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Multilateralism in East Asia: The Good, the Bad, and the Ugly

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In his masterpiece, “The Good, the Bad, and the Ugly,” Italian film director Sergio Leone constructed a surreal cinematic space through microscopic close-ups of his movie characters juxtaposed against the vast macroscopic landscape of the greater American West. These characters were not merely captured by the camera; they were monumentalized by it, a flirt with parody to boldly over-accentuate the key features of the central cast: the Good, the Bad, and the Ugly. While this distortion of perspectives constituted an innovative art form that worked extremely well for Leone’s surreal movies it would be better avoided by those searching for analytical lenses that can project an image

of the real world. Transatlantic international relations (IR) theory has sought to study, in John Ruggie's words, what makes the world hang together. Yet, it is marred by concepts that seek to apply typically Western understandings of IR to the rest of the world.

The problems with the contemporary study of multilateralism in East Asia are threefold. First, we tend to get Asia wrong by using concepts and theories, derived primarily from European experiences, to explain international relations in Asia.¹ At the same time, transatlantic IR theory has become entrapped in analytical straightjackets and paradigm wars that “ha[ve] created a body of soul-crushingly boring research,”² ignoring the empirical and theoretical challenges posed by area studies, diplomatic history, and comparative politics. As Iain Johnston recently observed, “a more careful examination of East Asian ... cases could reveal important scope conditions for theories.”³ Second, IR theory overexposes transatlantic patterns of collective action and underexposes variations in institutional design and cooperation across regions, including East Asia. There is a tendency to heavily focus on institutional design and architecture rather than process in managing collective action problems, without due analysis of the global and regional context within which international cooperation is helped or hindered. Third, as a result, transatlantic IR theory generates a fairly warped view of the processes and institutions that guide or restrain East Asian multilateralism. The challenge we face is to develop analytical lenses that provide an accurate image of the dynamics of East Asian multilateralism rather than stylized stereotypes that belong to the realm of fiction and film.

This article departs from the observation that multilateralism is a label rather than a concept that is still searching for a framework to rationalize and explain international cooperation in the 21st century. East Asia is a treasure trove

for the study of multilateralism as the region refutes so many mainstream conventions of transatlantic IR theory. The primary objective of this article is not to analyze the emerging architecture of East Asian multilateral structures, as it has already been done,⁴ but to contribute to the development of analytical concepts of multilateralism that can be used more widely. Analyzing the essence of multilateralism in East Asia helps to transcend the Western discourse and to gain a more subtle understanding of patterns of international cooperation across regions and institutions. The first section addresses the question of the distinct nature of multilateralism in East Asia. How does it differ from Europe? The second section highlights six important scope conditions for East Asian multilateralism, i.e., great power management, layered hierarchy of states, global-regional nexuses, informal/tacit understandings underlying regional cooperation, historical memory, and the reassertion of the state as market actor. The third section offers a potential pathway for the study of multilateralism in East Asia. The final section looks forward and teases out some principles that may serve as signposts for establishing a new multilateral security order in the Asia-Pacific.

Multilateralism in Europe and Asia: Two Different Worlds?

By comparison, East Asian institutions are far less legalized than those in Europe.⁵ The notion of the “ASEAN Way” of institutional cooperation has gained particular prominence in this regard. In essence, it “involves a high degree of discreteness, informality, pragmatism, expediency, consensus-building, and non-confrontational bargaining styles which are often contrasted with the adversarial posturing and legalistic decision-making procedures in Western multilateral negotiations.”⁶ As Gill and Green have observed, multilateralism in East Asia “is still at a stage where it is best understood as an extension and intersection of national power and purpose rather than as an objective force in

itself.”⁷ In short, East Asian and European institutions display a different set of functions in regional integration and collective action problem-solving that cannot be captured by standard accounts of institutional theory. However, one should not over-accentuate these institutional differences, as there has been a rapprochement in institutional development over recent years. While ASEAN multilateral processes became further formalized and legalized through the 2007 ASEAN Charter, the European Union has always been driven by frequent recourse to informal means of governance.⁸ In a nutshell, studying the interplay between formal and informal governance is crucial to generate a better understanding of the dynamics of cooperation not only within but also across regions.

Scope Conditions of Multilateralism in East Asia

Great power management: China, Japan, and the United States

Liberal writing on global governance focuses too much on the identification of collective action problems and the delivery of public goods, while caring too little about the perils and pitfalls of managing unequal power.⁹ To begin with, post-1945 multilateralism worked precisely because it was centered on the United States and the industrialized Global North that largely excluded the developing Global South. The aims and scope of multilateralism were partial. But the situation has fundamentally changed in the post-Cold War world, with relative power shifting to emerging countries. The sources of authority in addressing urgent global problems are more contested. The United States today is no longer seen as the exclusive framework to solve urgent collective action problems. This became most visible during the global financial crisis of 2008, which seriously damaged the authority of the center of global capital-

ism. Consequently, debates over multilateralism need to be conducted with full appreciation of the contested character of international political order.

In East Asia, the United States historically has shown a preference for hub-and-spokes bilateral alliances rather than embracing regional multilateralism, which has created very distinct dynamics of cooperation (or the lack thereof). In this context, China and Japan require special scholarly attention because they do not easily fit into Western theories of realism or liberalism. Yet, understanding and explaining their foreign policies is crucial, as both countries have key roles to play in the regional economy and regional institution-building such as the ASEAN Regional Forum (ARF) and the ASEAN+3 process. In fact, regional stability will depend a great deal on China and Japan's ability to define mutually compatible visions of cooperation to address collective action problems in East Asia. While rising China was long keen to be seen as a status quo power, Japan has yet to decide whether it should be a "normal" regional power. Japan's leadership is compromised by regional memories of its World War II legacy. China has shown a rather hostile attitude to non-communist regimes in East Asia and exercised a policy of non-leadership in the post-Mao era. As a consequence, "for the most part, ASEAN rather than major powers has directed the drive toward multilateralism."¹⁰

Layered hierarchy of states

While post-Cold War East Asia is in the midst of a power transition, the global shift in the distribution of relative power has not led to outbreaks of war, but is most visible in the subtle changes of authority, which has become

more diluted, diffused, and differentiated.¹¹ Regional order is transitioning towards a layered hierarchy. The impact on regional security cooperation is as follows: regional states are forced to perform a balancing act between limiting or resisting the excesses of unequal power of China, Japan, and the United States on the one hand, and maintaining the hegemonic US regional leadership on the other. As a result, East Asian great powers—most notably China and Japan—thus far have had a tendency to defer to US leadership in order to maintain the existing regional security order. While traditional security concerns are primarily addressed by US bilateral hub-and-spokes military relationships, non-traditional security issues have found their way into regional multilateral cooperative structures such as ASEAN. Major changes in East Asian security cooperation are only to be expected if US leadership will be further undermined by international events such as the global financial crisis, with regional support shrinking. In brief, major structural changes in the East Asian security order will only occur if the US-led regional hierarchical order is challenged at the top.

Global-regional nexuses

The stark juxtaposition of East Asian regionalism against both globalism and European regionalism is not helpful. Economic regionalization in East Asia has been in fact outward-looking and remarkably open, which highlights the need to study the global-regional and regional-regional dynamics that drive collective action in East Asia.¹² There is a strong nexus between the renegotiation of global and regional economic order. While the United States remains the key global provider of financial public goods, since the 1980s, there has been a gradual shift in burden-sharing, for example, regarding the terms and conditions of contributions to and disbursement of capital liquidity. The re-

cently established Chiang Mai Initiative Multilateralization (CMIM) aims at providing an effective regional mechanism for emergency liquidity to ASEAN+3 economies in case of currency crises through formal reserve pooling arrangements, a weighted voting system for disbursement of funds, and enhanced surveillance capabilities. However, the regional CMIM is clearly nested within global institutions such as the IMF. In sum, East Asian economic powers may use regionalism as a vehicle for voice and representation in the global economic order. Although China has not directly challenged Western liberal institutions, it has used East Asian regionalism and its commitment to build a BRICS development bank to increase its voice and influence in the IMF.

Informal/tacit understandings underlying regional cooperation

Multilateralism in East Asia depends a great deal on informal understandings underlying regional cooperation.¹³ Those patterns and understandings are not always visible but nonetheless extremely important. Robert Avson argues that formal institutions often reflect deeper understandings on the rules of the regional cooperation game. Most importantly, the analytical focus on formal multilateralism in East Asia, with a strong preference for informality within formal institutional structures, does not expose the backbone of regional cooperation: informal or tacit understandings between the major powers, which will neither see the light of day nor be sanctioned by any formal treaty-based agreement. This is particularly evident in the area of regional arms control, where formal legal agreements are suspiciously absent. There are longstanding traditions of restraint in East Asia, which may effectively translate into a tacit understanding on regional arms control. Yet, striking an informal understanding between China and the United States on ways and means of sharing power will be the sine qua non of regional stability. Without an

informal or tacit bargain on the rules of the game underlying regional cooperation in East Asia, multilateral institutions will not be able to perform their functions in solving collective action problems.

Historical memory

Historical memory is a key driver of foreign policy decision-making in East Asia, especially in China and Japan.

Negative historical memories (often e