

## Summary

### **The Flexible Nature of East Asian Integration and Australia's Engagement**

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My talk for the symposium focuses on three points. First, I point out the characteristics of the ongoing integration processes in and around East Asia. Second, I argue that Australia's efforts to engage with East Asia in the past twenty years and their results illustrate the nature of East Asian integration in sharp relief. Third, I briefly mention the implications of the talk for the future East Asian integration.

The outbreak of the Asian financial crisis in 1997 gave direct momentum to the creation of the concept of 'East Asia' as a region and political and economic integration in the region. The integration processes in East Asia since developed in various aspects and forms: from bilateral currency swap agreements to the Chiang Mai Initiative, from bilateral free trade agreements (FTAs) to ASEAN+1 FTAs and from ASEAN cooperation to ASEAN+3 (Japan, China and South Korea) and ASEAN+6 (ASEAN+3 plus Australia, New Zealand and India) initiatives, among others. During these processes, several features of East Asian integration have emerged. The processes are generally sector and function-based, and bilateral, sub-regional and multilateral frameworks are coexisting in the same sectors. Further, 'extra-regional' countries, such as the United States, the EU, Australia, New Zealand and India, are participating in many of these bilateral and multilateral frameworks. These illustrate that individual East Asian countries are seeking practical and concrete benefits from the processes and they are not tying themselves to any particular method, or even a geographical area, to achieve the benefits.

The nature of East Asian integration has been clearly reflected in the results of Australia's East Asian engagement policies in the last twenty years. Australia's foreign policy in the 1990s was primarily based on multilateral approaches, which led some significant successes such as the Cairns Group and APEC initiatives. In the context of relations with East Asia, Australia sought political, economic as well as cultural integration with East Asia. The results of this 'comprehensive engagement' were mixed. On the one hand, Australia played important roles in the resolution of Cambodian problems and the creation of the ASEAN Regional Forum. Yet, on the other hand, Australia was excluded from the East Asia Economic Group (EAEG) proposal though it was not really materialised, the AFTA-CER (Australia and New Zealand) consultations did not produce meaningful results and the ASEAN-Australia-New Zealand FTA

initiative later was shelved indefinitely.

Since the turn of the century, Australia shifted its foreign policy orientation from multilateral approaches to bilateral approaches. The new orientation was based on a more 'realist' understanding of the international society, which attached paramount importance to states as actors and prioritised their bilateral relations over international organisations and multilateral cooperation. Engagement with East Asia, thus, focused on shared interests and mutual respect between Australia and individual countries, on the premise of the existence of 'differences'. The shift has begun to yield results in recent years. For instance, bilateral FTAs with Singapore and Thailand has already been in effect, FTA negotiations with Malaysia, China and Japan are ongoing and joint studies have been conducted with Indonesia, Korea and India. The bilateral Memoranda of Understanding on Counter-Terrorism were signed with all five original ASEAN members between 2001 and 2005. Moreover, bilateral approaches have produced 'unexpected' results. The once discarded initiative of the ASEAN–Australia–New Zealand FTA was revived and Australia, along with India and New Zealand, was invited to the East Asia Summit.

From the East Asian and Australian experience, some implications could be drawn. These include: the integration processes need to have practical, pragmatic and realistic focus which is acceptable for East Asian countries (especially ASEAN members), the flexible and inclusive nature of the East Asian integration, which makes the concept of East Asia geographically vague, is likely to be maintained for some time; the process can be open to extra-regional countries which have substantial mutual interests, and similar regional frameworks can coexist at least for the time being.