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# MULTILATERALISM: Is There an Asia-Pacific Way?

Amitav Acharya

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715 SAFECO Plaza Seattle, WA 98185 Tel: (206) 632-7370 Fax: (206) 632-7487 Email: nbr@nbr.org http://www.nbr.org

# FOREWORD

The emergence of multilateral economic and security cooperation fora in the Asia-Pacific has been accompanied by disagreement about the most effective approach for maintaining peace and prosperity in the region. The major question is whether Europeanstyle multilateral structures and decision-making patterns are appropriate in an Asia-Pacific context, or if some uniquely Asian approach to decision-making is more suitable for addressing conflict. Asian leaders have generally stressed that the decisions of multilateral organizations should be reached through consensus and not be binding on members—a process that has been dubbed the "Asia-Pacific Way." On the other hand, American leaders have pushed for greater institutionalization and binding commitments in regional organizations. To date, organizations such as the Asia-Pacific Economic Cooperation (APEC) forum and the ASEAN Regional Forum (ARF) generally have avoided the American approach.

In this issue of the *NBR Analysis*, Dr. Amitav Acharya, professor of political science at York University in Ontario, outlines the historical and cultural factors that have encouraged the development of the Asia-Pacific Way of multilateralism, and explores its utility for dealing with economic and military conflicts. Dr. Acharya points out that the rejection of European style multilateralism is in part a function of the vastly differing circumstances that existed in Asia and Europe following World War II. Whereas in Europe the Cold-War confrontation between nuclear superpowers and their allies predominated, in East Asia there was a larger number of perceived threats and unresolved conflicts; and economic development took precedence over nuclear confrontation. Paradoxically, in spite of significant conflict in the region, Dr. Acharya describes an Asian strategic culture that shuns the identification of adversaries, not to mention formal arrangements for resolving disputes.

Dr. Acharya concludes with a negative assessment of the Asia-Pacific Way for resolving disputes in the region. What passes for an Asia-Pacific Way is really an ASEAN way of decision-making that will not transfer effectively to the entire region, where historical experience is diverse and interpersonal ties among elites (characteristic of ASEAN) are lacking. Finally, Acharya argues that Asian leaders make appeals for the Asia-Pacific Way "precisely when national interests and objectives come into conflict with multilateralist goals.... The concept's usefulness may lie in its capacity to rationalize the obstacles to multilateralism rather than resolve them."

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> Richard J. Ellings Executive Director The National Bureau of Asian Research

# MULTILATERALISM: IS THERE AN ASIA-PACIFIC WAY?

Amitav Acharya

## **Multilateralism: Structure Versus Process**

Multilateralism is a marked feature of post-Cold War international relations in the Asia-Pacific region. At the governmental level, the major landmarks in institution-building are the inauguration of the Asia-Pacific Economic Cooperation (APEC) forum in 1989 and the ASEAN Regional Forum (ARF) in July 1994.<sup>1</sup> In addition to the emergence of these formal institutions, there has been a rapid proliferation of multilateral "dialogues" both at governmental<sup>2</sup> and nongovernmental (Track II) levels. While nongovernmental dialogues on economic issues, such as the Pacific Economic Cooperation Council and the Pacific Basin Economic Council, have a long history in the region, consultations on political and security issues are fairly new and have experienced the most dramatic growth in number and scope. For example, while there were three or four trans-Pacific channels for discussion on political and security issues in 1989, by the second half of 1995 there were well over sixty.<sup>3</sup> The establishment of fora such as the Council for Security Cooperation in the Asia-Pacific (CSCAP) and the APEC Business Advisors Council (formerly called the Pacific Business Forum) attest to the growing demand for, and acceptance of, multilateralism in regional security and economic issues.

One of the important questions in the minds of academics and policymakers regarding Asia-Pacific multilateralism is whether it is evolving in a manner quite distinct from institution-building in other parts of the world, especially Europe. This question assumes importance in view of the rejection by some Asian policymakers of European-style multilateral institutions as a model for the Asia-Pacific region. Is there an "Asia-Pacific Way" of institution-building? If so, what are its essential characteristics, strengths, and limitations? This paper explores these questions with particular reference to the two principal multilateral institutions in the region, APEC and the ARF. A related aim of the paper is to examine whether Asia-Pacific multilateralism, despite its alleged collective uniqueness, can reconcile the divergent interests and perspectives of regional actors.

The surge of multilateralism in the Asia-Pacific region has prompted much debate and analysis. Explanations have been sought for the relatively late development of multilateralism in the region. The framework of international order established under American hegemony after World War II was more conducive to multilateralism than any previous system. Yet the Asia-Pacific region, in which the United States has been a key player since 1945, had not been hospitable to multilateral institutions.

Amitav Acharya is associate professor in the Department of Political Science at York University, Ontario. His numerous publications on Southeast Asia in the modern world include *New Challenges for ASEAN: Emerging Policy Issues* (coedited with Richard Stubbs, 1995), and *An Arms Race in Post-Cold War Southeast Asia: Prospects for Control* (1994).

<sup>&</sup>lt;sup>1</sup>ASEAN, the Association of Southeast Asian Nations, was formed in 1967 to encourage cooperation among five anticommunist Southeast Asian states (Indonesia, Malaysia, the Philippines, Singapore, and Thailand). The ASEAN Regional Forum also includes ASEAN's newer members, Brunei and Vietnam, along with their dialogue partners (Australia, Canada, China, India, Japan, South Korea, New Zealand, Russia, the United States, and the European Community), and other key regional states (Cambodia, Laos, Myanmar, and Papua New Guinea).

<sup>&</sup>lt;sup>2</sup> These include meetings of the ARF and its associated bodies such as the ARF senior officials meetings (ARF-SOM).

<sup>&</sup>lt;sup>3</sup> Dialogue Monitor, no. 2, Toronto: University of Toronto-York University Joint Centre for Asia Pacific Studies, January 1996.

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Some analysts have explained this puzzle in terms of structural conditions in the region. For example, Donald Crone argues that the absence of multilateral institutions in the Asia-Pacific region during the early post-War period was due to America's "extreme hegemony."<sup>4</sup> America's Pacific allies were so weak in relation to U.S. power that regional cooperation added little to U.S. capabilities and hence made little sense. Bilateralism provided a more flexible framework of cooperation, offering the United States greater leverage and control over its allies. Thus Washington settled for a network of bilateral alliances that formed the basis of a security architecture that continues to this day. According to this point of view, the subsequent decline of U.S. hegemony has facilitated the creation of multilateral institutions. The United States now sees the possibility of deriving concrete gains from regional cooperation, while the other regional actors view such cooperation as a means of assuring continued U.S. engagement, which remains vital to their economic and security interests in the post-Cold War period. The decline of U.S. power has opened opportunities for other actors, such as Australia, Canada, Japan, and ASEAN as a group, to provide intellectual and entrepreneurial leadership for the development of multilateral institutions. From this perspective, the emergence of multilateral fora such as APEC and the ARF can be explained as a byproduct of shifts in structural power and leadership.

But the hitherto absence of multilateralism in the Asia-Pacific region could have been despite, rather than due to, the lack of official American interest. Indeed, U.S. policymakers at various times expressed great interest in promoting multilateral institutions in this region. The Truman Administration first considered the idea of a Pacific collective security system,<sup>5</sup> and the Southeast Asia Treaty Organization (SEATO) was eventually established during the Eisenhower Administration. The Johnson Administration encouraged greater Asian regionalism, while the Nixon Administration's official regional security doctrine, the so-called "Nixon Doctrine," implicitly backed collaborative efforts by its Asian friends that would have reduced their dependence on U.S. military support. But none of these policy frameworks produced viable multilateral institutions either in the economic or security arenas.

> ... it may have been the region's extreme diversity, rather than America's extreme hegemony, that inhibited the emergence of multilateral institutions in the immediate post-World War II period.

The reason for this might have to do less with the nature and extent of American hegemony than with the economic, political, cultural, and security conditions prevailing at the regional and local levels. Indeed, it may have been the region's extreme diversity, rather than America's extreme hegemony, that inhibited the emergence of multilateral institutions in the immediate post-World War II period. Not only have the economies of the Asia-Pacific nations been characterized by different degrees of openness to the global capitalist economy, their outlook on national economic development has been informed by a remarkably divergent range of political and ideological perspectives. In the security arena, during the Cold War period Northeast Asian states were more directly involved in geopolitics than their Southeast Asian counterparts (the Vietnam War notwithstanding). The former were far more preoccupied with external threats to their national security than their Southeast Asian neighbors. The latter remained under colonial rule

<sup>&</sup>lt;sup>4</sup> Donald Crone, "Does Hegemony Matter? The Reorganization of the Pacific Political Economy," *World Politics*, vol. 45, no. 4 (July 1993), pp. 501–525.

<sup>&</sup>lt;sup>5</sup> Yano Toru, "Who Set the Stage for the Cold War in Southeast Asia?" in Yonosuke Nagai and Akira Iriye, eds., *The Origins of the Cold War in Asia*, New York: Columbia University Press, 1977, p. 330.

for a longer period of time and after gaining independence their primary concern was with internal threats to their security and stability. The aligned status of Northeast Asian states contrasted with the official nonalignment of many states of Southeast Asia.

Against this backdrop, it is hardly surprising that the only multilateral institution to thrive during the Cold War period was an inward-looking subregional organization established in 1967: the Association of Southeast Asian Nations, which gained international prominence through its diplomatic efforts to oppose the Vietnamese invasion of Cambodia in 1978 and seek a political solution to the conflict. By contrast, the development of multilateralism covering the entire Asia-Pacific region had to await a number of developments that would create a more interdependent regional setting and convergent economic and strategic outlooks among countries.

In the economic sphere, these developments include the widespread acceptance of a market economy and a dramatic rise in intra-regional private sector trade and investment. In the security sphere, a shared sense of uncertainty about the regional climate in the aftermath of the Cold War and concerns regarding the changing balance of the major powers have served as common motivating factors facilitating institution-building.

The demand for multilateral institutions in the Asia-Pacific region, therefore, is fueled by three factors. The first is a desire to build upon the payoffs of economic liberalism and interdependence. While this has been a prime catalyst for APEC, it has also encouraged security multilateralism, since interdependent states presumably have a greater interest in reducing the danger of war among themselves. Second, multilateralism is conceived as a problem-solving exercise aimed at preventing and containing the risk of regional disorder posed by an array of historic and emerging disputes and rivalries. Third, multilateralism is seen as an insurance policy to cushion the region against the current flux in the global economic and security climate. In the economic arena, there were serious concerns regarding the future of the world trading system, (concerns that have largely been reduced by the successful conclusion of the Uruguay Round, but which were a substantial factor behind the initial interest in APEC),<sup>6</sup> the consequent fears regarding the emergence of discriminating regional trade blocs in North America and Europe, and trade tensions between the United States and Japan. These concerns have been paralleled in the security sphere by anxieties regarding the relationships among the major powers. As a region with four of the major powers of the post-Cold War period (China, Japan, Russia, and the United States), the Asia-Pacific region is especially vulnerable to an unstable balance of power.

It was with these concerns in mind that ASEAN supported the founding of APEC. This support was based on expectations, as Singapore's trade and industry minister then put it, that APEC would be "a useful informal group for the purposes of the GATT Uruguay Round, of like-minded countries with a common interest in a successful outcome of the Round."<sup>7</sup> APEC was also welcomed for its potential to "serve as a means to help reduce trade and economic tensions" within the region and "provide a forum in which we could consult each other."<sup>8</sup> Another potential contribution of APEC was its ability to counter some of the uncertainties in the regional investment climate caused by developments in Eastern Europe: "At a time when Eastern

<sup>&</sup>lt;sup>6</sup> Marc L. Mush and Hellen V. Milner, "The Future of the Trading System," in Richard Stubbs and Geoffrey Underhill, eds., *Political Economy and the Changing Global Order*, Toronto: McClelland & Stewart, 1994, p. 274. As Mush and Milner argue, fears that the world economy is being fragmented into regional trade blocs are exaggerated. Recent evidence suggests that growth of intraregional trade is not occurring at the expense of inter-regional trade, but that the two are growing together. For example, while the volume of trade between the U.S., Canada, and Mexico has increased since the advent of NAFTA, so has trade between NAFTA countries and East Asia. Similarly, rising intra-EU trade has been accompanied by growth in the EU's trade with non-EU European Free Trade Area countries.

<sup>&</sup>lt;sup>7</sup> Mimeographed text of a speech by Lee Hsien Loong, minister for trade and industries, Singapore, before the Indonesia Forum, Jakarta, July 11, 1990, p. 9.

<sup>&</sup>lt;sup>8</sup> Mimeographed text of a speech by Naji Abdul Rahman Taib, minister for industry and resources, Brunei, to APEC ministerial meeting, July 30, 1990, p. 4.

Europe is attracting more attention from the developed countries, APEC will provide an extra incentive for Japan and other major regional economies to strengthen their ties with ASEAN."<sup>9</sup>

China will find it far more difficult to spurn U.S. initiatives to define a set of "rules of acceptable behavior" if these rules are institutionalized through the ASEAN Regional Forum.

In the security arena, the anticipated benefits of multilateralism were, and continue to be, less specific and more long-term. Multilateralism has been viewed as a necessary framework within which to engage China and integrate it into a system of regional order, thereby reducing the need for provocative strategies of "containment." A multilateral framework is therefore expected to increase the costs of aggressive action by potential regional hegemons such as China. For China, the political costs of nonparticipation and noncompliance in cooperative security are much greater in the case of a multilateral regime than a bilateral relationship. China will find it far more difficult to spurn U.S. initiatives to define a set of "rules of acceptable behavior" if these rules are institutionalized through the ASEAN Regional Forum. Security multilateralism is also a useful device to ensure the continued engagement of the United States in the region's security affairs, which in turn makes an independent Japanese security role, feared by most of its neighbors, unnecessary. Multilateral dialogues and institutions are also deemed useful in removing suspicions, building mutual trust, and facilitating peaceful approaches to regional conflicts.

Yet while the need to meet the economic and strategic challenges of the post-Cold War era has contributed to increased acceptance of multilateralism, it does not by itself explain why multilateralism has found such a wide constituency in the region. To a large extent, the emergence of multilateralism in the Asia-Pacific region has been process-driven, rather than motivated by specific actors, challenges, or events. In this sense, developing a process consistent with existing regional norms and practices that makes participants comfortable interacting with each other has been more important than the substance of multilateral gatherings. The observations of Ralph Cossa, executive director of the Pacific Forum/Center for Strategic and International Studies, concerning regional confidence and security-building measures that "the process, in many instances, may be as (or more) important than the product," applies not just to security-related, but to all, multilateral processes in the region.<sup>10</sup>

### **Open Regionalism and Cooperative Security**

The question of process is important, since the fundamental objectives and principles of multilateral institutions in the Asia-Pacific region are hardly unique. Multilateralism in its most basic sense involves norm-based or rule-governed behavior. In the economic and security arenas, the primary objective of multilateral interactions is to discourage participating actors from discriminating against each other, to promote mutual transparency and reassurance, and to resolve contentious issues peacefully and constructively.

The principles of nondiscrimination and transparency are enshrined in both APEC and the ARF. The professed goal of APEC is "open and free trade and investment" in the Asia-Pacific region by the year 2020, with the industrialized member-economies achieving the goal by 2010.

<sup>&</sup>lt;sup>9</sup> Ibid, p. 9.

<sup>&</sup>lt;sup>10</sup> Ralph Cossa, "Asia Pacific Confidence and Security Building Measures: A CSCAP Working Group Report," paper presented to the Ninth Asia Pacific Roundtable, June 5–8, 1995, Kuala Lumpur, p. 2.

A report by the Pacific Business Forum, a private-sector grouping within the APEC framework, states that "the benefits of APEC's trade and investment liberalization and facilitation programmes should be enjoyed by all APEC member economies on a non-discriminatory basis."<sup>11</sup> But APEC's concept of open regionalism goes beyond the traditional notion of free trade areas that espouse nondiscrimination *within* a given regional grouping. The concept of open regionalism, as outlined in the Osaka Action Agenda of the APEC heads of state, also stipulates that "the outcome of trade and investment liberalization in the Asia-Pacific Region will be the actual reduction of barriers not only among APEC economies *but also between APEC and non-APEC economies*" (emphasis added).<sup>12</sup> The notion of open regionalism articulates the concerns of APEC members regarding any prospective breakdown of the liberal international trading order and the emergence of exclusionary regional trading blocs in Europe and North America. Security multilateralism lacks a precise "road map," but is guided by the general objective of establishing a "more predictable and constructive pattern of relations for the Asia-Pacific region."<sup>13</sup>

Asian-Pacific security multilateralism has revolved around the concept of "cooperative security." The key aspect of cooperative security in Asia is inclusiveness, or a commitment to involve as many relevant principal actors as possible.<sup>14</sup> While intergovernmental multilateral institutions in the region are not yet fully inclusive (the ARF, for example, does not include North Korea or Taiwan), this has been offset to some extent by Track II dialogues and activities that have developed a wider membership. The Council for Security Cooperation in the Asia Pacific, for example, is trying to secure the membership of both China and Taiwan. North Korea is already a member, and India has been granted associate-member status.

"Inclusiveness" has not been a feature of all international institutions that the West considers to be "multilateral." While during the Cold War the North Atlantic Treaty Organization (NATO) featured a more equitable relationship between its leading power and the rest of its membership than did the Warsaw Pact, it was in essence an exclusionary collective defense organization set up to deter and defend against the Soviet threat. In this sense, the only truly inclusive institution in Europe during the Cold War was the Conference on Security and Cooperation in Europe (CSCE) (now called the Organization for Security and Cooperation in Europe, or OSCE), whose doctrine of "common security" sought to develop military transparency and political understanding between Cold War adversaries in Europe.

Like the CSCE, the ASEAN Regional Forum is unambiguously multilateral. In the words of Malaysia's Foreign Minister Abdullah Badawi, the concept of the ARF "requires the development of friendship rather than the identification of enemies. The nature of security problems in the Asia-Pacific are such that they do not lend themselves amenable for management through the old method of deterrence by countervailing force."<sup>15</sup> From the very outset, the ARF has not been a grouping of the like-minded. It includes states whose interests and perspectives regarding regional security differ significantly.<sup>16</sup> Thus, as a former foreign minister of Australia points out, the purpose of the ARF is to build "security with others rather than against them."<sup>17</sup> Multilateralism in the Asia-Pacific context is defined in direct opposition to the "exclusive bilateralism" of America's post-World War II security strategy in the region, which focused prima-

<sup>&</sup>lt;sup>11</sup> The Osaka Action Plan: Road Map to Realising the APEC Vision, Report of the Pacific Business Forum 1995, Singapore: APEC Secretariat, 1995, p. 10.

<sup>&</sup>lt;sup>12</sup> "The Osaka Action Agenda," in Selected APEC Documents 1995, Singapore: APEC Secretariat, 1995, p. 5.

<sup>&</sup>lt;sup>13</sup> "The ASEAN Regional Forum: A Concept Paper," document circulated at the second annual meeting of the ASEAN Regional Forum, Brunei, August 1, 1995.

<sup>&</sup>lt;sup>14</sup> See, for example, David B. Dewitt, "Common, Comprehensive and Cooperative Security," *Pacific Review*, vol. 7, no. 1 (1994), pp. 1–15. <sup>15</sup> "ARF: S'pore proposes a gradual approach," *The Straits Times* (Singapore), July 23, 1994, p.1.

<sup>&</sup>lt;sup>16</sup> Peter Ho Hak Ean, "The ASEAN Regional Forum: The Way Forward," paper presented to the Third Workshop on ASEAN-UN Cooperation in Peace and Preventive Diplomacy, Bangkok, February 17–18, 1994.

<sup>&</sup>lt;sup>17</sup> The Straits Times (Singapore), August 4, 1994, p. 2.

rily on a balance-of-power approach maintained by a regional network of bilateral military alliances. In the words of Winston Lord, former assistant secretary of state for Asia-Pacific Affairs in the Clinton Administration, the ARF is "not a bloc forming against the common threat" but rather a case of "potential antagonists talking to each other trying to clear up any misperceptions, give greater transparency... [and] some sense of predictability."18

Commitment to transparency is another attribute that APEC and the ASEAN Regional Forum share with multilateral institutions elsewhere (including global multilateral institutions such as the WTO). Both APEC and the ARF share a commitment to this norm through the process of consultations, dialogue, and the development of a habit of cooperation. APEC envisages transparency of "respective laws, regulations and administrative procedures which affect the flow of goods, services and capital among APEC economies in order to create and maintain an open and predictable trade and investment environment in the Asia-Pacific region."<sup>19</sup> The Pacific Business Forum's definition of transparency is more specific; it stipulates that "Programmes, rules, regulations, guidelines-all these must be clearly documented and easily accessible to all concerned. Guesswork, discretion, and double-standards should be eliminated. The transparency principle should be applied within individual economies."20

The ARF's proposals to develop transparency are outlined in a concept paper circulated by ASEAN in 1995. Included are such measures as voluntarily exchanging annual defense postures; increasing dialogues on security issues on a bilateral, subregional, and regional basis; maintaining senior-level contacts among military institutions; and encouraging participation of ARF members in the UN Conventional Arms Register. The concept paper envisages three types of security cooperation: confidence-building, preventive diplomacy, and "elaboration of approaches to conflicts." Among the various proposals to explore in the future are a regional arms register, prior notification of major military deployments, a regional peacekeeping training center, dispatch of fact-finding missions, and cooperation to enhance maritime surveillance and security.<sup>21</sup>

> The origins of notions such as the "ASEAN Way," "Asian Way," or "Asia-Pacific Way" of multilateralism are to be found in the conscious rejection by Asian leaders and policy elites. . . of "imported models" of multilateralism, and in their call for multilateralism to conform to local realities and practices.

The fundamental goals and core organizing principles of multilateral institutions in the Asia-Pacific are not peculiar to the region. Yet, as noted Asian security specialist Paul Evans has argued, institution-building in the Asia-Pacific region, rather than following the pattern established in Europe and North America, is instead "emerging from unique historical circumstances and will likely evolve in its own particular way."22 The origins of notions such as the "ASEAN Way," "Asian Way," or "Asia-Pacific Way" of multilateralism are to be found in the conscious rejection by Asian leaders and policy elites (now echoed by many of the West-

<sup>&</sup>lt;sup>18</sup> The Straits Times (Singapore), July 30, 1993, p. 34.

<sup>&</sup>lt;sup>19</sup> "The Osaka Action Agenda," op. cit. pp. 5–6.
<sup>20</sup> The Osaka Action Plan: Road Map to Realising the APEC Vision, op. cit., p. 11.

<sup>&</sup>lt;sup>21</sup> "The ASEAN Concept Paper," op. cit., Annex A and B, pp. 8–11.

<sup>&</sup>lt;sup>22</sup> Paul M. Evans, "The Dialogue Process on Asia Pacific Security Issues: Inventory and Analysis," in Paul M. Evans, ed., Studying Asia Pacific Security, Toronto and Jakarta: University of Toronto-York University Joint Centre for Asia Pacific Studies and Centre for Strategic and International Studies, 1994, p. 303.

ern participants as well) of "imported models" of multilateralism, and in their call for multilateralism to conform to local realities and practices. Yukio Satoh, a senior Japanese Foreign Ministry official closely involved in the formative stages of regional security dialogues, provided a forceful set of arguments as to why "European concepts and processes would not fit the conditions of the Asian and Pacific region well." He offered four reasons: (1) During the Cold War, Asia lacked the strict bipolarity of Europe because of the role of China and because many Asian states adopted a nonaligned foreign policy; (2) military conditions in the respective regions were quite different (perceived threats were more diverse, the structure of Asia's alliances were more or less bilateral, and U.S. and Soviet force postures in the region were more asymmetric; (3) Asia had a larger number of unresolved conflicts and disputes; and (4) while Europe during the Cold War was preoccupied with the threat of nuclear war, Asia's main concern was with economic development; thus the primary aim of regional cooperation to date has been economic, not political or security.<sup>23</sup>

Satoh's objections to foreign models of multilateralism center on differences in objective conditions between Asia and Europe. More recently, proponents of the "Asia-Pacific Way" have emphasized the more subjective domain of strategic culture and negotiating styles to account for the apparent uniqueness of institutional characteristics and decision-making processes within Asian-Pacific multilateral institutions.

# Soft Regionalism and Flexible Consensus

The attributes stressed by proponents of the Asia-Pacific Way include, first and foremost, an aversion to formal institutionalization. In this respect, both the ARF and APEC follow the ASEAN model, which since its inception in 1967 has functioned with a small and weak bureaucratic apparatus (somewhat strengthened in 1993) and limited organizational resources. Asian members of APEC and the ARF speak of "soft regionalism." APEC is described as a "consultative mechanism," while the ARF is likened to a "dialogue forum." As Singapore's former defense minister stated: "The ARF is not a multilateral security mechanism but a forum where Asia/Pacific countries can talk with one another so as to better understand each other's security concerns."<sup>24</sup>

Asian-Pacific proponents of soft regionalism who had earlier rejected the CSCE as a possible model for Asia-Pacific security cooperation (as suggested in early Russian, Australian, and Canadian proposals), may now feel vindicated by the recent difficulties encountered by the OSCE. Many of the OSCE's institutions and mechanisms, such as the Conflict Prevention Centre and the Missions of Long Duration to Yugoslavia, lack adequate resources to carry out their functions; and the sheer complexity of its official dispute-settlement mechanism, called the Valletta Mechanism for Peaceful Resolution of Disputes, has discouraged conflict resolution. As Trevor Findlay of the Stockholm International Peace Research Institute puts it, the OSCE "has fallen into the trap of establishing mechanisms whose grand titles presage more than they can deliver."<sup>25</sup> Indeed, at a session of the ASEAN-UN Cooperation in Peace and Preventive diplomacy, one Asian delegate described the OSCE as a "non-performing model"<sup>26</sup> that demonstrates the pitfalls of rapid institutionalization of nascent regional multilateral institutions.

<sup>&</sup>lt;sup>23</sup> Yukio Satoh, "Asian-Pacific Process for Stability and Security," paper prepared for the Manila Conference on Regional Security, sponsored by the Government of the Philippines, June 5–7, 1991, pp. 5–6.

<sup>&</sup>lt;sup>24</sup> Jane's Defence Weekly, February 19, 1994, p. 52.

<sup>&</sup>lt;sup>25</sup> Trevor Findlay, "The European Cooperative Security Regime: New Lessons for the Asia-Pacific," in Andrew Mack and John Ravenhill, eds., *Pacific Cooperation: Building Economic and Security Regimes in the Asia-Pacific*, St. Leonards, Australia: Allen and Unwin, 1994, p. 238.

<sup>&</sup>lt;sup>26</sup> Amitav Acharya, "ASEAN-UN Cooperation in Peace and Preventive Diplomacy: Its Contribution to Regional Security," *Indonesian Quarterly*, vol. 22, no. 3 (Third Quarter 1994), pp. 215–226.

But Asia-Pacific support for soft regionalism should not be exaggerated. In the case of APEC, Indonesia's Foreign Minister Ali Alatas has stated that: "APEC should become an organization with a secretariat and a codified set of rules and procedures in a gradual way like ASEAN."<sup>27</sup> In this view, what APEC must avoid is not institutionalization per se, but hasty institutionalization. Malaysian Prime Minister Mahathir Mohammad, a strong champion of soft regionalism and gradualism within APEC, continues to insist that APEC should not be formalized, "but if it is the wish of other members that it be strengthened, Malaysia would allow itself to be dragged along."<sup>28</sup> While the ARF has no collective bureaucratic apparatus, like the APEC Secretariat, it too is developing a number of institutions, including the senior officials meetings and "intersessional working groups." The Brunei ARF meeting in August 1995 set up three such groups, one dealing with confidence-building measures (to be chaired by Indonesia and Japan), another dealing with peacekeeping operations (cochaired by Malaysia and Canada), and a third on search-and-rescue cooperation (led by Singapore and the United States). These groups are expected to play an important role in developing concrete steps towards greater security cooperation.

A related feature of the Asia-Pacific Way is a preference for evolutionary, non-legalistic methods and nonbinding commitments. One Asian observer of APEC points out that the Asian approach to economic cooperation is "to agree on principles first, and then let things evolve and grow gradually."<sup>29</sup> This contrasts with the "American approach," which is to "start with legally binding commitments covering a wide range of issues," something that "scares many people in Asia."<sup>30</sup> Thus, the process of trade liberalization undertaken within APEC is different than the processes pursued by multilateral institutions at the international level. At the November 1995 Osaka meeting of APEC, a Japanese official claimed that APEC did not aim to use GATT-type negotiations.<sup>31</sup> Non-Asians seem to agree. Canada's Trade Minister Roy MacLaren commented after Osaka: "the important point to understand is that this isn't the GATT; it's not the World Trade Organization and it isn't even the free trade of the Americas... This is, to a degree, an Asian approach...."<sup>32</sup>

This avoidance of formal and legalistic procedures extends to dispute-settlement mechanisms within APEC as well as the ARF. In fact, the very idea of a regional dispute-settlement mechanism is not entirely accepted within APEC. APEC's Eminent Persons' Group, a nonofficial, non-governmental board of advisors, was quite clear in recommending that any APEC dispute-settlement mechanism should supplement the WTO mechanism.<sup>33</sup> APEC's Bogor Declaration proposes "a *voluntary, consultative* dispute mediation service." (emphasis added)<sup>34</sup> It is important to note that this mechanism is to have a mediation rather than arbitration function. "This approach," as the APEC Eminent Persons' Group puts it, is intended to "offer an intermediate channel between bilateral negotiations and the 'win or lose' confrontation of the WTO," and "would be in keeping with the growing sense of community in the region."<sup>35</sup>

In the case of the ASEAN Regional Forum, the commitment to soft regionalism has militated against the very idea of conflict resolution. At the Brunei ARF meeting in August 1995, the term "conflict resolution" in the ASEAN concept paper was changed to "elaboration of approaches to

<sup>&</sup>lt;sup>27</sup> The New Straits Times (Kuala Lumpur), March 21, 1994, cited in Hadi Soesastro, "APEC's Contribution to Regional Security: ASEAN and the APEC Process," paper circulated at the Workshop on Development and Security in Southeast Asia, Manila, December 13–16, 1995, p. 7.

<sup>&</sup>lt;sup>28</sup> The Jakarta Post, May 24, 1994, cited in Hadi Soesastro, "APEC's Contribution to Regional Security," op. cit., p. 7.

<sup>&</sup>lt;sup>29</sup> Hadi Soesastro, "APEC's Contribution to Regional Security," op. cit., p. 8.

<sup>&</sup>lt;sup>30</sup> Suhadi Mankusuwondo, "APEC Trade Liberalization," in Hadi Soesastro, ed., *Indonesian Perspectives on APEC and Regional Cooperation in Asia Pacific*, Jakarta: Centre for Strategic and International Studies, 1994.

<sup>&</sup>lt;sup>31</sup> David Hulme, "Asia Takes Charge of the APEC Process," Asian Business, January 1996, p. 32.

<sup>&</sup>lt;sup>32</sup> Far Eastern Economic Review, November 30, 1995, p. 15.

<sup>&</sup>lt;sup>33</sup> Asia-Pacific Economic Cooperation, *Implementing the APEC Vision*, Third Report of the Eminent Persons Group, Singapore: APEC Secretariat, 1995, p. 12.

<sup>&</sup>lt;sup>34</sup> Ibid, p. 12.

<sup>&</sup>lt;sup>35</sup> *Ibid*, p. 13.

conflicts." The change was made as a concession to China, which had found "conflict resolution" too formal a category and opposed any such role for the ARF, at least in the immediate future. But China's position is basically consistent with ASEAN's own approach to conflicts, which is better described as one of conflict-avoidance rather than of conflict-resolution. Within ASEAN, there is a "tacit agreement to suppress sensitive and potentially destabilizing issues, or to avoid discussing them."<sup>36</sup> Thus, contentious bilateral or multilateral issues are carefully and routinely kept outside of the agenda of formal ASEAN meetings. Many intra-ASEAN conflicts have been "swept under the carpet," rather than confronted directly and resolved.<sup>37</sup>

> Informal and nonlegalistic procedures are preferred by proponents of the Asia-Pacific Way. . . . Asian participants in multilateral security consultations constantly emphasize the importance of the "comfort level" among participants, arguing that contentious issues should be dropped from an agenda rather than risk raising tensions.

Informal and nonlegalistic procedures are preferred by proponents of the Asia-Pacific Way because they create a nonthreatening atmosphere for exploring ways of problem-solving. Thus, Asian participants in multilateral security consultations constantly emphasize the importance of the "comfort level" among participants, arguing that contentious issues should be dropped from an agenda rather than risk raising tensions. A similar emphasis on comfort during the negotiating and decision-making processes is deemed essential to the smooth functioning of APEC. In the context of APEC's plans for developing a regional investment code, for example, one expert warns that such a code, in order to be workable, must not "coerce countries that are not yet ready,"<sup>38</sup> and another argues that it must not "punish, handicap or restrict" members, but encourage an open investment regime.<sup>39</sup>

Furthermore, from the perspective of some Asian policymakers, formal and direct measures of transparency and mutual restraint may offend local cultural sensibilities by assuming that an adversarial relationship already exists among them. In this view, identifying a country publicly as your adversary goes against the grain of Asian strategic culture. Thus, while many Asian countries harbour deep misgivings about China's role, China is never described as a "threat." In a similar vein, many Asian countries refuse to acknowledge the existence of an arms race in the region, despite a dramatic rise in defense expenditures and arms purchases. A former Malaysian defense minister went so far as to describe regional arms control issues as "non-issues."<sup>40</sup> Yukio Satoh similarly dismisses the notion of confidence building in the East Asian context. Such measures, as developed in the Cold War European context, can only apply to a

<sup>&</sup>lt;sup>36</sup> J.N. Mak, "The ASEAN Process ("Way") of Multilateral Cooperation and Cooperative Security: The Road to a Regional Arms Register?" paper presented to the Maritime Institute of Malaysia/Stockholm International Peace Research Institute Workshop on "An ASEAN Arms Register: Developing Transparency," Kuala Lumpur, October 2–3, 1995, p. 6.

<sup>&</sup>lt;sup>37</sup> J. Soedjati Djiwandono, "Confidence-Building Measures and Preventive Diplomacy: A Southeast Asian Perspective," paper presented to the symposium: "The Evolving Security Situation in the Asia Pacific Region: Indonesian and Canadian Perspectives," Jakarta, June 26, 1995, pp. 6–7.

<sup>&</sup>lt;sup>38</sup> Chia Siow Yue, "Asia-Pacific Foreign Direct Investment: An APEC Investment Code?" in Chia Siow Yue, ed., APEC: Challenges and Opportunities, Singapore: Institute of Southeast Asian Studies, 1994.

<sup>&</sup>lt;sup>39</sup> Bijit Bora, "Investment Cooperation in the Asia-Pacific Region: The PECC Asia Pacific Investment Code," in *New Directions in Regional Trade Liberalization*, Taipei: Taiwan Institute for Economic Research, 1994.

<sup>&</sup>lt;sup>40</sup> "Defence Minister Interviewed on Arms Control," Foreign Broadcast Information Service, Daily Report: East Asia, August 6, 1991, p. 40.

relationship among "adversaries," which does not exist within East Asia, where "complex feelings and concerns which Asians hold toward each other are more ambiguous but more deeply rooted than a security concern which adversaries have toward each other."<sup>41</sup>

Another, and perhaps the most important, aspect of the Asia-Pacific Way is the concept and practice of "consensus." While long-established and popular within ASEAN, the notion was brought into sharp focus by a Japanese Foreign Ministry official commenting on Japan's leader-ship role in organizing the Osaka APEC meeting. In the words of the official, "In American usage, leadership means one country decides and persuades others to follow. In Japan, it means working to form a consensus. That's the Asian way."<sup>42</sup> Similarly, the Pacific Business Forum's Osaka Action Plan for APEC states that a consensus approach highlights the sense of "mutual respect" among all parties to negotiations.<sup>43</sup>

The consensus approach to Asia-Pacific multilateralism was not pioneered by Japan, however. It represents a wider regional application of a time-honored ASEAN decision-making tradition. The ASEAN tradition traces its origins to traditional Indonesian village culture, particularly its notion of *musjawarah* (consultations) and *mufakat* (consensus). As former Indonesian Foreign Minister Mochtar Kusumaat-madja has explained, in *musjawarah* negotiations take place "not as between opponents but as between friends and brothers."<sup>44</sup> Another goal of the process, Malaysian scholar Mak Joon Nam points out, is to create an "amalgamation of the most acceptable views of each and every member." In such a situation, "all parties have power over each other."<sup>45</sup> In commenting on the value of consultations and consensus, Arnafin Jorgensen-Dahl observes that "a residue of goodwill based on feelings of brotherhood and kinship may serve the same purpose as oil on rough sea. They take the edges of the waves and make for smooth sailing."<sup>46</sup>

But it is important to keep in mind that consensus as understood in ASEAN does not require complete agreement by all parties. It is recognized that the consensus process will include some degree of discomfort.<sup>47</sup> At the Bogor APEC summit in November 1994, differences emerged among APEC members regarding an acceptable time frame for trade liberalization. While Indonesia had proposed complete trade liberalization by the year 2020, Malaysia objected and refused to accept a binding time frame. Indonesia found a solution to this impasse by invoking the notion of consensus, carefully distinguishing it from unanimity. Indonesian Foreign Minister Ali Alatas asserted that consensus means finding a "way of moving forward by establishing what seems to have broad support." In this view, objections by individual members need not be a crippling obstacle "so long as their basic interests were not disregarded."<sup>48</sup> It was indeed true that the target dates were not inconsistent with Malaysia's self-interest. Although Malaysia was insisting that any target dates for APEC's trade liberalization be "indicative dates" and "non-binding,"<sup>49</sup> it had already planned to meet the target date. A first step was the country's October 1994 announcement of a massive tariff reduction involving over 2,600 items.

Although this leaves the possibility that consensus will only work in situations where differences among negotiators are relatively mild, APEC supporters have sought to legitimize the concept as a "way out for those leaders who are not prepared to commit themselves firmly on issues like target dates and free-trade timetables."<sup>50</sup> Before the Osaka meeting, the Pacific Basin

<sup>&</sup>lt;sup>41</sup> Yukio Satoh, "The United States and Japan in the Asia-Pacific Region," paper presented to the 84th American Assembly Meeting, November 11–14, 1993, p. 5.

<sup>&</sup>lt;sup>42</sup> David Hulme, "Asia Takes Charge of the APEC Process," op. cit., p. 34.

<sup>&</sup>lt;sup>43</sup> The Osaka Action Plan: Road Map to Realising the APEC Vision, op. cit., p. 10.

<sup>&</sup>lt;sup>44</sup> Cited in Arnafin Jorgensen-Dahl, Regional Organisation and Order in Southeast Asia, London: Macmillan, 1982, p. 166.

<sup>&</sup>lt;sup>45</sup> J.N. Mak, "The ASEAN Process," op. cit., p. 5.

 <sup>&</sup>lt;sup>46</sup> Arnafin Jorgensen-Dahl, *Regional Organisation and Order in Southeast Asia, op. cit.*, p. 167.
 <sup>47</sup> The Straits Times (Singapore), November 13, 1994, p. 17.

<sup>48</sup> Ibid p 17

<sup>48</sup> Ibid, p. 17.

<sup>&</sup>lt;sup>49</sup> Bill Tarrant, "Malaysia says it will take its own pace in APEC," Reuters World Service Dispatch, November 15, 1994.

<sup>&</sup>lt;sup>50</sup> The Straits Times (Singapore), November 13, 1994, p. 17.

Forum came up with the notion of "flexible consensus" that "will allow those economies that are ready to move forward to do so and to allow other economies, which are not yet ready, to join later." Such a procedure, it added, would promote mutual respect among APEC members.<sup>51</sup> At the Osaka meeting the notion of "concerted unilateralism" was introduced, wherein trade liberalization is to be carried out not through time-bound formal treaties, but through "collective peer pressure of action plans implemented by each economy at its own pace."52

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### State Interests, Regional Identity, and the Asia-Pacific Way

While references to the Asia-Pacific Way or the Asian Way are increasingly commonplace among East Asia's policy-making elite, there are some compelling reasons for skepticism regarding the utility and benefits of the concept. The Asia-Pacific region, known for its cultural and political diversity, accommodates a wide range of negotiating styles and decision-making processes. If, as Richard Higgott, points out, "There is little or no comprehension among APEC's 'true believers' that there is no single regional historical, political or cultural view of what constitutes 'region' in the Asia-Pacific,"<sup>53</sup> then the very notion of an Asia-Pacific Way seems implausible except at the highest level of abstraction and generalization.

Moreover, much of what passes for the Asia-Pacific Way is actually the ASEAN Way. It not only reflects ASEAN's approach to subregional cooperation, but also the latter's desire to retain control over the development of Asia-Pacific multilateral institutions. In the case of APEC, ASEAN has not been able to maintain a strong hold on the agenda-setting process, a fact resented by many ASEAN supporters. But ASEAN has made clear its intention to be the "driving force" behind the ARF. From ASEAN's perspective, it offers an authentic and successful model of multilateralism for the Regional Forum to emulate. As senior Thai diplomat Sarasin Viraphol put it when discussing the ARF, "what the region needs at this point is a flexible and not necessarily formal forum akin to ASEAN, but with a broader, inclusive membership."<sup>54</sup>

Yet, whether the ASEAN model of subregionalism can perform successfully in the broader Asian context is questionable. While ASEAN has developed a strong tradition of multilateralism in Southeast Asia, many Northeast Asian countries, notably China, lack significant historical experience in multilateral security cooperation. ASEAN's relative unity and longevity owes to specific historical circumstances, particularly to its members' common fear of communism and their shared security concerns arising from the decade-long Cambodia conflict. It is sustained by close interpersonal ties among ASEAN elites. Such commonalities and linkages are not present within the larger Asian setting and are highly unlikely to develop in the future.

<sup>&</sup>lt;sup>51</sup> The Osaka Action Plan: Road Map to Realising the APEC Vision, op.cit., p. 10.

<sup>&</sup>lt;sup>52</sup> David Hulme, "Asia Takes Charge of the APEC Process," op.cit., p. 32.

 <sup>&</sup>lt;sup>53</sup> Richard Higgott, "APEC: A Sceptical View," in Mack and Ravenhill, eds., *Pacific Cooperation, op.cit.*, pp. 92–93.
 <sup>54</sup> Sarasin Viraphol, "Trends in the Post-Cold War Balance of Power and Architecture for Peace and Security in the Asia-Pacific Region," paper presented to the Seventh Asia-Pacific Roundtable, Kuala Lumpur, June 6-9, 1993, p. 14.

... the Asia-Pacific Way... seems to be invoked precisely when national interests and objectives come into conflict with multilateralist goals. Indeed, it can be argued that decision-making in the Asia-Pacific Way is based on the search for the lowest common denominator.

A more problematic aspect of the Asia-Pacific Way stems from the fact that it seems to be invoked precisely when national interests and objectives come into conflict with multilateralist goals. Indeed, it can be argued that decision-making in the Asia-Pacific Way is based on the search for the lowest common denominator. The concept's usefulness may lie in its capacity to rationalize the obstacles to multilateralism rather than resolve them. One may wonder whether the Asia-Pacific Way is anything more than a convenient diplomatic label under which many regional actors hide their unwillingness to engage in a serious effort toward compromise and moderation and to place their collective goals ahead of national interests. The very fact that the need for consensus has been used to exclude important but contentious issues on the ARF agenda and to slow down and reduce the pace and scope of APEC's trade liberalization program fuels such suspicions. Perhaps the debate over the Asia-Pacific Way is most valuable to the extent that it reminds us that the commitment to multilateralism in the region is constrained by state interests.

It is not clear whether the Asia-Pacific Way of slow institutionalization, informal and indirect bargaining, and consensus-seeking will produce better outcomes than more conventional multilateralist principles and practices. Multilateral institutions in the Asia-Pacific region have a long way to go before they make a definitive contribution to economic prosperity and regional order. It is useful to remember the challenges that must be overcome if any particular approach to multilateralism is to be successful.

For multilateralism to work, participating actors must be prepared "to renounce . . . the temptation to define their interests narrowly in terms of national self-interests."<sup>55</sup> But this ideal type of multilateralism is unlikely to appear in the Asia-Pacific region. While economic regionalism in the Asia-Pacific is generally considered to be market-driven, and hence relatively unconstrained by state action, the reality is that national interests and preferences remain a major determinant of the possibilities for economic cooperation within ASEAN and APEC. Kusuma Snitwongse of the Institute of Security and International Studies at Chulalongkorn University in Thailand notes, "For economic cooperation to move ahead, a model will be required that can be acceptable to all because it promises equal benefit, and, at the same time, a greater political will to sacrifice at least some national interest for the welfare of whole is necessary." Yet as she concedes, in the case of ASEAN, "national interests . . . have priority over regional ones."<sup>56</sup>

If a truly multilateral model of economic cooperation has not yet been found within ASEAN, it is even less likely to be developed within APEC. Like ASEAN, APEC is unlikely to meet a fundamental requirement for multilateralism: the principle of "indivisibility," or a situation in which the "costs and benefits [of multilateralism] are spread geographically and functionally."<sup>57</sup> While concerns regarding unequal distribution of benefits are a major problem with respect to such efforts as the ASEAN Free Trade Area and the supposedly market-driven transnational production zones known as Growth Triangles, they are likely to be even stronger for an economic grouping

<sup>&</sup>lt;sup>55</sup> James A. Caporaso, "International Relations Theory and Multilateralism: The Search for Foundations," in John Gerard Ruggie, ed., *Multilateralism Matters: The Theory and Praxis of an International Form*, New York: Columbia University Press, 1993, p. 56.

<sup>&</sup>lt;sup>56</sup> Kusuma Snitwongse, "Meeting the Challenges of Changing Southeast Asia," in Robert Scalapino, et al., *Regional Dynamics: Security, Political, Economic Issues in the Asia-Pacific Region*, Jakarta: Centre for Strategic and International Studies, 1990, p. 56. <sup>57</sup> James A. Caporaso, "International Relations Theory and Multilateralism," *op.cit.* 

with a more diverse composition, as is the case with APEC. Despite a shared commitment to trade facilitation and liberalization, APEC members hold differing conceptions of the scope and pace of this process. A desire to protect weak and politically important domestic sectors has undermined the level of support for more ambitious proposals for an "Asia-Pacific Economic Community." Furthermore, differing levels of economic development among APEC economies have produced conflicting responses to trade and investment liberalization objectives.

As in the economic arena, multilateralism in the security field is constrained by the continuing primacy of state interests. Within the ARF, ASEAN's gradualist, informal, and cautious approach has raised some doubts as to whether the institution will be able to provide practical solutions to regional security problems. Most regional actors find bilateralism—including bilateral defense relationships with major powers (such as the U.S. alliances with Japan, South Korea, and the Philippines), and bilateral modes of conflict management (a more common practice among ASEAN members than multilateral mechanisms)—more useful in advancing their economies and security goals. These are likely to retain their relevance and appeal not only because there is not necessarily any conflict between bilateralism and multilateralism in the Asia-Pacific region, but also because there are lingering doubts as to the possibility of collective gain from a multilateral security order. As General Hashem Mohammed Ali, former chief of Malaysia's Defense Forces put it:

Multilateralism may be possible if there is a collective belief that such an arrangement would bring mutual benefit to all members concerned. In other words there must be a convergence of security interest derived from a common perception of threat facing the individual members and the region as a whole. Presently this is unlikely to happen simply because of differing security interests and needs. To a large extent this has been due to the long established security alignment with extra regional powers, domestic instability or fragility of the regime in power and also the uneven political and economic developments within ASEAN states.<sup>58</sup>

The conflict between multilateralism and state interests is especially true of the region's two major powers, the United States and China. Steve Weber has pointed out that in dealing with smaller powers, great powers may prefer bilateralism over multilateralism because in the former it "becomes possible for the great power to demand differential terms of alliance with each of the small powers, depending upon its strategic, economic, or political value."<sup>59</sup> Bilateral relationships are easier to dominate and control, while a multilateral forum could become an arena in which weak powers could unite against the interests and policies of major powers.

The United States, which initially opposed multilateralism in Asia-Pacific security as a "solution in search of a problem," later welcomed the formation of the ARF. But it continues to insist that any new regional security structure must not be at the expense of its existing bilateral alliances. Multilateralism does not appear to be at the core of U.S. security policy in the region. Although China's attitude toward the ARF has become noticeably warmer, it still wants the forum to remain a consultative body rather than develop a mechanism for conflict resolution. China backs the joint development of South China Sea marine resources, but has generally insisted that this must be done bilaterally. There is no reason to believe that the Asia-Pacific Way will make a significant difference in overcoming the above-mentioned obstacles to economic and security multilateralism.

A final point of uncertainty concerning the Asia-Pacific Way should be noted. The recent development of multilateralism in the Asia-Pacific has been torn by two differing conceptions of region represented respectively by APEC and the East Asian Economic Caucus (EAEC) proposed by Ma-

<sup>&</sup>lt;sup>58</sup> "Prospects for Defence and Security Cooperation in ASEAN," paper presented to the conference: "ASEAN and the Asia-Pacific Region: Prospects for Security Cooperation in the 1990s," Manila, June 5–7, 1991, p. 5.

<sup>&</sup>lt;sup>59</sup> Steve Weber, "Shaping the Post-War Balance of Power: Multilateralism in NATO," in Ruggie, ed., Multilateralism Matters, op. cit., p. 235.

laysia. Underlying APEC is a broader conception that purports to build upon the interdependence of security and economic interests and linkages on a trans-Pacific basis. But this notion of region is challenged by the Malaysian proposal which envisages an "Asian only" membership criteria.

Higgott and Stubbs contend that institution-building in the Asia-Pacific region is an exercise in "identity-building" conditioned as much by historical, cultural, and political self-conceptions and interactions as the neo-liberal logic of "market-led integration and open regionalism."60 While the rationale for APEC is based on a structure of interdependence sustained by the U.S. security umbrella and trans-Pacific trade and investment, the EAEC is a conscious attempt at regional identity formation based on both economic logic (albeit on a narrower basis) and traditional cultural similarities-including a shared commitment to the Asian values that, in the views of some, underpins East Asia's economic prosperity. Apart from invoking similarities in cultural predispositions and societal values, it is also rooted in the economic realities following the 1985 Plaza Accord that ignited yen appreciation and sparked a southward surge of Japanese capital. From the EAEC vantage-point, the rapid growth of investment flows and regionalization of production within East Asia is set to overtake trans-Pacific economic linkages. Thus, the Malaysian perspective holds that the combination of economic integration and shared values may emerge as the most powerful basis for developing a regional identity that in turn may be characterized as an "East Asian Way," rather than an Asia-Pacific Way. Malaysia's aggressive championing of the EAEC represents such an approach to regional identity formation.

# Conclusion

There is little doubt that the Asia-Pacific region is witnessing a cautious, pragmatic, informal, gradualist, and consensus-seeking approach to multilateral institution-building. Exploring this Asia-Pacific Way provides us with new insights concerning regional cooperation and adds to the theory and practice of multilateralism which, until now, had been based on the experience of a few Western, and Western-dominated, institutions. Understanding the Asia-Pacific Way helps us to assess not only why multilateral institutions are now emerging in the Asia-Pacific, but more importantly, which type of multilateralism will prove viable in the region.

While espousing familiar and well-established multilateral principles such as nondiscrimination and transparency, APEC and the ARF have both developed what appear to be distinctive institutional characteristics and decision-making processes to organize security and economic cooperation. This paper has highlighted several aspects of these, such as the aversion to legally binding commitments; a preference for weak organizational structures; and an emphasis on consensus-building. Yet, as the foregoing discussion shows, there are risks of over-generalization inherent in claims about an Asia-Pacific Way. Its more enthusiastic proponents disregard the difficulties involved in constructing a coherent set of general norms, principles, and procedures out of disparate and competing regional identities. More importantly, it is clear that the Asian-Pacific variety of multilateralism, despite all its unique attributes, remains constrained by the primacy of state interests and conflicting conceptions of regional identity that have, in other regional theaters, frustrated cooperation among sovereign states. While scholars and policymakers interested in multilateralism in the Asia-Pacific region will benefit from an awareness of the distinctive strategic culture and negotiating behavior of Asian participants, the risk that the Asia-Pacific Way could legitimize the inability of the regional actors to push collective goals ahead of individual self-interest should be recognized and avoided. While the existence of an Asia-Pacific Way cannot be denied, whether it will result in more efficient and durable multilateral institutions remains to be seen.

<sup>&</sup>lt;sup>60</sup> Richard Higgott and Richard Stubbs, "Competing Conceptions of Economic Regionalism: APEC Versus EAEC in the Asia Pacific," *Review of International Political Economy*, vol. 2, no. 3 (Summer 1995), p. 532.