

## **An opportunity not to be squandered.**

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LAST week's Asean summit in Cambodia was marked by multiple ironies.

Asean has been derided for some time now as a useless talk-fest, a dying, if not already dead, organisation. The name-calling, which began with the Asian economic crisis, turned into a mocking laugh with the growing instability of Indonesia, the Singapore-Malaysia squabbles and the terrorist threat to the region.

Yet Asean never saw so many suitors knocking on its doors as in Phnom Penh. China signed a framework agreement for a free-trade pact with Asean, as well as a declaration (though not a code of conduct) on the South China Sea. Japan concluded an agreement focusing on human resources and investment, with the possibility for a free-trade deal in the future.

And in the most surprising move of all, India offered to negotiate a free-trade area with Asean, at its very first summit-level meeting with the grouping.

Why so much wooing of an allegedly sunset organisation, and at a time when Asean's economies have come under renewed pressure both internally and externally?

North-east Asia is now seen as the real hub of Asia's future economic growth, and South-east Asia as a haven for terrorists, which Western nations are warning their nationals against travelling to.

Even a study commissioned by Asean itself disparaged the competitiveness of its economies and cast severe doubts on the progress of its own efforts towards a free-trade area.

One further irony: while one might expect a weakened Asean to seek out stronger partners to bail itself out of economic hardship and security threats, in Phnom Penh it was the stronger nations which came to Asean's doorstep with initiatives which originated from them, not from Asean.

Compare that to the Apec summit in Mexico concluded a week earlier, which saw several absentees among the leaders, for medical as well as political reasons. Its achievements pale in comparison to Asean's Phnom Penh show. Asean, along with its offshoot, Asean Plus Three, has emerged as the more important forum for Asian regional interaction.

A realpolitik view would explain the great power interest in Asean by stressing an inexorable security logic.

The moves by Japan and India, even possibly the United States, are in response to China's own courting of Asean. The same perspective would explain China's interest in an Asean free-trade deal primarily in terms of its quest for enhanced geopolitical influence in the region.

This, after all, is the stuff of time-honoured balance-of-power politics.

But the realists are only half right. The Japanese and Indian interest in Asean certainly has something to do with the fear of being sidelined by Beijing's growing economic clout and military might. Some officials and media sources have themselves noted the value of courting India as a counterweight to China.

But the argument that regional cooperation in economics and security issues is linked inextricably to a balance-of-power dynamic is based on a simplistic and partial understanding of the drivers of regional peace and security.

This is because economics - not the geo-economics of relative gain (win-lose), but the liberal-welfare economics of positive sum (win-win) outcomes - is an important determinant of peace and conflict in its own right.

While trade and security are closely linked, it would be wrong to argue that Asean's great-power suitors are offering free-trade deals to Asean motivated solely by a desire to pre-empt each other from gaining preponderant influence over South-east Asia.

These powers all have major economic interests at stake. Apart from securing access to Asean's 500-million-strong market, China gains access to raw materials from South-east Asia. India can use its free-trade offer to Asean to neutralise its domestic opponents of a more liberal national economy.

These interests are not necessarily incompatible with the economic and security interests of other great powers and of Asean itself.

Another reason for the courting of Asean, apart from its combined market potential, is its residual credibility as a regional actor, which its recent woes have not been able to erase. Its record generates the possibility that Asean might act again as a cohesive group with a common agenda.

A third reason is a genuine and shared concern against the threat of transnational terrorism. For the first time, East Asia and India have found a region-wide common basis to engage in security cooperation.

Finally, even if Asean's great-power suitors are motivated by a competitive economic logic, this is hardly an evil in itself. Free trade and investment, even when born out of an underlying balance-of-power logic, can have pacific consequences, intended and unintended.

Asean's free-trade agreements with China, Japan, India and America are not related in a win-lose manner; they can and will produce win-win outcomes for the region as a whole.

But much depends on Asean itself. The renewed interest in Asean by outside powers can be sustained only if, one, it remains free of inter-state warfare; two, it pushes forward with its

own internal economic integration; and three, it displays a capacity to act collectively on the international political stage, especially in managing regional conflicts and the terrorist challenge.

In the face of so many eager suitors, Asean can no longer afford to be a house divided within itself and stay engaged in petty intra-mural squabbles linked to domestic political considerations and national pride.

To miss the opportunity that presents itself now would be grossly irresponsible and utterly inexcusable.

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