

Strategic Developments in East Asia: the East Asian Summit

Jusuf Wanandi

Vice Chair, Board of Trustees, CSIS Foundation

Economic development in East Asia started 40 years ago, when Japan's economy developed quickly and gave to others the example to follow through the so-called "flying geese" pattern. The Asia's "young dragons" such as South Korea, Taiwan, Hong Kong and Singapore followed, and emulated by ASEAN's members Thailand, Malaysia, Indonesia and the Philippines.

At the end of the 70s China changed her strategy of development under Deng Xiaoping, and gave a big boost to East Asia's economy, followed by India in the beginning of the 90s. China was not the locomotive of East Asia's economy per se, but the size of her economy gave it a big boost. That is why we can talk now about the center of world economy that is moving towards East Asia. With the financial crisis of 2008/2009 the trends towards East Asia has become permanent.

The Chinese economy has now become the center of East Asian economy, because of the demography that has defined the size of the Chinese economy for our region and the world, and also due to the increase of productivity, thanks to investments in education and R and D for her economy. Since East Asia has become an enormous economy, the importance of the region has also increased. When in the previous decades the US defined the politics and security of East Asia, the future of the region's strategic development will be more complex.

At one stage Japan and China 40 years ago (when China opened up to the US in 1972) were willing to give the dominant role to the US in East Asia, but now not one country could on her own maintain peace, stability and development of East Asia. While the US is still a great power, and the military might is still the greatest, but the country alone can no more keep the East Asian regional order alone. The US needs her allies and friends to do it together.

Before the financial crisis of 2008, it was expected that President Obama, who understood strategic development of the world, East Asia and US own capabilities, could lead the US to implement a strategic adjustment for East Asia. However, the crisis and the pressures on the US economy, plus the results of the midterm elections of November 2010 where the Republicans won the majority at the House of Representatives, caused the chance to lead for change almost an impossibility. In fact, due to the weaknesses of the US economy, and due to the influence of the extreme wing of the Republican Party (the “Teapot” revolution) on the US economic development, they had brought the strength and popularity of President Obama down. This raised the question whether he would be just a one-term president, since 2012 will even be fuller of uncertainties about his chances to be re-elected.

China, who likes to accept a certain role for the US in the region, is now asking what her role should be for the region’s future.

While China seems to like to have the US presence in East Asia, she recently stressed that the US role should be more multilateral for the future and if China’s national interest is at stake, she

will fight for that more strenuously and openly. That can be acceptable in the region when it is done peacefully in a rational and open way, through statements, dialogues or diplomatic approaches. China should not repeat its earlier ways that smacked of “revolutionary” or “cultural revolution” ways. China is now big and developing very fast, and, therefore, she does not need the old ways and methods that were used when she was still feeble and not recognized internationally as nowadays in relation to her policies and actions. “Soft power” is the way for her to move on in the future. That will not be always easy, because among her populace a certain pride of what China has in the meantime achieved could give some pressures to the government to be more assertive.

Chinese policies in the last two years on the Korean peninsula, her claims on the East China Sea and the South East Asian Sea have created reactions from countries in the region which are not conducive for her own national interest and for peace and stability in the region. Even when China has the military capacity to face the US in defending her coastal areas in an asymmetric strategy (against US dominations in the Western Pacific), her economic development still needs peace and stability in her environment. Conflict or confrontation will be against her efforts to develop economically and modernize.

China in 2011 has changed her “strong policies” with an initiative to talk bilaterally to South Korea and the US, and proposed to have another series of Six-party Talks on the nuclear weapons of North Korea, after the corvette Cheonan was damaged and the shelling of the Yeonpyong island by the North. But the other parties of the Six-party Talks was non-committal, because they thought it was too little and too late, although the proposal should not be rejected

outrightly. Because China's proposal was not submitted earlier, she should take up other measures to win the trust of the region. It might take some time to learn, because it was only 30 years ago that China had been exposed to the outside world regularly. China's willingness to prepare a Code of Conduct on the South China Sea based on the Declaration of Conduct has shown a willingness to work with ASEAN and to find a way out of her problems in South East Asia. In so doing she tried to recover some of her credibility back.

Another important problem that may arise is whether the US can restraint herself if China would like to assert her interest in such a "strong" way in the future. More importantly is US acceptability of China as an equal. This can not be easily discerned or projected in the near future because there are so many opinions in the US that has not been consolidated into one big stream of opinion. Besides it should also be recognized that the US has an interest to get China's cooperation in many fields, such as on US economic development, to get rid of nuclear weapons of North Korea and Iran, the problem of the environment and climate change, and other common goods, such as pandemics, food and energy security among others.

Meanwhile, the East Asian region, including ASEAN and Indonesia, has an interest to have the relationship between the two great powers conflict - or confrontation free. That is why we in the region have to watch the strategic development of East Asia very carefully. Because, even if economic power cannot be translated immediately into political power, it is going to happen soon enough by looking at the pace of the economic development of China, and when China's GDP can become the biggest economy in the world within 20 years.

When China's defense budget had doubled in the last 15 years (except for 2010), it can be expected that after 10 more years of such an increase her military power can balance that of the US, especially in East Asia. Because of the change of the balance of power in the future, we in East Asia have to prevent not to have to face the same trauma and tragedy as Europe faced in the end of the 19th Century, which brought World War I, the birth of extreme ideologies such as Facism/Naziism and Communism, World War II, and the Cold War, which only ended 1989 with the collapse of the Berlin Wall and Communism when the USSR broke up.

As the result of those developments, in the wake of World War II Western Europe worked hard to integrate deeply and widely, until finally the EU was formed with 27 members to avoid another great conflict in the future. However, the financial crisis faced by Western Europe Euro zone raised a question mark whether the Euro can be maintained, and therefore, whether the existence of the EU itself can be sustained.

We in East Asia are aware that such tragedy and challenges could also happen in our region. That is why we have to establish East Asian regional institutions to assist the strengthening of the bilateral relations between the US and China. Among others ASEAN managed to craft a new East Asia Summit, which include the US and Russia.

Hugh White, a well-known strategist from the Australian National University, stated that the EAS should try very hard to become a "concert of powers" of East Asia, which can establish a regional order in the region.

Although not all rules are conclusive on the EAS, Indonesia's ASEAN chairmanship has put her in a very important position as a Leaders Summit on strategic issues: political, economic and security, to define the future of East Asia through a "Concert of Powers".

Even when Indonesia is no more the ASEAN Chair, her role and influence has to be maintained, not only to channel new ideas and new visions for ASEAN and for East Asia through the EAS, but more in developing the EAS into a "Concert of Powers" for East Asia. The implementation of EAS decisions can be realized by the existing regional institutions, e.g. the non-traditional security by the ASEAN Regional Forum (ARF), the traditional security by ASEAN Defense Ministers' Meeting + US, Russia, China, South Korea, India, Japan and Australia, New Zealand (or ADMM Plus), and the functional cooperation including economic cooperation by the ASEAN Plus Three (APT).

To be effective the ADMM Plus should be held annually rather than every three years, and the APT should be open for other member(s) if need be.

All the decisions at the East Asian level, especially the EAS, can become an input for the APEC Summit or for the G20 process, since East Asian's contribution to global development, especially for economic issues, could be important since nine of the EAS members are also in the G20.

Indonesia always nurtures the idea to work together with others on world issues, as has been laid down in the Preamble of the 1945 Contribution. In implementing this role, bilateral relations and

diplomacy are the normal ways of countries in the world dealing with each other. But now, regional approaches through regional institutions, as ASEAN is for Southeast Asian countries, are also gaining importance. Because the strategic changes that are taking place in East Asia are so fundamental, many strategists (in the academe or government) are of the opinion that approaches should be mainly regional to be able to face those dramatic changes.

Hugh White's idea is to use the EAS to become the "concert of powers" for East Asia in order to create peace, stability and development in East Asia, especially to create an environment where China and the US can cooperate better and alleviate the antagonism or tendencies to confront each other.

To be able to achieve this, a stable bilateral relations between the two should be maintained. And ASEAN's cooperative spirit should be deepened to be able to perform as the facilitator of the EAS. In addition, they should enjoy the trust of both great powers. Thus, Indonesia's leadership in ASEAN is important even if she is not the chair of ASEAN. From this year experience as chairman, the credibility of Indonesia among the two great powers and ASEAN members are well-noted and they do think that Indonesia's leadership role should be maintained.

However, Indonesia's leadership in ASEAN alone might not be adequate as the institution itself needs to be further improved: the principle of non-intervention, the consensual way of decision making, and the limited budget make it impossible to respond to the dramatic strategic changes in East Asia. The critical importance of ASEAN to be a people-centered organization has not been achieved because the institution is still too much state-centered.

If ASEAN cannot be changed through an amendment of its Charter next year, then Indonesia should cooperate with other EAS members (particularly Australia and South Korea as middle level powers), to make it effective and be able to face the strategic changes in the region and the world. If Indonesia can do that, then East Asia's participation for the "global commons" can be ascertained through the G20 on the UN organizational reform.

To be able to herald these fundamental strategic changes, Indonesia has to rally its best minds among the academe and government, because after all the most important part of the process are the ideas and vision how to move the EAS forward.