

## *Full Length Research Paper*

# **East Asia summit: Interests and expectations**

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**Ever since the Association of Southeast Asian Nations (ASEAN) formation, many attempts have been made to promote regionalism particularly in East Asia with an inclusion of Southeast Asia. As was propagated, the idea of 'Look East Policy' was in the cards for a long time and Mohathir Mohammed was also blaming Japan for not looking at the East Asian countries. By the end of the Cold War, the geopolitical scenario has been changed not only in the Asian countries but over the globe. ASEAN has successfully admitted all the countries of Southeast as its members and further ASEAN+China, Japan and South Korea (ASEAN+3) was formed including China, Japan and South Korea. The long pending slogan of East Asian Community has eventually surfaced in the form of 'East Asia Summit' in 2005. This time it was not just the combination of neither Southeast Asian nor East Asian countries but included Australia and New Zealand from South Pacific and India from South Asia. In view of the rare and uncommon composition of the countries, many critics have raised questions over the sustainability of the regional platform. With this backdrop, this paper attempts to analyze the compulsions, expectations and their own national interests of the member countries of the East Asia Summit.**

**Key words:** East Asia, regionalization, ASEAN+3, East Asia summit.

## **INTRODUCTION**

The political and administrative links among the governments of East Asia certainly have expanded markedly in the last few years and there is every indication that they will continue to multiply well into the future. East Asian regionalism is clearly an evolving and rapidly developing process (Stubbs, 2002). Senior Minister of Singapore, Yew said that the challenge of this region, unlike the Middle East, South Asia or the Balkans is not to achieve peace and prosperity, but to maintain the peace that exists so that the prosperity can continue'. In view of the East Asia Summit's (EAS) openness and inclusive nature, it includes countries from South Asia (India), Oceania (Australia and New Zealand) and Russia, presently an observer of the summit and few more applicants like Mongolia and extends its geographical existence out of East Asia. Influence from various colonial rulers, religions, languages and cultures created difference and diversity in Asia. Geographically, Asia is divided into several sub-regions, such as East, West, South and Central Asia. East Asia is composed of Northeast and Southeast Asia and inherited by a set of characteristics exposed to the present world order. Northeast Asia constitutes economically well-developed and developing states: Japan, South Korea, North Korea, China, and Mongolia and Southeast Asia comprises ten

countries of ASEAN and a young country, East Timor, where currently racial and religious conflicts have resulted in the tragedy of terrorism. South Asian countries such as India and Pakistan are at present threatened by terrorism and Sri Lanka which has been embroiled in civil war for the last two decades. After the breakdown of the Soviet Union, Central Asia still remains as one of the critical conflict-ridden regions of the world. Lastly, the Arab-Israeli conflict in the Middle East is a powder keg in world affairs.

Chang (2005), has successfully tried to define what is New Asia, in his words, a marketing and aesthetic rhetoric that conjures images of exoticism and modernity (manifested in tourism campaigns and tourist-oriented landscapes); as an arena for the expression of new cultural and social identities (through food, festivals and customs) and as a political project that shapes community visions and directs hopes for the future. Though, Asia attractive with its versatile potentialities of social, cultural and economic, lacks cohesion and leadership at the current scenario to elevate as one of the major blocs of the world. It is commonly believed that the rapid trend of "globalization" is actually a part of United States (US) hegemony and dominance over the world economy. The potential for a world economic crisis is

closely related to that of crisis in the economy of the US. The quest for power and dominance is now a struggle among nations. According to some futurologists, Pax-Americana cannot sustain itself much longer and this could bring about a potential for world crisis due to a lack of competition among nations. In the background of a possible collapse of US hegemony, the Asian region is developing quite rapidly (Won, 2005).

A long pending idea "East Asian Economic Group" has come to reality in 2005. But the manner and combination of members certainly gives an opportunity for speculations in the fields of geopolitics and international understanding. No doubt that Asia is virtually in need of a platform which can serve the interests of the economically fast growing region of the world. The economic potentiality of the region has been literally underpinned by the political imbalance among the countries of Asia. In view of the anticipation of Asian's 21st century and the coincidence of new ideas of regionalization may leads to give more emphasis on the nature of the summit. It is interesting to study the quest for such regional organization, political and economic intensions may include size, shape, nature, ideology and the expected modernity of the new platform and eventually the spirit which determines the direction of its endeavours.

### **Significance of the study**

Even after the establishment of ASEAN in 1967, Indonesia, Myanmar, Philippines, Singapore and Thailand as its members parallel ideas have been coming up to form a strong Asian Community to serve the interest of East Asia, some time from the members of the ASEAN and from other East Asian countries. The ASEAN Plus Three (APT) process is in many ways simply the latest manifestation of the evolutionary development of East Asian regional cooperation. In the post-Second World War era this evolution has been marked by such proposals as the South Korean call in 1970 for an Asian Common Market and Japan's 1988 suggestion for an Asian Network. The APT's immediate precursor was the East Asian Economic Grouping (EAEG), put forward in 1990 by the Malaysian Prime Minister, Dr. Mahathir Mohamad. The EAEG was almost immediately renamed the East Asian Economic Caucus (EAEC) (Stubbs, 2002). But this idea was very much delayed due to the simple reason of emerging Asia Pacific Economic Cooperation (APEC) and Asia-Europe Meeting (ASEM).

The lack of a coherent regional voice for East Asia has been compounded by the recent stagnation of the two major regional groupings, APEC and ASEAN. Certainly, APEC has failed to live up to early expectations..... by the mid-1990s, the division within APEC between the Anglo-American economies (Australia, Canada, New Zealand, and the US), which wanted binding, comprehensive targets for trade liberalization, and many of the Asian economies (especially China and Malaysia), which wanted to

emphasize trade facilitation and economic and technical cooperation, had become readily apparent. This division led to differences over how best to reach APEC's goals of trade liberalization (Stubbs, 2002). Indeed, as John Ravenhill perceptively notes, "it is more appropriate to regard APEC as a trans-regional rather than a regional body, it is more akin to the Asia-Europe Meeting . . . than to the European Union" (emphasis in original) (Ravenhill, 2000).

The original proposal, with its narrow membership definitions, floundered mainly due to opposition from the US, which was being excluded from what was called a caucus without Caucasians. Almost a decade later, Mahathir's successor, Abdullah Badawi, resurrected the idea of an East Asian Community at the 2004 APT meeting, and immediately won backing from China's Premier Wen Jiabao. Perceiving declining US power due to the preoccupation with the War on Terrorism, an assertive China saw an opportunity to steer East Asian multilateralism along the lines of the Shanghai Cooperation Organization (SCO), to serve Beijing's strategic goals and further weaken US influence in East Asia. However, Beijing's enthusiasm alerted those countries that remain wary of becoming divided into Chinese and American blocs in East Asia or establishing an East Asia Co-prosperity Sphere under China's leadership. This alarm prompted a campaign to include India, Australia and New Zealand and to ensure that ASEAN remained central to any future East Asian Community (Malik, 2005). Eventually, the East Asia Summit was held on 14th December 2005 in Kuala Lumpur. It consists of 16 countries of two categories, ASEAN 10+3 (ASEAN+China, Korea and Japan) and the new member countries like India, Australia and New Zealand, and additionally Russia who has attended the first EAS as a special guest. Such a group could potentially replace APEC as the main multilateral forum in Asia on trade and investment liberalization and economic integration (Jiji Press, 2005).

East Asia Summit (EAS) is important not only because of its implications for regional trade but more importantly for its potential importance as an indicator of China's raising geopolitical importance. It is also of importance because the positions of regional states relative to China and the United States are brought into perspective as the diplomacy surrounding the summit unfolds. The EAS is viewed as potentially of strategic importance because many believe that it could form the basis of a future East Asian Community, which might make collective agreements on trade or even security affairs without US input. As such, regional states have sought to be included in the summit so that they will not be excluded from any future East Asian Community (Vaughn, 2005).

### **Objectives of the study**

1) To analyze the effective efforts of Asian countries to

integrate the sub-regional as well as Asian integration.

2) To discuss the power balances in East Asia and the national interests of the respective countries.

3) The role of ASEAN in promoting East Asia Summit (EAS).

4) To observe the process of East Asia integration in the form of EAS.

## METHODOLOGY

This paper is completely based on secondary data from different sources including online sources. Moreover, the study can be categorized as a theoretical discussion rather than quantitative analysis. The basic problem in conducting quantitative analysis is that the emergence of EAS has taken place in 2005 and the strong data base also not in hand. It may take few more years to establish the data base for EAS.

## Interests and power balance

Though, the long pending idea of East Asian community has geared up at different meetings of APT. The immediate big question is what will be the size and shape of the organization. Preponderance of any regional organization is certainly based on its member countries. At the same time, interests of different member countries, priorities of regional security, obviously quantum of internal trade play a significant role. In the case of EAS, being a summit of one year old, it has been experiencing birth pains in the form of finalizing the list of members of the summit. At this juncture the interests of different countries of ASEAN+3 have made tremendous influence over finalizing EAS members, in this process three dimensions of interests have come on to the surface: i) East Asian Summit without US, ii) balancing the regional power between Japan and China, and iii) ASEAN's initiative and retaining its status in the region as well as its own significance in the summit.

After having more than three decades of thrash about in reinvigorated ASEAN, the known rivalries of Japan and China might find it very difficult to keep up their own interests in selecting the list of member countries of proposed EAS. Different perspectives have floated from the member countries of APT. However, the anti-Western Dr. Mahathir, who remains influential in the region despite retiring from political office, has criticized the involvement of non-Asian countries and particularly the presence of Australia, calling the country "neither East nor Asian." Mahathir has accused Australia of acting as the United States' loyal "deputy sheriff" expressing his fear that "the views of Australia are likely to dominate" and that his original vision of East Asian nations discussing common purposes will be undermined (Bowden, 2005). The continued presence of the US forces in the Asia Pacific region is tied largely to the developments in the Korean Peninsula and the political changes in Japan, and these appear to be unfavourable in the longer term. While it is

in the US national interests and overall strategy to preserve the present status, it nonetheless needs to abide by the wishes of the host nations if it is required to leave. For other nations in the region, there is little that can be done to influence the outcome as nationalistic interests in Japan and Korea rather than the perceived benefits to the region, that would dominate the decision processes (Leong, 1998). But the initiative anti US sentiment has not been successful, though APT was successfully eliminated, the so called US outfit of Australia has got an invitation for the first EAS. It is an indication that US is not practically out of the summit.

Since Japan, China and South Korea, the three key members of Northeast Asia, are stalled in an uneasy relationship; it has always been the ASEAN that has provided the three countries' leaders with an opportunity to get together for talks on regional affairs at the same time as the ASEAN summit, called the ASEAN+3. The three countries have been unable to meet on their own without the ASEAN as intermediary (Foreign Press Centre, 2005). Pragmatically, finalizing the list of member countries to have participated in the first EAS, in view of wary on each other, specifically between China and Japan might be a staggering task. China has already accused Japan of attempting to move the focus of the summit, and any future "East Asia Community" agreement, away from the APT nations - the countries China wants as the community's core - towards a more diverse regional influence would include Australia and New Zealand. China sees this as a blatant attempt by Japan to dilute its growing economic and political influence in the region (Bowden, 2005). ASEAN diplomats believe Japan is trying to drag countries like Australia and India outside this region to serve as a counterbalance to China.

The rivalry between Japan and China was reflected on their different preferences for a vehicle on which to push for an East Asian Community. China wanted to limit the community to 13 countries—the ASEAN plus three, apparently because it felt it would be able to take an initiative in that framework and outmaneuver Japan. Wary of that possibility, Japan hoped to expand the membership to include Australia, India and New Zealand, adding up to the 16 countries that met in the first East Asia summit in Kuala Lumpur, so that China's influence would be diluted. This got the tacit agreement of the US, which is wary about China's presumed ambition for dominance in East Asia, which would lead to the exclusion of US clout in the region. The ASEAN, for its part, wanted to retain its initiative in the formation of the community, and stuck to the idea of a 13-nation community (Foreign Press Center, 2005).

From China's perspective, the result has been favorable. When Malaysian Prime Minister Abdullah Badawi announced that the inaugural East Asia Summit would take place in Kuala Lumpur in 2005, China offered to host the second meeting in 2006. Although, as noted,

ASEAN wanted to keep control and turned the offer down. Beijing then deftly adjusted its position and offered its "continuing support" of ASEAN's "dominant role," disavowing any intention of seizing leadership of the summit (Romberg, 2005).

Speculations have been floated that Washington, commonly deemed 'the most influential non-Asian East Asian participant', could prove the biggest divisive issue in any attempt to forge an East Asian grouping. Indeed, the question of America's role in the EAS could make or break the EAS in the coming months, by dividing its members, even before its birth (Cheow, 2005). But fortunately nothing was happened before the first summit held in 2005 and the world has been anxiously watching to gauge the historical summit and its seriousness of the concern over the enduring problems of the region.

After considering the entire process of membership havoc, certainly a doubt may arise at the first instance, why such a body is needed. Given the diversity of the potential members of the envisioned community, in terms of economic development, political system, culture, and religion, and the too few things they share in common, it is considered impossible for them to be united into something like the EU, which many say cannot be a model for an Asian community (Foreign Press Center, 2005). Despite the diversified nature of the EAS, intentions and interventions of individual countries have taken into consideration, it is clear that lot more has been towards opening the doors for regional cooperation and to replace the traditional ways of trade. Before the economic crisis in Asia in July 1997, two trends were prominent in the regional security scene. The first, the rapid rate of military modernisation in the Asian countries and the second, the development of multilateral arrangements such as ASEAN and the ASEAN Regional Forum (ARF), which have served to enhance regional security. Since then, the strategic landscape of the region has remained dynamic, and has in some ways, become more uncertain. The prolonged economic turmoil has brought with it political and social upheaval in many of the affected economies which could have repercussions on regional security. Bilateral and multilateral cooperation, which have underpinned the region's peace and security, might also be unraveled if countries become distracted by the more pressing domestic problems (Peng, 1999).

Obviously, ASEAN has been striving for peace, unity and cooperation among the member countries and also trying to expand its activities in the form of ARF. Since 1990, India is one of the countries that has mooted the reforms towards liberalization of economy, which resulted in the most successful 'Look East Policy'. India and ASEAN are successful in establishing potential partnerships in promoting trade and friendship. In fact the success rate of India and ASEAN relations results in Phase-II of Look East Policy to expand its geographical boundaries up to Australia and Japan. India is one of the most comfortable members of EAS. The dream to carry

out the policies of its Look East Policy with a new vehicle of EAS has come to reality.

The other pair of new members from Oceania is also having few of their obligations in view of the new developments in geo-economics. Australia has been literally looking forward for a right chance to play a new role in the emerging East Asia. It has succeeded in the form of bargaining with the Treaty and Amity Cooperation, though ASEAN was not interested to allow Australia into their sphere, but EAS doors were opened to not only Australia but New Zealand too. Canberra is already at odds with Washington over Taiwan and Australia's support for European Union (EU) plans to lift its arms embargo on China. In a comment entitled "Howard's Asian balancing act" on April 13, Hugh White, who as director of the Australian Strategic Policy Institute helped formulate Howard's foreign policy, warned: Our alliance with the US is facing a big test. Australia's support in Iraq now attracts less attention in Washington than our growing political alignment with China, and George Bush's team is wondering what to do about it (Symonds, 2005).

In addition to the political reasons, there are also reasons from the economic point of view. A noted economist has quoted that two major responsible economic factors can be attributed to promote EAS: i) the East Asian financial crisis, and ii) the Doha trade round; the first is the great East Asian financial crisis of 1997-1998. This event had a devastating impact on the region. It caused unemployment to rise threefold in Thailand, fourfold in Korea and tenfold in Indonesia. It forced all three countries to turn to the International Monetary Fund (IMF) for emergency relief programs and accept numerous constraints on their economic policies. At the time of the crisis, Japan proposed the creation of a new Asian IMF to help countries in the region but the idea was rejected by the US and received little support from China.... second factor encouraging the summit is the crisis in the Doha trade round. There is a significant risk that the trade round could fail because of the refusal of France to permit cuts in European farm subsidies. The East Asian nations have traditionally been strong supporters of the multilateral trading system; but as a result of the crisis in the Doha trade round they are now hedging their bets with more bilateral and regional trade deals (Hale, 2005).

One striking reality that motivated the countries that gathered in Kuala Lumpur to look forward to an East Asian community is the rapid progress in economic integration and intra-regional transactions in terms of trade and investment that are taking place in this fast-growing region. Within the ASEAN+3, intra-regional trade accounts for more than half of these countries' total foreign trade, compared with the European Union's corresponding figure of 60%. Increasingly, foreign direct investment in the region is directed at countries within it (Hale, 2005).

Despite the ongoing Sino-Japanese feud, Sino-Indian rivalry, discord over membership, and wariness about China's emerging power, leaders did agree to hold the EAS annually with the ASEAN. But challenges remain: On the eve of the summit, China proposed dividing EAS members into core and secondary categories, and Chinese and Korean leaders refused to hold bilateral or trilateral talks with Japanese counterparts. China's stance provides insights into Beijing's insecurities regarding the momentum for a broader East Asian Community shifting power alignments within Asia (Malik, 2005).

### **EAS ideology and ASEAN role**

The leaders' statement issued by the summit indicated that it will be a 'forum for dialogue on broad strategic, political and economic issues of common interest and concern, and with the aim of promoting peace, stability and economic prosperity in East Asia'. It affirmed that the EAS is intended to be an 'open, inclusive, transparent and outward-looking forum, in which we strive to strengthen global norms and universally recognized values, with ASEAN as the driving force working in partnership with other participants of the East Asia Summit'. The Summit to be 'convened regularly', would be hosted and chaired by an ASEAN member and would be held 'back to back with the annual ASEAN Summit' (Kuala Lumpur Declaration on the East Asia Summit).

First, the ASEAN countries claim to have the lead at the EAS and plan to retain it. The Malaysian foreign minister has said "ASEAN will be in the driver's seat" as far as EAS is concerned. Indonesian President Susilo Bambang Yudhoyono calls ASEAN "the driving force of this East Asia process," and wants the EAS to work for democracy and human rights among member nations. Those sentiments do not go over well in Beijing, but they make perfect sense to the eight democracies - Japan, South Korea, India, Indonesia, Australia, Philippines, New Zealand and Thailand - that make up half of the 16 members of the new group (Dillon, 2005).

Prime Minister Lee Hsien Loong has stated "ASEAN does not want to be exclusively dependent on China, and does not want to be forced to choose sides between China and the United States or China and Japan." He also reportedly stated "if the world is split up into closed blocs or exclusive spheres of influence, rivalry, antagonism and conflict are inevitable". The inclusion of India, Australia and New Zealand and the presence of Vladimir Putin of Russia demonstrated an outward-looking, inclusive approach to participation in the emerging East Asian regionalism (Desker, 2005).

The reactions on the framework of EAS were mixed, An Indian diplomat expressed disappointment over the decision to entrench the ASEAN+3+India, Australia and New Zealand framework: "To state that ASEAN is in the driver's seat, the passengers have a right to know where

they are going." With Australia relegated to the outer circle, Prime Minister John Howard downplayed the summit's significance relative to the APEC. And Japan expressed its preference that newcomers India, Australia and New Zealand be more than mere passengers on the road to an East Asian Community (Malik, 2005). The current attempt is to avoid treating the ASEAN+3 and the EAS as two antagonistic and mutually exclusive groupings. Instead, the "overlap" between the two is being emphasized for community building in the East Asian region. Sources in the 'Plus Three' camp indicated that the ASEAN would press for a final formula that could satisfy all participants. This could be done without diminishing the centrality of the ASEAN+3 as the potential "foundation" of the proposed "East Asian Community" (Suryanarayana, 2005).

Still the doors are opened for new members; of course Russia has attended the first summit as an observer and Malaysia proposed the membership of Pakistan and Mongolia. Being established as an inclusive approach, in view of the past experience with big number game, the earlier organizations like APEC, ARF did not achieve the target. In fact inclusiveness should be given due respect, at the same time certain positive signals are to be disseminated. With ASEAN being at the driving seat, many platforms emerged with same spirit of enhancing cooperation in multilateral trade and security. The result is indirectly clear from the idea that to go for EAS, the earlier organizations were not serving the purpose. Look at the Table it is crystal clear that the possibilities are more of diluting the decision making. The range of members and the rate of success have a direct relationship, for instance, being a smallest organization, ASEAN 10 is quite comfortable and started with only five members; on other hand, APEC and ARF with 21 and 22 members respectively are not comparable with ASEAN in its spirit and commitment. Nonetheless, EAS has also been represented by 16 countries (Table 1), gives a range of doubts over their consensus of future endeavours. In view of the uncertainty of the future agenda, there should be moratorium over the new membership for certain period.

### **India and EAS**

Just as the world has been keenly watching the developments in Asia and what the rationale of Asian century is, similarly the Asian countries are also looking at India and its role in the emerging Asian economies and their regional obligations, specifically in the context of post Cold-War. India can be considered as one of the countries promoting the idea of Asian integration even much before the independence. The first Asian integration conference was held in 1947. Such initiatives were undermined due to the Cold-War politics. India has brought in its liberalized policies in 1990, the fruits of

**Table 1.** Membership of ASEAN-Related Institutions

Country	ASEAN (1967)	ASEAN+3 (1997)	ARF (1994)	APEC (1989)	East Asia summit (2005)	Six party talks (2003)
Indonesia	√	√	√22	√21	√	
Malaysia	√	√	√	√	√	
Singapore	√	√	√	√	√	
Philippines	√	√	√	√	√	
Thailand	√	√	√	√	√	
Brunei	√	√	√	√	√	
Vietnam	√	√	√	√	√	
Laos	√	√	√		√	
Myanmar	√	√	√		√	
Cambodia	√	√	√		√	
Japan		√	√	√	√	√
China		√	√	√	√	√
S. Korea		√	√	√	√	√
India			√		√	
Australia			√	√	√	
NZ			√	√	√	
Russia			√	√		√
US			√	√		√
EU			√			
Canada			√	√		
N. Korea			√			√
Mongol			√			
PNG				√		
Mexico				√		
Chile				√		
Peru				√		
Taiwan				√		
Hong Kong				√		

Source: Kim, S.C., 2006, Appraisal of the East Asian Summit 2005: from Security Perspective.

either Look East Policy or liberal economic policies yet to ripe. There was an uncertainty over the India's membership in EAS; it was China's apprehensions over India's role in the proposed EAS. On the other side, many countries like Japan, Singapore etc., have observed as an advantage of India's participation in EAS.

When there is a comparison between India and China and their policies towards ASEAN and EAS, certainly, China is very much ahead of India. In fact, since the inception of EAS or at its formation stage, India has been considered as one of the choices to restrain China in Southeast Asia. Obviously, India right now may not play a dominant role either in ASEAN or in EAS, due its domestic socio-political issues. In the waves of transformation from geopolitics to geo-economics, it requires not only physical presence but large scale initiatives in the form of bilateral, multilateral, regional trade agreements. Such initiatives must also attract the least developed countries of the region. It does not require much discussion to conclude that India may be a

strong player of EAS in the near future but currently she is not in a position to play a bigger role. Moreover, still it is struggling to cement its position in EAS and also very much depending on Japan apart from a group of countries from ASEAN which are fundamentally opposing the dominant role of China in EAS.

India not only impressed by its participation in EAS but has been steadily increasing its trade with its member countries, since 2005. Quite surprisingly India has been importing largely from China, in 2005 the imports were only just more than seven thousand US\$ million and rose to over 32 thousand US\$ millions in 2009 (Table 2). There is a five fold growth rate in India's imports from China and can also be the biggest importer out of all the member countries of EAS. In general, India's exports and imports from the member countries of EAS, since 2005, have been signaling a positive approach towards economic integration of EAS. Table 2, clearly indicates that there is 117% of growth rate over India's exports between 2005 and 2009. On the other side of trade,

**Table 2.** India's Trade with the EAS Member Countries (US\$ million)

Country	E/I	2005	% G	2006	% G	2007	% G	2008	% G	2009	% G	2010*	% G
Australia	E	720.3		821.2	1.01	925.2	1.04	1,152.4	2.27	1,439.3	2.87	1,385.0	-0.54
	I	3824.5		4947.9	11.23	6999.6	20.52	7,815.3	8.16	11,098.1	32.83	12,407.4	13.09
Brunei	E	5.1		42.9	0.38	8.3	-0.35	10.4	0.02	17.6	0.07	24.4	0.07
	I	0.5		0.9	0.00	285.4	2.85	227.2	-0.58	397.5	1.70	428.7	0.31
Cambodia	E	18.1		24.2	0.06	52.1	0.28	53.5	0.01	46.9	-0.07	45.5	-0.01
	I	0.2		0.8	0.01	1.6	0.01	2.9	0.01	2.7	0.00	5.1	0.02
China	E	5615.9		6759.1	11.43	8321.9	15.63	10,871.3	25.49	9,353.5	-15.18	11,617.9	22.64
	I	7098.0		10868.1	37.70	17475.0	66.07	27,146.4	96.71	32,497.0	53.51	30,824.0	-16.73
Indonesia	E	1332.6		1380.2	0.48	2033.0	6.53	2,164.2	1.31	2,559.8	3.96	3,063.4	5.04
	I	2617.7		3008.1	3.90	4182.0	11.74	4,821.3	6.39	6,666.3	18.45	8,656.7	19.90
Japan	E	2127.9		2481.3	3.53	2868.1	3.87	3,858.5	9.90	3,025.7	-8.33	3,629.5	6.04
	I	3235.1		4061.1	8.26	4599.5	5.38	6,325.9	17.26	7,886.3	15.60	6,734.2	-11.52
Korea PR	E	1041.7		1827.2	7.86	105.4	-17.22	851.0	7.46	3,952.3	31.01	3,421.1	-5.31
	I	3508.8		4563.9	10.55	4803.2	2.39	6,044.8	12.42	8,676.8	26.32	8,576.1	-1.01
Lao PDR	E	2.7		5.5	0.03	2.4	-0.03	3.9	0.01	9.0	0.05	16.9	0.08
	I	0.1		0.1	0.00	0.4	0.00	0.1	0.00	0.5	0.00	20.1	0.20
Malaysia	E	1084.1		1161.9	0.78	1305.2	1.43	2,575.3	12.70	3,420.0	8.45	2,835.4	-5.85
	I	2299.0		2415.6	1.17	5290.3	28.75	6,012.9	7.23	7,184.8	11.72	5,176.8	-20.08
Myanmar	E	113.2		110.7	-0.02	140.4	0.30	185.8	0.45	221.6	0.36	208.0	-0.14
	I	405.9		526.0	1.20	782.7	2.57	808.6	0.26	929.0	1.20	1,289.8	3.61
New Zealand	E	93.2		141.9	0.49	495.5	3.54	158.8	-3.37	188.6	0.30	255.2	0.67
	I	128.0		216.6	0.89	265.5	0.49	335.9	0.70	423.7	0.88	499.2	0.75
Philippines	E	412.2		494.7	0.82	581.0	0.86	620.3	0.39	743.8	1.23	748.8	0.05
	I	187.4		235.5	0.48	166.8	-0.69	204.5	0.38	254.8	0.50	313.1	0.58
Singapore	E	4000.6		5425.3	14.25	6053.8	6.29	7,379.2	13.25	8,444.9	10.66	7,592.2	-8.53
	I	2651.4		3353.8	7.02	5484.3	21.31	8,122.6	26.38	7,654.9	-4.68	6,454.6	-12.00
Thailand	E	901.4		1075.3	1.74	1445.5	3.70	1,810.9	3.65	1,938.3	1.27	1,740.2	-1.98
	I	865.9		1211.6	3.46	1747.8	5.36	2,300.9	5.53	2,703.8	4.03	2,931.5	2.28
Vietnam	E	556.0		690.7	1.35	985.7	2.95	1,610.1	6.24	1,738.7	1.29	1,839.0	1.00
	I	86.5		131.4	0.45	167.4	0.36	173.7	0.06	408.7	2.35	521.8	1.13
Total	E	12408.9		15682.9	32.74	17001.7	13.19	22,434.2	54.32	27,746.6	53.12	26,804.4	-9.42
	I	26909.0		35541.2	86.32	52251.3	167.10	70,343.2	180.92	86,784.9	164.42	84,838.8	-19.46

E=Exports; I=Imports; % G=% Growth. \*the data for 2010 exports and imports includes upto the end of September 2010.

Sources: Department of Commerce, Ministry of Commerce and Industries, Government of India, New Delhi, <http://commerce.nic.in/eidb/default.asp>, consulted on 15 October 2010.

India's imports from EAS member countries have also been increased to an extent of 215% of growth rate. This unpredictable scenario that has become a multilateral trade of India might not be possible, if India has not been a member country of EAS.

### **What is the destination of Asian regionalism?**

The George W. Bush administration's effort to expand North American Free Trade Agreement (NAFTA) into a Free Trade Area of the Americas; the EU's interest in deepening and broadening its regionalism by issuing physical Euro currency and expanding the body's membership; and the African countries' May 2001 agreement to replace the Organization for African Unity with an EU-like African Union have intensified the pressure on the East Asian states to develop their own regional organization. Moreover, with a new round of World Trade Organization (WTO) negotiations now on track, the need for a strong East Asian voice becomes even more imperative (Stubbs, 2002).

When compared to other regions of the world, especially Europe and North America, and again despite the many differences that are to be found throughout East Asia, there are common cultural traits that may be identified as characteristic of the region. Some analysts have been repeatedly pointing that there is a premium placed throughout East Asian societies on family, community, and social harmony as well as on duty, the acceptance of hierarchy, and a respect for authority. Though opportunities are plenty to play a new role in the current world order, practical problems are equally dragging the idea of East Asian Community to compare with the NAFTA and EU. Such problems can be solved with promotion of new ideas like 'we' feeling; priority should be given for Asian cooperation and the international cooperation to be cultivated with a consensus of the member countries of all sorts of regional organizations of Asia. Of course, such order of priority is instrumental in the success of emerging regional blocs.

Asia remains one of the world's most dynamic regions and offers multiple opportunities for businesses and investors. In addition to the considerable enthusiasm that has been directed toward China as a result of its rapid growth in recent years, considerable attention is now being accorded to India and other markets as well. Economic progress is also fueling increasing regional integration, which in turn is further accentuating Asia's potential. As the largest economy in the region, Japan plays a key role in driving economic activity given the size, sophistication and affluence of its population, and the operating range of Japanese corporations.... Asia grew at an impressive 7.3% in 2004, according to the Asian Development Bank's 2005 Outlook report. In fact, 2004 marked the region's "best growth performance since the Asian financial crisis of 1997-1998". First-quarter of

2005 data supports the view that the region remains on an upward trend. India grew at a 7% rate while Malaysia registered 5.7% growth over the same period. For its part, Japan registered 5.3% during the first three months of 2005. This success in part is attributable to solid growth in traditional trading partners such as the US. At the same time, the region is benefiting from rising domestic consumption, business investment and intraregional trade (Asia Times, 2005). Despite these strong trade and financial positions, it is most noticeable that Asia, alone amongst the various regions, lacks a continent-wide regional organization. The Europeans have the expanded EU; the Africans have the African Union; the Latin Americans have the South American Union (established in 2004); the North Americans have NAFTA. Asians have instead an alphabetic soup: Bay of Bengal Initiative for Multi-sectoral Technical and Economic Cooperation (BIMSTEC); Asia Cooperation Dialogue (ACD); Shanghai Cooperation SCO; Japan, ASEAN, China, India and Korea (JACIK); East Asia Summit (EAS); ASEAN plus 3; South Asian Association for Regional Cooperation (SAARC); Indian Ocean Rim Association; Greater Mekong Cooperation schemes, etc. (Kesavapany, 2005).

People's Daily 2005, has categorized the significance of the East Asia Summit into four elements: i) it creates a new mode of regional cooperation, ii) a new platform for regional cooperation has been built, iii) it strengthens the nature of South-North cooperation and expanded the room and potential for regional cooperation, and iv) it eases the relations between East Asia and the United States. Firstly, the members of East Asia Summit gather not based on regional conformity but the strong correlation of their interests plus the ASEAN plus three as the main body, therefore such a new mode of cooperation has a sound foundation and structure as well as its own vitality and potential, subjected to voluntary initiation to promote the interests of the summit, confidence building through establishment of unity. Secondly, now the summit has not just for long been the originally expected "transformation of "10+3", but has become a new platform for trans-region cooperation. It will go hand in hand with the existing "10+3" mechanism. The "10+3" is confined to the sovereign countries in East Asia, with no intention to have members from outside, while the East Asia Summit is open with a general orientation towards trans-region cooperation and wider-ranging targets, therefore it is a new platform for regional cooperation. Third, among the 16 members, except for Japan, the developed economies of Australia and New Zealand, there have been more members from "the North" than in "10+3", hence a strengthened nature of South-North cooperation. The total population of the 16 countries is approximately three billion or half of the world's, and their aggregate Gross Domestic Product (GDP) more than eight trillion yuan, or 22%. Their economies have outstanding mutual complementarity and huge potential for cooperation. Fourth, United States holds



**Table 3.** Regional Comparison of GDP and Trade (2004).

Region	GDP		Trade	
	Billion dollars	%	Billion dollars	%
ASEAN	796.8	1.94	1,025.0	5.63
Japan, China, Korea	7,006.2	17.05	2,517.6	13.83
ASEAN+3	7,802.9	18.99	3,542.7	19.46
India, Australia, NZ	1,412.3	3.44	378.5	2.08
ASEAN+6	9,215.3	22.43	3,921.1	21.54
NAFTA	13,402.5	32.62	3,183.4	17.48
EU	12,845.4	31.26	7,329.2	40.25
World	41,086.3	100.00	18,207.0	100.0

Source: Kim, S.C., 2006, Appraisal of the East Asian Summit 2005: From Security Perspective.

that the East Asia Summit will weaken the US-led Asia Pacific cooperation, therefore taking an opposing attitude towards the summit. However, with the accession of Australia and New Zealand, the United States has turned itself from an opponent to an audience. It is hopeful that the US-East Asia relations be relaxed through the platform of East Asia Summit, which will help the cooperation process in East Asia. The cooperation among East Asian countries cannot do without the backdrop of Asia Pacific cooperation.

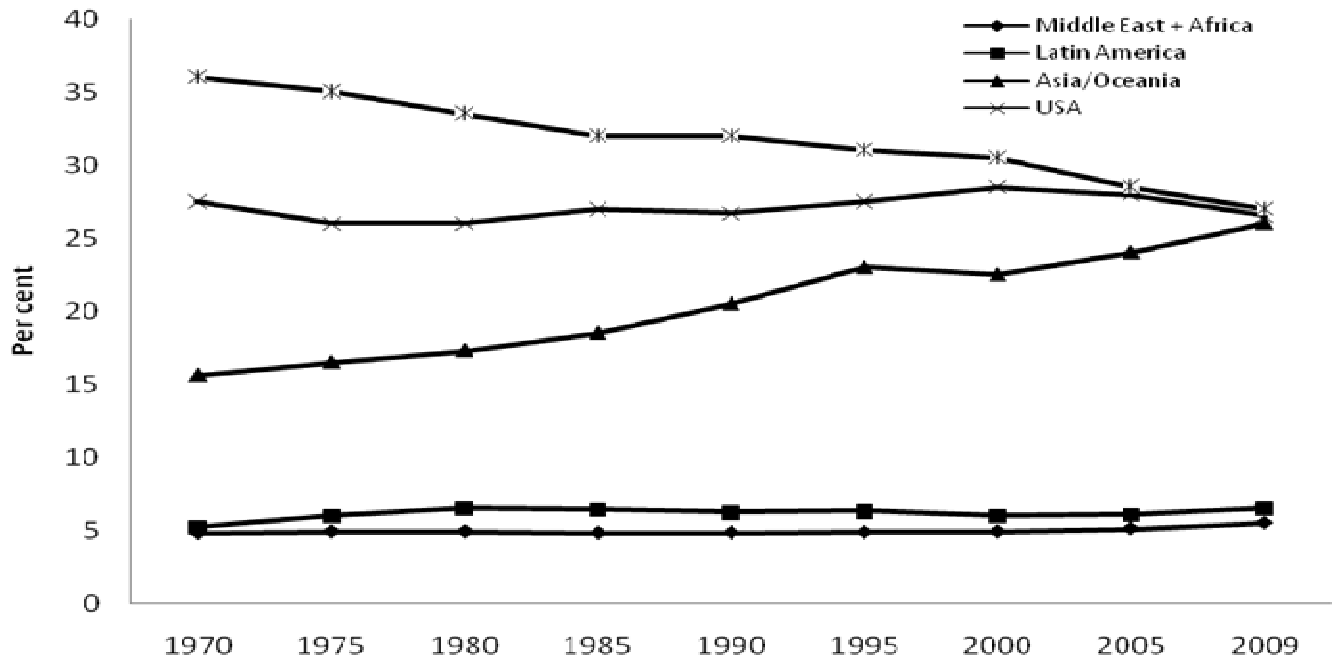
There are undoubtedly risks, and Asian economies will continue to face many severe challenges. But solid fundamentals, ongoing restructuring and reform, as well as rising regional integration, and economic, technological, political and social advancement all augur well for the future prospects of the region. As Asia's largest economy, Japan will continue to play a major role in the developments now taking hold. Given its importance, companies and investors looking to enter this dynamic region would be wise to pay attention to what is happening there. This is true not only in terms of the ramifications of Japanese activities in developing Asia but also in respect to the significant opportunities now arising as a result of the restructuring, reform and changing market conditions now taking place within its domestic economy (Asia Times, 2005). In the opinion of Australian Foreign Minister, Downer in the next 20 years we could see a completely free trade area ... which goes from the north of China down to Stewart Island in the south of New Zealand and across to Mumbai ... I think that is a reasonable aspiration (Nichols, 2005).

The EAS promises to be an unprecedented milestone in the development of Asian security discourse that has hitherto been characterized more by bilateral relationships and alliances with extra-regional powers. The broader geopolitics of Asia will shape how future summits evolve in the coming years. The EAS could be viewed as an intellectual and strategic step forward in cooperative security, which should ameliorate the simmering hotspots in the Asia-Pacific region. The

inaugural summit, which has excluded the United States, will be seen in Washington as an anti-US hegemonic institution (Leong, 2005).

The present era has been witnessing the globalization (world as a village) cutting across different cultures, traditions, races, economies, ideologies and more prevailing the regional politics, trade as the barrier. Such developments are evidently supporting the transformation of geopolitics into geo-economics. These processes lead to a twenty-first century in which global connections create, for many analysts, a world of converging political and economic systems. Many observers of course recognize that not only do governments range from democratic to authoritarian and domestic economies from highly industrialized or post-industrial to poor and primitive, but they see the variations on a global scale, as aspects of massive and complex systems of integration. Such integration lead to strong regional blocs; in this process two of the world major blocs in the form of NAFTA and EU has emerged. These two blocs are again representing the current and past hegemonies of the world, USA and Great Britain and Dutch respectively. Speculations were started while assessing the East Asia and its capabilities to emerge another major bloc of the world. Some of the analysts started commenting on the 21st century of Asians.

The Table 3 clearly shows the economic potentiality of the ASEAN+6 countries (members of EAS). Currently, EAS has been representing 22.43% of GDP share to the world, as against the lion share of NAFTA and EU with 32.62 and 31.26% respectively. Expansion of these two blocs is almost saturated, whereas being a young regional organization, plenty of chances are ahead of few years to overtake in the share of the world's GDP, through its expansion. In contrast, EAS stood in the second place with 21.54% overtaking the EU share of 17.48% in sharing the world trade, obviously NAFTA stood in the first place with 40.25% of world trade. Evidently chances are widely open for EAS to emerge as another important bloc of trade at the world level.



**Figure 1.** Share of world GDP during 1970 – 2009.

Source: Mark J. Perry, U.S. Share of World GDP Remarkably Constant, Carpe Diem, Professor Mark J. Perry's Blog for Economics and Finance, November 2009, <http://mjerry.blogspot.com/2009/11/us-share-of-world-gdp-remarkably.html>.

Asia's growing trend of GDP over forty years, just below 15% in 1969 reached to a position to share one fourth of the world GDP in 2009. Figure 1, categorically shows that the regional distribution remarkably changing its shape just only strengthens Asian share. Surprisingly, US had been maintaining its position constantly around 26%; contrastingly the share of EU has been drastically decreasing and replaced by Asian economies.

Peter and Colin have illustrated, hegemony is the source of major economic restructurings of the world economy, which unleash massive social change and uncertainty into the world system. As new economic developments associated with hegemony begin to spread across the world, the hegemon also creates a means of dealing with the consequent social changes. In other words, hegemony is an inventor of new modernities in terms of both social changes and new ways to deal with those changes. Hence there is a cultural contribution. They also viewed and classified, modernity as a singular concept: there has been only one modernity, and that is industrial society. These are therefore the prime modernities of the modern world system: Dutch led mercantile modernity, British led industrial modernity, and US led consumer modernity. These three images represent three distinct modern experiences that have dominated lives and lifestyles during successive hegemonic cycles. As such they are the ultimate progressive places of their respective eras. In the case of EAS, it is premature to conclude that hegemony may be possible in the near future. Time has come to testify to

the so called presumption of Asian's 21st century. Though EAS has manifested with its huge market, exponential growth rate etc., failing to fulfill the prerequisites of a successful regional bloc, can be considered as the primary step towards achieving the multilateral hegemony of Asia.

### Slothful progression

Ever since the summit started in 2005 nothing has been established towards winning the appreciation of critics of Asian regionalism. Moreover, this is becoming an additional programme or extended activity of ASEAN annual meet, as observers commented. Bill (2009) viewed that the summit has been searching for an existential purpose since the 2005 inaugural meeting in Kuala Lumpur. Though, the efforts were made to chalk out many issues of free trade agreements, Cebu declaration on energy security in 2006 and in continuation of the attempts Singapore declaration emphasized on climate change and energy.

In principle, the members of EAS agreed to study the Japanese proposal of Comprehensive Economic Partnership for East Asia<sup>1</sup> (CEPEA). Furthermore, the second EAS welcomed the Economic Research Institute

<sup>1</sup> See for more details, Success for the EAS?, Editorial, The Japanese Times, Wednesday, 17 January 2007, visit: <http://search.japantimes.co.jp/cgi-bin/ed20070117a1.html#>

for ASEAN and East Asia<sup>2</sup> (ERIA). The ERIA acts as an institute that is envisaged as a network of think-tanks to drive the study required. It was subsequently announced that the ERIA would be established in November 2007. The Fourth Summit, 2009, was significantly delayed and its location changed a number of times due to internal tensions in Thailand, the host nation. In the lead up to the Summit, there were also several fatal border clashes<sup>3</sup> between Thailand and Cambodia. The Summit however is said to be used as an opportunity for discussions on the sidelines between the respective nation's leaders.

In the process of building East Asian Community, there are few legitimate objectives to be fulfilled. It would be very good, at first instance, if achieved the Comprehensive Economic Partnership for East Asia (CEPEA). Unfortunately, this step has not been successful in its efforts through second and third EASs and the expectations were again disappointed in the Fourth Summit (2009) too.

## Conclusions

In view of the nature of the Asian regionalism characterized by own interests on display, and with intense and deep-seated regional rivalries already on show prior to its commencement, the most that happened is initiation for another regional platform in the form of EAS. In conclusion it is valid to answer some of the questions related to the basic principles of regionalism such as inclusiveness/inviting new players, unity, equal opportunity, commitment and charitable nature, balance and non-dominance, open regionalism. First, EAS has fulfilled this condition while including India, Australia and New Zealand as its members, covers a large extent of geographical area and the other side two developed countries from Oceania and one of the emerging giant, India. The criteria for inclusion of new countries to be examined, seems to be nothing but balancing the two dominant rivalries. Second, unity is the most instrumental principle of the success, which can not only notice the present members of EAS and even in the track of Asian regionalization, ASEAN footprints should be considered. Third, equal opportunity is away from the reality, ASEAN has been at the driving seat; Japan, China and Korea have been meticulously observing the developments of dominance and the new members are demanding some information on where we we are heading to. Evidently, all the members were informally categorized into different categories. Fourth, ASEAN is committed to drive with their limitations in economic potentiality; financial contributions are very much expected from the other

members like Asian giants Japan, China and India, and two developed nations of Oceania. Fifth, balanced and non-dominant, core members of EAS are deliberately attempting to prove their dominance of their existence rather than voluntary participation in elevating the novel and exited EAS. Lastly, open regionalism, the sentiment of anti US platform may lead to certain complications. Of course, a strong regional sentiment and flexible approach to the external world is a very much deterministic role in achieving the expected regional competition, trade and security.

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<sup>2</sup> For more details visit:

[http://www.bruneitimes.com.bn/details.php?shape\\_ID=37631](http://www.bruneitimes.com.bn/details.php?shape_ID=37631), quoted in [http://en.wikipedia.org/wiki/Second\\_EAS#cite\\_note-12](http://en.wikipedia.org/wiki/Second_EAS#cite_note-12)

<sup>3</sup>[http://en.wikipedia.org/wiki/2008\\_Cambodian-Thai\\_stand-off#April\\_2009\\_clashes](http://en.wikipedia.org/wiki/2008_Cambodian-Thai_stand-off#April_2009_clashes)

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