ad hoc minilateral efforts such as the US-Japan-Australia Trilateral Security Dialogue, the overall vision from Washington is one of Asia-Pacific integration linked with the global trading and financial system and reflective of the increasingly globalized nature of the international system. Similarly, Japan and Singapore worked to include India, Australia, and New Zealand in the EAS to broaden participation in the absence of the United States and to balance China's influence in the body.

China has emphasized the importance of the ASEAN+3 forum and the SCO where it has relatively more weight and influence. While all of the regional players want an active and open trans-Pacific relationship, even close US allies like Japan show some ambivalence about bringing the United States into the EAS where Washington would dominate the agenda as it has in APEC. (The United States would have to sign the Treaty of Amity and Cooperation with ASEAN as a precondition for joining the EAS, as India, Japan, New Zealand, and Australia did. Japan and Australia signed the treaty and clarified that it would not in any way change their existing treaty obligations with the United States or respective positions on human rights and other issues. That option could be possible for the United States, though consultation would be necessary with the Senate to ensure that the treaty did not become a proxy for amendments on Burma or other issues that might have the

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unintended effect of worsening US-ASEAN relations.) Ultimately, membership in Asia's regional architecture will remain fluid and unresolved for many years, since most actors in the region prefer not to foreclose any option until they understand the future course of the region's security dynamic, particularly regarding the United States, China, and US-China relations. Interestingly, and in a realistic and nuanced way, conference participants did not argue for an "either/or" outcome, and grappled with how both "inclusive" and "exclusive" arrangements might coexist and address regional security challenges in a complementary way.

**What Kind of Economic Integration?** While all Asia-Pacific nations favor further economic integration, there are differing perspectives on how quickly, how inclusively, and how systematically governments should reduce barriers to trade and investment and how deeply the United States should be involved in the process. Australia and New Zealand are probably the most enthusiastic advocates of reducing tariff and non-tariff barriers, especially on agriculture. The United States maintains an emphasis on global liberalization in trade and services centered on the Doha Round, but has energized the trade debate in Asia with the November 2006 proposal for the Free Trade Area of the Asia-Pacific region (FTAAP). Japan has advocated an "ASEAN+3 +3" agreement (adding India, Australia, and New Zealand to the ongoing ASEAN plus China, Japan, and South Korea grouping), and has acquiesced to building toward the broader trans-Pacific FTAAP proposed by the United States. China, on the other hand, energetically pursues a more narrow FTA with ASEAN, and prefers to expand to an ASEAN+3 FTA, but has not committed to a broader FTAAP.

Economists continue to debate whether this proliferation of FTAs will create a "spaghetti bowl" that complicates regional business transactions and actually undermines economic integration. Our conference discussions suggest that most FTA negotiations in the region are leading to low quality FTAs and are therefore not creating a potentially dangerous spaghetti bowl effect. However, that could be a concern if energy is

diverted from completing the WTO Doha Round, which would have a major impact on trade liberalization on a global scale.

In this context, our conference noted that while intraregional trade is approaching 50 percent of total regional trade, the region still relies on external demand. Even with the growth of regional production networks, the largest market for final products will remain the United States for quite some time. The region also depends on external sources for approximately half of inward capital and foreign direct investment.

Finally, there is the question of whether regional economic integration harms US interests in terms of rule setting. When Japan proposed the Asian Monetary Fund at the height of the financial crisis of 1997, it appeared to be a counterforce to the International Monetary Fund. Today, however, Japan, China, South Korea, and other ASEAN+3 partners are leveraging their Chiang Mai Initiative to strengthen capacity-building, transparency, and early warning in the less developed Asian economies. They are doing so to avoid their own moral hazard and ultimately this process raises standards in ways that benefit the United States as long as the process remains transparent.

**Who Provides Public Goods?** APEC continues to set the standard for regional cooperation on key goals such as countering terrorism, strengthening port security, and combating avian influenza. Through the East Asia Community building process, regional states are attempting to develop intraregional capacity to deal with security challenges. The ASEAN leaders agreed in January 2007 to expand counterterrorism cooperation, and ASEAN states have taken great strides in cooperation on transnational threats such as drug running, human trafficking, avian influenza, SARS, and HIV/AIDS. The EAS leaders also set new goals for energy security cooperation. There is clearly an expanding norm and expectation that nations will share more information and open up their systems through cooperation on capacity-building.

However, it is also true that massive and unexpected transnational challenges like the 2004 tsunami

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could not have been met without leadership from the region's major democracies. For example, the rapidly created US-Japan-Australia-India Regional Core Group formed the centerpiece for providing immediate humanitarian relief to the victims of the 2004 tsunami. These nations moved because they had the capacity, strong public support, and well-rehearsed patterns of ad hoc cooperation through formal alliance arrangements and new partnerships (between the US and Indian navies, for example). In 1999, in response to the rapidly deteriorating security situation in East Timor, it was Australia and Thailand, with logistical support from their ally the United States, and with the strong support of the international community, that took the lead to intervene in and bring stability to the area.

But looking ahead, the regionwide support for provision of such public goods will remain disputed and unresolved. On the one hand, because of its superior naval and airlift assets, in addition to well-developed relations with regional partners, the United States can be most ambitious in creating multilateral capacity for humanitarian relief or even for cooperative and collective security operations. For both political reasons and lack of capacity, other countries in the region will be far more hesitant to take collective action or even build the longer-term organizational and infrastructural capacity to do so. There is still a strong tension for creating cooperative, collective response capacity; remaining sensitive to "noninterference" in internal affairs; and avoiding entrapment in US coalition operations. Conferees clearly recognized this conundrum and agreed—some reluctantly—that in spite of the sometimes difficult choices, the US forward presence and system of alliances in Asia will remain a critical provider of security-related public goods.

### **When Multilateral Cooperation Works**

Despite the unresolved differences over issues such as norms, membership, economic integration, and provision of international public goods, there is evidence that multilateral cooperation is changing state behavior in Asia for the better. Partnerships are forming across borders to address transnational threats such as terrorism in ASEAN and APEC. In the six-party talks the five major powers are developing patterns of cooperation

that will transcend the nuclear problem and perhaps North Korea's existence itself. Through APEC and the Chiang Mai Initiative, rules for transparency and capacity are being steadily entrenched. Drawing from concepts developed by the Organization for Security and Co-operation in Europe (OSCE) in the 1970s and 1980s, SCO members in the 1990s demarcated borders, settled border disputes, and introduced an array of security- and confidence-building measures to these once-tense frontiers.

In many instances, these organizations have succeeded because they bring together like-minded governments to focus on resolving a well-defined problem they all face. The more nebulous an organization's mission, and the more far-off the organization sees its principal challenges, the less likely its members are to be able to mobilize a collective and effective response. Whatever the motivations that bring states together multilaterally to address common concerns, these developments are important to security and stability in Asia. The process of participating in international institution-building can strengthen domestic institutions in ways that contribute to sustainable development and civilian control of the military and because the patterns of cooperation reinforce constructive stakeholder behavior.

Does this process threaten US interests? The symbolism of an EAS that does not include the United States has some impact, to be sure, but on the whole the participants in our conference found the process of institution-building in Asia can advance US values and interests even when the United States is not in the driver's seat—or even in the car. The fact that friends and allies like Japan and India are increasingly embracing an agenda to promote openness, good governance and the rule of law should give Americans comfort. The obvious balancing behavior of the democratic nations within the EAS also suggests that the arena is far more complex than meets the eye. The United States will have to step up its game in Asia to ensure that the emerging Asian architecture reinforces stability, prosperity, and openness. The key will be to develop common purpose and close coordination with all the major players in the region, including with China, which should be a full partner in the

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process of regional institution-building. The United States will also need to play the game of East Asian summitry more effectively, where 90 percent of success is just showing up. Finally, the United States must continue to encourage principled multilateralism that strengthens democratic institutions, good governance, and rule of law as well as functional multilateralism that conditions the region's governments and militaries and NGOs to interoperability and shared effort.

## Recommendations for US Policy

Based on the received wisdom from the distinguished panel of experts from the region on Asia's emerging institutional architecture, the three American cochairs concluded that the United States should:

- Continue investing in US alliances with Japan, Korea, and Australia and the new US partnership with India. A network of wisely managed and consultative alliances and partnerships remains the cornerstone of peace and stability for the Asia-Pacific and the best avenue to realizing American and regional interests. Seize opportunities to build patterns of close regional cooperation as the United States, Japan, Australia, and India did in forming the Regional Core Group in response to the 2004 tsunami. Be inclusive, but set ambitious terms early. US strategy should strive to ensure that strengthening American alliances and nurturing the emerging multilateral institutions should be symbiotic and mutually reinforcing.
- Encourage partners to take the lead in building new initiatives within APEC and other groupings in the region. The United States should foster leadership by other states that share its objectives and values. An Asian idea that is 95 percent consistent with US interests is more likely to succeed and converge over time with US aims than an idea that is 100 percent "made in the USA," but generates a negative backlash.
- Establish a coordinating mechanism with like-minded partners to chart a longer-term vision for regional architecture and to coordinate on

policies within the region's myriad forums and institutions so as to mutually reinforce the broader interests of the United States and our friends and allies in the region.

- Maintain momentum for principled multilateralism and encourage greater cooperation on capacity-building to strengthen democratic institutions, good governance, and the rule of law in Asia.
- Ensure that the US Secretary of State attends and engages the ASEAN Regional Forum and the president attends and strengthens American leadership in APEC. The emergence of the EAS, and American absence at its creation, not only demands greater American attention but is also widely perceived in Asia as an indicator of US "distraction" from its critical regional role in recent years. As the originator of trans-Pacific engagement, Washington needs to strengthen its linkages across the region, reaffirm its commitment to regional norms and aims, and remain alert to opportunities to improve America's legitimacy and leverage through enhanced bilateral and multilateral engagement in Asia.
- Work with China in the development of the new Asian architecture and expand examples of US-China cooperation within these forums on emergent transnational challenges. Encourage positive aspects of Beijing's participation in multilateral mechanisms—such as introducing confidence-building measures with its neighbors, establishing new forms of cooperation to combat regional challenges, and internalizing common goals—which embed China deeper into regional stability and prosperity. Strengthen US bilateral strategic dialogue with Beijing to identify and deepen common purpose in Asia, and discourage more narrow Chinese initiatives in multilateral institutions that aim to minimize the positive regional influence of the United States.
- Work with partners in the region to encourage back-to-back meetings of APEC and the EAS so that India can begin participating as an observer in APEC and the United States can begin participating as an observer in EAS. The

*Alliances and partnerships should complement and enhance multilateral arrangements.*

administration and Congress should further examine modalities for signing the ASEAN Treaty of Amity and Cooperation.

- Encourage greater regional cooperation and coordination on transnational security challenges such as terrorism; maritime security; trafficking of arms, narcotics, and people; health issues; and the environment. Greater US participation in and support of joint military interactions on peacekeeping exercises, natural disaster response, and humanitarian relief efforts will pay positive regional institution-building equities. Expand exercises that include not only militaries but also NGOs and civilian agencies. Push for interoperability, but recognize that simply raising reluctant participants' comfort level with multilateral cooperation is also important at this stage. Washington should continue to build upon the positive examples of multilateral coordination demonstrated in responding to the East Timor crisis of 1999, the Indian Ocean tsunami of 2004, and the restriction of illicit North Korean funds flowing through the Macau-based Banco Delta Asia in 2005.
- Complete the US-ROK Free Trade Agreement. Push for simultaneous discussion of the trans-Pacific FTAAP in parallel with planning for the ASEAN+3 FTA concept. Reinvigorate the ASEAN-US Enhanced Partnership.
- Apply the lessons of the 1997 financial crisis by offering judicious and appropriate financial advice to policymakers in Asia, extending the Generalized System of Preferences to include lower-income countries, and taking full advantage of APEC and ASEAN—and the potential offered by the Asia Development Bank and World Bank—to adopt a forward-looking approach to free trade and economic development in the region.
- Strengthen the US Treasury Department role in regional architecture by establishing an Asian G-7 among the major finance ministers.
- Continue building on the six-party talks to establish a permanent Northeast Asian security mechanism. The September 2005 joint state-

ment called for work on a permanent peace mechanism for the peninsula that provides the ingredients for a cooperative working group on economic issues, energy, military confidence-building measures, and human rights. This process must move in parallel with denuclearization talks and must not become a substitute for the critical task of achieving concrete steps toward ending Pyongyang's nuclear weapons programs

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## Appendix I

APEC	Asia-Pacific Economic Cooperation
ARF	Association of Southeast Asian Nations Regional Forum
APPCDC	Asia-Pacific Partnership on Clean Development and Climate
ASEAN	Association of Southeast Asian Nations
ASEAN+3	ASEAN countries plus China, Japan, and South Korea
EAS	East Asia Summit
FTA	Free Trade Agreement
FTAAP	Free Trade Area of the Asia-Pacific region
G-7	Group of Seven
KEDO	Korean Peninsula Energy Development Organization
PSI	Proliferation Security Initiative
OSCE	Organization for Security and Co-operation in Europe
SCO	Shanghai Cooperation Organization
SEATO	Southeast Asian Treaty Organization
WTO	World Trade Organization

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Affiliations are listed for identification purposes only. Participants attended as individuals rather than as representatives of their governments or organizations.

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