

# The Struggle for Normative Order in East Asia: Normative-institutional Change and its Sources

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# The Struggle for Normative Order in East Asia

- The changing nature of the international order in East Asia with particular focus on the normative order
  
- To ask:
  - Is East Asia functioning as European theories might predict?
  - Is there a truly Asian way of building regional institutions?
  - Are there Asian norms defining the international order in the region?
  
- What are the main characteristics of regional normative-institutional frameworks in East Asia?
- How and why do normative-institutional frameworks in the region differ?
- Are the observable processes of regional institution-building converging or diverging? Why so?
- How and why are intra-regional institution-building dynamics influenced by extra-regional and global factors?

# The Struggle for Normative Order in East Asia:

## Normative-institutional Change and its Sources

1. **Ideas, Actors and Regional Institutions**
2. **Regional Concepts of Order in East Asia**
  - 2.1. **The Asian Way: Open Regionalism**
  - 2.2. **Towards a Legalistic Turn in East Asia**
3. **Convergence: The Economic-Security Nexus**
  - 3.1. **The Economic Dimension: Convergence**
  - 3.2. **The Security Dimension: Divergence**
4. **Sources of Normative-institutional Change in East Asia**

# Ideas, Actors and Regional Institutions (I)

- Regions are socially constructed (Börzel/Risse 2016; Hemmer/Katzenstein 2002).
- A region is what state and non-state actors make of it.
- Need to consider East Asia and broader region of Asia Pacific, thus incl. Northeast Asia, Southeast Asia, South Asia and Oceania
- Role of external actors (USA, EU)
- Orthodox integration theories (Federalism, Functionalism, Neo-functionalism) theorize from European/North Atlantic cases (Eurocentric fallacy)

# Ideas, Actors and Regional Institutions (II)

- Whose Integration Theory?
- Whose International Political Economy Theory?
- Whose International Relations Theory (Acharya 2014)?
  
- Liberal paradigm as epistemological metanarrative of regional cooperation and integration processes
  
- In the case of East Asia: Need to incl. economic-security nexus when discussing old and newly evolving normative-institutional frameworks
- Case of South China Sea as example how security factors impact on regional economic cooperation and integration

# Regional Concepts of Order in East Asia (I)

- Despite strong economic ties and a vibrant international political economy there is no common agreement about a normative-institutional regional order among the countries in the region

## Association of Southeast Asian Nations (ASEAN)

- In the Asia-Pacific the Association of Southeast Asian Nations (ASEAN, 1967) has a pioneering role in regional and functional cooperation
- ASEAN triggered several multilateral forums and processes such as the ASEAN Regional Forum (ARF, 1994), the ASEAN+3 process (APT, 1997) or the East Asia Summit (EAS, 2005)
- The ASEAN's aim to establish an ASEAN Community consisting of an economic, a political-security as well as a socio-cultural pillar is the furthest advanced project of regional integration in Asia-Pacific so far (Dosch 2016)



## Regional Concepts of Order in East Asia (II)

- **ASEAN Economic Community (AEC)**

A Single Market and Production Base is being established since the end of 2015

- **Trans-Pacific Partnership (TPP)**

12 countries, finalized in October 2015. TPP aims at implementing far reaching and binding steps in the process of economic integration. “ ...establishes mutual standards for everything from labour laws and environmental standards, to the manner that beef is produced” (Sanchez 2015). US-promoted

- **APEC/FTAAP (Free Trade Area of the Asia-Pacific)**

Proposed APEC-wide free trade area among 21 APEC economies, since 2014 China-promoted

- **RCEP (Regional Cooperation and Economic Partnership)**

ASEAN's six existing FTAs (6 ASEAN+1 FTAs) with China, Japan, South Korea, India, New Zealand, Australia ... and follows the „open regionalism“ approach, 14 round in October 2016, ASEAN-centred

# The Asian Way: Open Regionalism

- So far, cooperation and integration in East Asia is most widely based on the concept of open regionalism, i.e. the voluntary, mostly unilateral, liberalisation (originally trade) on a non-discriminatory basis against outsiders (Bersick 2004; Garnaut 1996)
- “ASEAN way”: a positive attitude, quiet diplomacy and goodwill in consultations to achieve consensus
- “ASEAN Way”: RCEP and AEC follow ASEAN way, based on consensus (Hilpert 2014: 6)
- Fuzzy concepts: “Asian Way”, “ASEAN Way”... open regionalism
- Open regionalism: Facilitation of regional economic cooperation and integration while not impeding on the national room for manoeuvre by legally binding agreements (principle of voluntariness)



# Towards a Legalistic Turn in East Asia (I)

In case of ASEAN, non-binding regional arrangements are being challenged by binding agreements:

- ASEAN Charter (2008) “[...] the adoption of the ASEAN Charter is a progress in itself since it entails a legally-binding commitment made by all ASEAN member states.” (Radtke 2014: 97)
- The possibility for a legally binding ASEAN Extradition Treaty. (ASEAN 11/2015: 7)
- Exploration of a legally binding instrument building upon the Treaty of Amity and Cooperation in Southeast Asia (TAC) for the wider region. (ASEAN 09/2016: 3)

## Towards a Legalistic Turn in East Asia (II)

- According to then ASEAN Chair Malaysian Prime Minister Najib a major challenge for the post-2015 period:

”The chief concern is to address the gap between the ASEAN way and the rules-based approach which relies on the objective application of regulations, norms and dispute settlement mechanisms....Moving forward, the Asean Way, with its emphasis on personal relations and behind-the-scenes-agreements, may be incompatible with a rules-based approach. For investors and member states alike, we must resolve this tension” (cited in New Straits Times 09.04.2014: 2).
- Binding legal and institutional frameworks: “This necessity fundamentally requires a regional legal and institutional framework to accommodate the development of the regional legal system of Intellectual Property Laws, liberalized investment laws and regimes, regional competition laws and policies, and an open service market” (Thanadsillapakul 2009: 127).

# Condivergence: The Economic-Security Nexus

- Bilateral and multilateral policy making in the Asia Pacific is characterized by “condivergence”: pattern of two conflicting developments, i.e. converging regional economic policies and diverging regional security policies (see Bersick 2014).
- Condivergence impacts on regional economic cooperation and integration. Any attempt to understand or explain regional integration in East Asia needs to consider economic, political and security factors

# The Economic Dimension: Convergence (I)

- A new trend towards greater constraints on the national room for manoeuvre can be observed in Asia-Pacific.
- Four major initiatives:
  - ASEAN Economic Community (AEC)
  - China-driven Free Trade Area of the Asia-Pacific (FTAAP)
  - ASEAN-centered Regional Comprehensive Economic Partnership (RCEP)
  - US-driven Trans-Pacific Partnership (TPP)
- All four initiatives have underlying different strategic concepts regarding regional economic integration. Yet, all lead to converging economic policies on the regional level.

## The Economic Dimension: Convergence (II)

- Two rivalling positions, one of the PR China and one of the USA, who are both pursuing a leadership role in East Asia and the Asia-Pacific
- The rivalry for regional leadership triggers the question, whether a Sino-centric or an US-centric model shall shape the future of economic integration in the Asia-Pacific
- Through legally binding economic integration, TPP breaks with the tradition of open regionalism in East Asia and the Asia-Pacific
- The recent trend towards rules-based economic integration contributes to economic convergence in the Asia-Pacific by putting greater constraints on the national room for manoeuvre (AEC, RCEP, FTAAP and TPP)
- Yet, even the new trend of convergence excludes major economies from participating. China is not part of TPP and US is not part of RCEP.
- Explanation needs to include security factors

# The Security Dimension: Divergence (I)

- Regional cooperation and integration can significantly reduce the risk of conflicts and security dilemmas, but so far political integration in East Asia is low or even non-existent (Börzel/Risse 2016)
- The debate about China's regional economic integration policy taking place in China shows to what extent the question of regional economic integration and security factors are influencing each other:

Chinese proponents of TPP argue that it might promote a further opening of the domestic economy and reform processes (Xu 2013).

Chinese opponents claim TPP is part of the US' "pivot to Asia" and aims at containing China's rise (by e.g. strengthening US-Japan Alliance). Acceding to TPP would also diminish China's current influence on processes of regional economic integration (Xing/Sun 2013).



## The Security Dimension: Divergence (II)

- In the Asia Pacific the economic and security spheres are entangled: security issues do have an economic dimension. And in turn, the international political economy of the region does have a security dimension.
- “Convergence” is particularly relevant in the case of the South China Sea.
- Seen from a liberal perspective littoral countries’ governments should be well aware that safeguarding maritime security is in their country’s national interest as their national economies depend on intra-regional and global production networks and the functioning of Sea Lanes of Communication (SLOC).
- Yet, claimant as well as non-claimant states’ behavior, like in the case of the USA, to varying degrees, risk a further escalation by playing tit-for-tat.

## The Security Dimension: Divergence (III)

- There is a risk that ASEAN becomes increasingly divided with regard to South China Sea dispute and China's role:
- Examples of the divisive effect on ASEAN: no joint communiqué of ASEAN Ministerial Meeting in Cambodia in July 2012; no joint communiqué after ADMM-Plus in November 2015.
- Island building and “land reclamation” in the South China Sea, “effectively transform(ing) the facts on the ground” (Beeson 2015: 11).
- Philippines' appeal to international law and the arbitral tribunal under the United Nations Convention of the Law of the Sea (UNCLOS) has not resulted in a joint ASEAN position with regard to the Philippines vs. China case in the South China Sea dispute.

## Sources of Normative-institutional Change in East Asia (I)

- A change in the normative-institutional set up of East-Asian economic cooperation and integration processes is taking place, i.e. from open regionalism to legally binding agreements.
- Open regionalism and thus effectivity of regional economic integration “the Asian Way” is questioned.
- China promotes open regionalism, non-binding, based on consensus (FTAAP)
- ASEAN in limbo: Need for normative-institutional change is discussed and there are first examples.
- US promotes a legalistic turn (and four ASEAN countries (Brunei, Malaysia, Singapore, Vietnam) joined TPP)

## Sources of Normative-institutional Change in East Asia (II)

- The limits to regional economic integration are to a large extent defined by security factors:
- The divergence of security policies resulting from threat perceptions and security dilemmas impact negatively on otherwise converging economic integration processes:
- The phenomenon of condivergence, at least for now, makes security trump economics in East Asia and the broader region.

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