

# THE Williamsburg CONFERENCE

---

Singapore  
May 13 – 15, 2011



Founded in 1956 by John D. Rockefeller 3rd, the Asia Society is an international, nonprofit organization dedicated to strengthening relationships and deepening understanding among the peoples of Asia and the United States. The Asia Society presents a wide range of public programs, including major arts exhibitions, performances, lectures, international conferences, and K–12 educational initiatives about Asia. Headquartered in New York City, the organization has regional centers in the US in Houston, Los Angeles, San Francisco and Washington, DC. Regional centers in Asia include Hong Kong, Manila, Melbourne, Mumbai, Seoul and Shanghai.

---

Rapporteur: Singapore Institute of International Affairs

Editor: Deborah A. Ring

Copies of this report are available from:

Asia Society

Policy and Business Programs

725 Park Avenue

New York, NY 10021-5088

And online at [www.asiasociety.org](http://www.asiasociety.org)

All rights reserved. No part of this publication may be reproduced or transmitted in any form or by any means, electronic or mechanical, including photocopying, recording, or any information storage retrieval system, without written permission from the publisher.

Copyright © 2011 Asia Society

Printed and bound in the United States.

---

# Contents

AGENDA . . . . .	5
FOREWORD . . . . .	10
EXECUTIVE SUMMARY . . . . .	12
<b>PLENUM: America and Asia: Emerging Concerns and Competition . . . . .</b>	<b>14</b>
The Evolution Of U.S.–Asia Engagement. . . . .	15
Emerging Concerns And Competition . . . . .	17
Asean’s Role. . . . .	18
<b>SESSION I: Taking Stock: America And Asian Regionalism . . . . .</b>	<b>19</b>
Examining American Engagement In The Last Decade . . . . .	19
Asian Regionalism: Past, Present, And Future. . . . .	20
The Future Of Global Institutions: Multipolar, Bipolar, Or Nonpolar? . . . . .	22
The Rise Of China . . . . .	22
<b>SESSION II: The Goals Of Multilateral Engagement: What Are We Trying     To Achieve? . . . . .</b>	<b>24</b>
The Twentieth Century. . . . .	24
Our World Today . . . . .	25
The World We Seek. . . . .	25
Toward A Multilateral World. . . . .	25
Impediments To Multilateralism In Asia: The Case Of Asean. . . . .	27
Further Concerns Regarding Multilateralism . . . . .	29
<b>SESSION III: Nationalism, The South China Sea, And The Future Of Asia’s     Common Spaces. . . . .</b>	<b>32</b>
Background Of Disputes: Spratly, Diaoyu Islands . . . . .	32
Points Of View . . . . .	32
Different Approaches To Maritime Disputes: Claiming Common Spaces. . . . .	33
<b>SESSION IV: Asia’s Economic Dynamism And Deepening Economic     Integration . . . . .</b>	<b>35</b>
Is This A Shift Or Transition? . . . . .	35
Challenges To Increased East Asian Integration. . . . .	36
How to leverage Asia’s potential . . . . .	38

SESSION V: <b>South Asia After Osama Bin Laden</b> .....	40
History.....	40
Implications Of Bin Laden’s Killing .....	40
Pakistan’s Role In Afghanistan.....	41
And India .....	43
SESSION VI: <b>The Global Responsibilities Of Asia’s Rising Powers</b> .....	44
Asian Leadership On The Global Stage.....	44
Asean And The Regional Superpowers .....	46
SESSION VII: <b>Implications Of The “Arab Spring” For The Asia-Pacific</b>	
<b>Region</b> .....	47
Short-Term Effects .....	47
Medium-Term Effect .....	48
Long-Term Effects .....	48
What Comes Next?.....	49
SESSION VIII: <b>Task Force Recommendations</b> .....	50
CONCLUSION.....	53
PARTICIPANTS.....	54
FUNDERS .....	56

---

# Agenda

The 39th Williamsburg Conference was held on Sentosa Island, Singapore, May 13–15, 2011. The Conference was co-hosted by the Asia Society and the Singapore Institute of International Affairs.

## **America and Asian Regionalism: A New Strategy for Multilateral Engagement**

**Friday, May 13, 2011**

---

### **Opening Forum**

#### **America and Asia: Emerging Concerns and Competition**

**Tommy Koh**, Ambassador-at-Large, Ministry of Foreign Affairs, Singapore

**David Carden**, Ambassador to ASEAN, United States Mission to ASEAN

**Shaukat Aziz**, Former Prime Minister, Pakistan

**Nayan Chanda**, Director of Publications, Yale Center for the Study of Globalization

Moderator:

**Simon Tay**, Chairman, Singapore Institute of International Affairs

**Saturday, May 14, 2011**

---

### **Session I**

#### **Taking Stock: America and Asian Regionalism**

The Obama administration has recognized the need for a more multilateral approach in its conduct of foreign policy. Significantly, U.S. attention has focused squarely on Asia since the beginning of 2009. Secretary of State Hillary Clinton's decision to make Asia her first overseas destination and her visit to the ASEAN Secretariat, where she signed the ASEAN Treaty of Amity and Cooperation, marked a new phase for America in the region. Under U.S. leadership, new forums are beginning to emerge. The opening session builds on the work of the Asia Society Task Force on America and Asian Regionalism to take stock of where we are today while setting the broader context for the rest of the discussions.

Facilitator:

**Simon Tay**, Chairman, Singapore Institute of International Affairs

Discussants:

**David Carden**, Ambassador to ASEAN, United States Mission to ASEAN

**Aaron Maniam**, Head, Center for Strategic Futures; Deputy Director,  
Strategic Policy Office, Public Service Division, Singapore Prime Minister's  
Office

**C. Raja Mohan**, Senior Fellow, Centre for Policy Research, New Delhi;  
Adjunct Professor of South Asian Studies, S. Rajaratnam School of  
International Studies, Nanyang Technological University, Singapore

**Shen Dingli**, Professor of International Relations; Executive Dean, Institute  
of International Studies; Director, Center for American Studies, Fudan  
University

## **Session II**

### **The Goals of Multilateral Engagement: What Are We Trying to Achieve?**

Facilitator:

**Jamie F. Metzl**, Executive Vice President, Asia Society

Discussants:

**Mohamed Jawhar Hassan**, Chairman, ISIS Malaysia

**Shin-Wha Lee**, Professor, Department of Political Science and  
International Relations; Director, Global Leadership Development  
Center, Korea University

**Ton-Nu-Thi Ninh**, Former Vice Chair, Committee on Foreign Relations,  
National Assembly, Vietnam; President of the Founding Committee, Tri  
Viet University

**Gilberto Teodoro**, Former Secretary of National Defense, The Philippines

## **Session III**

### **Nationalism, the South China Sea, and the Future of Asia's Common Spaces**

The concept of absolute and inviolable national sovereignty is a strongly held principle for many countries in the Asia-Pacific region. Though understandable from a historical perspective, such a traditional notion of sovereignty limits Asian regionalism and, as Asia rises in global importance, threatens to undermine the postwar “international system.” As the influence of Asian countries continues

to grow, and as new conflicts emerge in maritime and even cyber- “common spaces,” how will Asian nations and the United States need to think differently about protecting and maintaining the regional and global commons?

Facilitator:

**Nayan Chanda**, Director of Publications, Yale Center for the Study of Globalization

Discussants:

**Anthony Milner**, Basham Professor of Asian History, Australian National University; International Director and Board Member Asialink and AustralAsia Centre, Asia Society

**Yoshiji Nogami**, President, Japan Institute of International Affairs

**Rong Ying**, Vice President, China Institute of International Studies

#### **Session IV**

#### **Asia’s Economic Dynamism and Deepening Economic Integration**

Following the 2008–2009 global financial crisis and weak recoveries in North America and Europe, Asia has emerged as the world’s engine for growth. The region is home to a large number of diverse economies that are engaged in intense economic competition and deepening economic integration. The result is a powerful economic dynamism that is fundamentally shaping the regional political and security environment. The process of regional economic integration is proceeding rapidly through an expanding network of complex cross-boundary supply chains and a growing web of free trade arrangements. How far has regional economic integration progressed, and what comes next? What will be the key processes, and who will be the key players going forward?

Facilitator:

**Shaukat Aziz**, Former Prime Minister, Pakistan

Discussants:

**Iwan Azis**, Head, Office of Regional Economic Integration, Asian Development Bank

**Sumitaka Fujita**, Special Advisor to the President and Chief Executive Officer, ITOCHU Corporation

**John Pang**, Chief Executive Officer, CIMB ASEAN Research Institute

## **SESSION V**

### **South Asia after Osama bin Laden**

Facilitator:

**Jamie F. Metzl**, Executive Vice President, Asia Society

**Sunday, May 15, 2011**

---

## **Session VI**

### **The Global Responsibilities of Asia's Rising Powers**

The global financial crisis has transformed the region's political and economic landscape. China and India now have taken on a prominence that would have been hard to predict only a few years ago. How has this influenced Asian regionalism? What are the responsibilities of a developing China and India? What would meaningful global leadership by China and India look like?

Facilitator:

**Jamie F. Metzl**, Executive Vice President, Asia Society

Discussants:

**C. Raja Mohan**, Senior Fellow, Centre for Policy Research, New Delhi;  
Adjunct Professor of South Asian Studies, S. Rajaratnam School of  
International Studies, Nanyang Technological University, Singapore

**Ong Keng Yong**, Director, Institute of Policy Studies

**Shen Dingli**, Professor of International Relations; Executive Dean, Institute  
of International Studies; Director, Center for American Studies, Fudan  
University

**Gilberto Teodoro**, Former Secretary of National Defense, The Philippines

## **Session VII**

### **Implications of the "Arab Spring" for the Asia-Pacific Region**

What's happening in Libya and the Middle East is being watched closely in Asia. Interconnected in new ways by social media, publics in the Middle East are demanding rights and new governance structures. To date, there has been relatively little spillover in Asia. Will this last? What are the implications of events unfolding in the Middle East for Asia?



Facilitator:

**Alexandra Harney**, Visiting Scholar, University of Hong Kong

Discussants:

**Akiko Fukushima**, Senior Fellow, Japan Foundation

**Bi-Khim Hsiao**, Vice President, New Frontier Foundation

**Damdin Tsogtbaatar**, State Secretary, Ministry of Foreign Affairs, Mongolia

### **Closing Session**

#### **Task Force Recommendations**

Facilitators:

**Michael G. Kulma**, Executive Director, Global Leadership Initiatives, Asia Society

**Simon Tay**, Chairman, Singapore Institute of International Affairs

---

## Foreword

### Moving Asia-Pacific Relations Forward

On May 13–15, 2011, the 39th Williamsburg Conference was held in Singapore, co-hosted and co-organized by the Asia Society and the Singapore Institute of International Affairs (SIIA). Thirty-two leaders in government, business, academia, civil society, and the media from 15 countries and economies in the Asia-Pacific region gathered to discuss U.S.–Asian regionalism and multilateral engagement. This was an appropriate follow-up to the last Williamsburg Conference held in Singapore (2000) at which delegates discussed “The U.S. Role in Asia in the 21st Century.”

Situated in the major sea lanes in Southeast Asia and a major regional economic hub, Singapore was the ideal setting in which to talk about Asia-Pacific partnership in the areas of security, trade, and economic integration. The conference drew on the work being carried out by the Asia Society Task Force on *US-Asia Relations: A Strategy for Multilateral Engagement*. Delegates discussed the changing relationship between the United States and Asia, the role and future challenges of the Association for Southeast Asian Nations (ASEAN), and deepening economic integration. It was a timely discussion, confirming that multilateral engagement in Asia is the way forward and that the United States remains an important partner for the region.

The Singapore Institute of International Affairs, under the able leadership of Chairman Simon Tay, was an outstanding co-organizer. We wish to express our sincere appreciation to the entire staff of the SIIA for their amazing work in co-organizing the conference and serving as the rapporteur of the Conference Report, led by Anndy Lian, Regina Ng, and Nicholas Fang, for all of their excellent work. A tremendous note of gratitude is owed to our Williamsburg Executive and Steering committees, represented at the conference by Shaukat Aziz and Sumitaka Fujita. We are most grateful to our sponsors—Capella Singapore, Citi, the ITOCHU Corporation, the Lee Foundation, Lotte, the Mitsubishi Corporation, Sembcorp, and Temasek—for their financial support. We also would like to express our sincere appreciation to the Asia Society’s Strategic Partners (see <http://asiasociety.org/about/partnerships>) for participating in the first Strategic Partners meeting prior to the Williamsburg Conference.

We owe our heartfelt thanks to Hee-Chung Kim, Assistant Director of Global Leadership Initiatives at the Asia Society. Hee-Chung has worked to organize

many Williamsburg Conferences, and she and the team again were able to make this year's conference a success. From New York, Yeri Im worked on the logistics of the conference and provided invaluable support to the team.

Finally, we thank our delegates for making this year's conference a tremendous success.

We look forward to their continued involvement and support of the Williamsburg Conference for many years to come.

**Jamie F. Metzl**

Executive Vice President

**Michael G. Kulma**

Executive Director

Global Leadership Initiatives

---

## Executive Summary

The relationship between the United States and Asia is changing. The Barack Obama administration has recognized the need for a more multilateral approach to foreign policy decision making and, as a result, is focusing greater time and resources on Asia. For instance, the appointment of a U.S. ambassador to the Association of Southeast Asian Nations (ASEAN) finally took place in 2009, although this first was proposed in 2006. Additionally, U.S. Secretary of State Hillary Clinton made Asia her first overseas destination following her appointment. Despite some fears, the 2008 financial crisis did not lead to a split between the United States and Asia but rather caused a reshaping of the relationships and an emergence of new forums for regional and international discussion. The United States remains an indispensable power in Asia, but China's rise is being felt across the region, forcing ASEAN member states to reconsider some decades-old security concepts.

Until now, ASEAN played a central role in the growth of Asia's regional processes. It brought together historical rivals by providing a venue in which to discuss a host of controversial issues. Still, whether ASEAN will remain central to East Asian regionalism in the future is unknown. Unless there is greater trust and stability among the East Asian nations, no single body will be successful in coordinating a cohesive governing structure in Southeast Asia.

That said, Asia looks much different today than it did ten years ago. A new type of multilateralism is taking shape across the region, with an increased emphasis on regionalism and a recognition of interdependence. Indeed, as we move toward a multipolar world, it is no longer prudent to cast aside smaller players in the system. Despite a general desire to strengthen the ASEAN framework, substantial challenges to further Southeast Asian integration remain. Contentious issues such as border disputes and territorial conflicts in the South China Sea will test the strength of the ASEAN framework as a mechanism for conflict resolution. The goal of establishing an ASEAN Community with a unified currency by 2015 poses a daunting challenge. There is a consensus that economic integration in Asia can add significant value if

---

**A new type of multilateralism is taking shape across the region, with an increased emphasis on regionalism and a recognition of interdependence.**

---

executed properly, but there is still a long way to go before economic regionalization can become a reality.

As Asian nations continue their economic growth and rise to prominence in the international arena, new challenges will arise. A strong ASEAN, while beneficial to regional stability, will be difficult to achieve, and member states must continue to work toward attaining mutual agreement in order to strengthen collaboration. Facilitated by the United States and China, but led from within, ASEAN can become a strong regional solution-generating body that will endure and prosper well into the future.

---

## Plenum: America and Asia: Emerging Concerns and Competition

Participants in the first plenary session agreed that the U.S.–Asia relationship is changing. Although the dominant presence of the United States and the disunity of Asian nations was the status quo in recent decades, the political climate now seems to be in flux. The room agreed that the Obama administration has taken a more multilateral approach in its conduct of foreign policy and focused greater attention on Asia since the beginning of 2009. For example, Secretary of State Hillary Clinton’s decision to make Asia her first overseas destination and her visit to the ASEAN (Association of Southeast Asian Nations) Secretariat, where she signed the ASEAN Treaty of Amity and Cooperation, signaled America’s renewed and intensified commitment.

The opening session built on the work of the Asia Society Task Force on America and Asian Regionalism to take stock of where we are today while setting the broader context for the rest of the discussions. Participants noted that Asia’s rise on the global stage has played out in front of the world over the past decade and that the United States has enjoyed a deep and strong relationship with many Asian countries. The fact that the United States has been the foremost military power in the region since World War II has provided geopolitical stability and a means by which interdependence across the Pacific between the United States and Asia has been able to grow as Asian nations and their economies have developed. Though many predicted that this surge of growth in Asia, especially in China, would lead to a decoupling between Asia and the United States, the financial crisis that began in the United States at the end of 2008 showed that this was not the case. Contrary to claims that Asia would continue to grow rapidly despite a lackluster economic environment in America, both Asia and the United States suffered from the crisis, although Asia perhaps has recovered a bit faster.

---

*Though many predicted... a decoupling between Asia and the United States, the financial crisis that began in the United States at the end of 2008 showed that this was not the case.*

---

Discussants pointed out that nearly three years after the collapse of Lehman Brothers, many Asian countries continue to experience strong growth, led by China, India, and Indonesia. There are continuous calls for Asian nations to

increase regional consumption and to build independence from America, driven by a prevailing concern that the United States will lose its ability and willingness to engage Asia if its economy continues to remain in the doldrums for several years.

### **The evolution of U.S.–Asia engagement**

The panel noted that the Obama administration has made a significant effort to undertake a more multilateral approach to foreign policy. In July 2011, Secretary of State Clinton attended the ASEAN Regional Forum in Bali, Indonesia, and President Obama was scheduled to attend the East Asian Summit there in November. Participants in this session praised the Obama administration's engagement with Southeast Asia and asserted that Asia deserves and requires equal attention as it seeks multilateral cooperation.

Although participants also gave the George W. Bush administration credit for prioritizing Asian giants China and India (and, to a lesser extent, Japan and South Korea) and for dealing with regional hot spots such as the Korean Peninsula, they were quick to point out that the Bush administration did not fully understand or engage with the phenomenon of East Asian regionalism and issues on the East Asian agenda. Moreover, other Asian nations, especially those in ASEAN, struggled to gain sufficient and sustained attention from the United States despite the fact that ASEAN was a main hub and convener for East Asian regionalism.

Since the beginning of 2009, U.S. attention has shifted back to Asia. Secretary of State Clinton's decision to make Asia her first overseas destination, and her declaration that the United States was "back in Asia," were important first steps. It is also significant that she made two trips to Asia, visiting not only long-standing U.S. allies Japan and South Korea as well as China, but also Indonesia. She also attended the ASEAN Secretariat, where she signed the ASEAN Treaty of Amity and Cooperation, and the ASEAN Regional Forum (ARF), where she launched the Mekong Initiative.

Regional leaders appreciated President Obama's ten-day tour of Asia in 2010, during which the president spent time visiting the region's four largest democracies and affirmed his intent to engage with Asia. Additionally, the fact that the tour took place during a time of much political turmoil in the United States impressed Asian leaders. Americans also were largely satisfied with the results of the tour: President Obama delivered on a campaign promise to stand firm in opposing the outsourcing of U.S. jobs to India and to lay the groundwork for a trade agreement with South Korea. Participants agreed that many Asians felt relieved that U.S.–Asia relations would continue to strengthen.

Participants also believed that every effort should be made to engage the

United States economically in a positive way. At the end of 2009, the United States began to participate in the Trans-Pacific Partnership (TPP) negotiations, which energized the group, and the Asia-Pacific Economic Cooperation (APEC) Summit. Additionally, the long-awaited Korea–U.S. Free Trade Agreement finally was concluded in December 2010. To enrich and sustain its engagement, however, the Obama administration needs to demonstrate to the American people that cooperation with other nations and sustained global economic engagement also can benefit the U.S. economy and American workers.

Participants noted that new forums for regional discussion already are beginning to emerge. Building on the ASEAN defense ministers’ meeting, a formal dialogue between the defense ministers of eight key countries—China, Japan, South Korea, India, Australia, New Zealand, Russia, and the United States—will run parallel to the ARF. The United States has joined the East Asia Summit (EAS), an important annual initiative that brings together India and China, with ASEAN playing host. A meeting such as this, which gathers key leaders to discuss substantive engagement on regional security matters, is an important step forward. Because APEC exists to address economic issues, and the U.S.–ASEAN Summit deals with broad issues of concern to both parties, forums in which to handle security matters in the region need to be developed.

But the group also warned that the capacity and will of the United States to collaborate with Asia should not be taken as a given. One can have the strongest intention to engage, as President Obama indeed appears to have, but still be unable to deliver because of difficult political situations at home. In spite of forceful rhetoric and increased participation in the region, President Obama has yet to live up to his claim that he is the first “Pacific” president. Many opportunities remain for his administration to engage more deeply with Asia. That said, there are a number of threats to further U.S. engagement in Asia.

First, domestic issues and partisanship in the United States may jeopardize America’s willingness to engage more deeply with Asia. In the wake of the global financial crisis, most countries, including the United States, have successfully avoided introducing a spate of beggar-thy-neighbor policies.

Although the United States made progress by signing the Korea–U.S. Free Trade Agreement, the bill still must be ratified in Congress. Progress on the TPP has been slow and incremental. Furthermore, aside from the free trade agreement

---

*One can have the strongest intention to engage, as President Obama indeed appears to have, but still be unable to deliver because of difficult political situations at home.*

---



with Korea and the TPP, the United States has yet to develop any new free trade agreements or join wholeheartedly in the region's economic arrangements. This shows that the United States is still hesitant to fully engage with the Asian region. Thus, an ongoing pattern has emerged in which the Obama administration uses strong rhetoric about engaging Asia and attends meetings but fails to demonstrate by more convincing action that the United States will entrench itself in the region.

However, there are opportunities for President Obama to prove the United States' intent to commit to Asia as the season of Asian summits approaches. Last year, Secretary of State Clinton raised concerns about the South China Sea—an issue that has developed into a considerable flashpoint. Since that time, other territorial and security dilemmas have arisen as well, offering opportunities for the Americans to step in to help resolve these regional disputes, thus proving that they are genuine in their rhetoric.

The group agreed that the United States must think about how it wishes to frame the APEC summit, which it is hosting later in 2011. The United States has come on board with the TPP and has transformed the small grouping into negotiations that can instill new energy into trade liberalization efforts in the region.

Finally, at the end of this year, the East Asia Summit will be held in Bali, with the United States and Russia participating for the first time. President Obama is expected to attend and demonstrate his continued commitment to the Asian region.

### **Emerging concerns and competition**

Participants felt strongly that the U.S.–China relationship is important, not just for those two countries, but for the rest of Asia and the world as well. At the recent U.S.–China Strategic and Economic Dialogue, participants were positive in their outlook on economic issues, but tension remained during discussions about human rights and the treatment of dissidents.

One panelist expressed concern that the killing of Osama bin Laden may create more strain as new rifts emerge in U.S.–Pakistan relations. The relationship between these two nations can greatly affect the outcome of the war in Afghanistan and will have lasting implications for other important regional players.

All discussants hoped that the economic downturn in the United States would not affect relations with the region. Concerns remain about housing prices and the budget deficit, even though both the stock market and the jobs situation are improving. Some question whether the United States can sustain its economic

recovery and whether U.S. policy makers have the will to address budget deficits. However, no one is writing off America, and most seem to have faith in the United States' ability to recover and its willingness to innovate.

### ASEAN's role

Participants were happy to point out that ASEAN has played a central role in Asia's regional processes. It has brought together historical rivals while providing forums for discussing a host of issues. Still, the rising powers in the region have differences among them and diverge in their views on the United States. Despite these differences, ASEAN has been an effective forum for dialogue because of its political openness to different partners and because it is neither a competitor nor a threat to these rising powers.

However, some panelists warned that ASEAN's central role in East Asian regionalism is not guaranteed in the future, as the institution is still relatively weak.

Unless there is greater trust and stability among East Asian nations, no leadership can emerge that will be acceptable to all members of the region and protect U.S. interests and influence at the same time.

ASEAN provides an example and possible foundation for future Asian regionalism based on shared norms. The role of ASEAN in engaging the emerging powers of Asia deserves recognition and support in this context. A deeper ASEAN engagement with the United States can reinforce the importance of values and norms, not just a balance against different powers in Asia.

---

*A deeper ASEAN engagement with the United States can reinforce the importance of values and norms, not just a balance against different powers in Asia.*

---

---

## Taking Stock: America and Asian Regionalism

The session began with the acknowledgment that the United States is engaging Asia more actively. Participants acknowledged U.S. shortcomings in hesitating to fully engage by signing further free trade agreements, but they applauded the overall dedication of the Obama administration to Asia. President Obama has played a positive role in actively taking stances on key Southeast Asian issues. While China is wary of too much U.S. presence in the region, the Southeast Asian nations are keen on the balance and stability that U.S. engagement can bring.

To a casual observer, the existing regional architecture may seem to have developed haphazardly into a confusing “alphabet soup” of acronyms. However, these structures have formed organically over time, with regional government cooperation in response to evolving needs and challenges. Through structures such as APEC, ARF, EAS, and ASEAN+3, all countries with a stake in regional peace, stability, and economic prosperity are engaged. Through these forums, relevant issues facing the region—strategic, political, security-related, economic, financial and functional cooperation—are being addressed. However, there is no single institution with a mandate to comprehensively address both economic and strategic challenges.

The regional institutions that have developed can be broadly categorized into three groups: community building (e.g., East Asia Summit, ASEAN+3), economic cooperation (e.g., APEC), and security (e.g., the ASEAN Regional Forum).

This arrangement has its strengths, but it certainly also has its weaknesses, including a decentralized leadership format. Thailand’s former prime minister, Abhisit Vejjajiva, for one, believes that while the Asia-Pacific should not become complacent with the current arrangement, the best and most realistic framework for regional stability and institutional efficacy is not to “tidy everything up” into one regional forum. Instead, he purports that the region should build on and develop the institutions that are already functioning and effective.

### Examining American engagement in the last decade

The United States’ appointment of an ASEAN ambassador was a milestone in American engagement in Southeast Asia. The appointment, first proposed in 2006–2007, took time to materialize, with no permanent representative in place until 2009.

That year, Secretary of State Clinton made her first official trip to Asia, and her first destination was the ASEAN Secretariat. There, Secretary Clinton committed to the ASEAN Treaty of Amity and Cooperation. Also in 2009, President Obama attended the first-ever meeting of U.S. and ASEAN leaders, which was followed by a second meeting in the United States in September 2010. A third meeting is scheduled for November 2011 on the sidelines of the East Asia Summit.

To understand U.S. engagement in the region, one can look to some of the important policy speeches given by ranking Obama administration officials. For example, Secretary Clinton spoke at the East-West Center and at the ASEAN Regional Forum last year, where she explained that a key goal of the Obama administration is to “lay the foundation for a revitalized Asia-Pacific relationship,” acknowledging that America’s future is directly linked to that of the Asia-Pacific region. As Secretary Clinton has said many times, Asia is indispensable to addressing global security and humanitarian challenges. And, to show that this desire to engage more fully with Asia as a region is genuine, the United States is hosting APEC this year—the leading framework in the Pacific on economic activity. As for the East Asia Summit, the hope of the ASEAN nations is to expand this body into a serious leadership forum.

All of this sets the stage for a robust U.S. role in shaping regional architecture. But it begs the question, why is the United States investing time and energy in multilateral engagement? And why now?

The United States has a system of bilateral alliances that continue to form the bedrock of its diplomacy. These are deep and collaborative relationships with allies such as Japan, the Philippines, Thailand, and Singapore. The recently published Quadrennial Diplomacy and Development Review underscores the importance of multilateral engagement in Asia: the United States wants to be involved in these high-level conversations.

For Asia’s part, ASEAN leaders are attempting to define a concept called “open regionalism.” The term reflects the new reality that challenges today are not constrained by geographical borders, but rather are shared and must be dealt with across borders and divides. These include nontraditional challenges such as food, water, and energy security, cybersecurity, and terrorism. The new regionalism does not necessarily entail a fundamental reordering, but it requires flexible response options that allow countries to meet new and evolving challenges. The United States appears keen to engage with this type of effort going forward.

### **Asian regionalism: Past, present, and future**

As the Obama administration revitalizes the American presence in Asia, it finds a region transformed since the 1997 Asian crisis. Partly because of sustained

economic development and a strong desire for further integration, a number of new institutions and forums have emerged in Southeast Asia that have made the region more influential in international affairs. Indeed, the world has witnessed the growth of East Asian regionalism to encompass everything from free trade and economic agreements among neighboring countries to ministerial meetings and

---

*...the phenomenon of East Asian regionalism has one notable feature: it has thrived on an intra-Asian basis that largely has excluded the United States.*

---

summitry in the ASEAN+3 and East Asian Summit processes. Despite these variations, the phenomenon of East Asian regionalism has one notable feature: it has thrived on an intra-Asian basis that largely has excluded the United States.

Drivers of Asian regionalism emerged during the regional financial crisis of 1997–1998, when many in the region felt that the United States did little or nothing to assist them. The distance between the United States and Asia grew during the early years of the Bush presidency, when it was perceived that minimal attention was given to the region beyond “hot spot” issues such as the Korean Peninsula and the global war on terrorism. Many in Asia felt as though the United States was ignoring—or worse, suppressing—their aspirations. Therefore, the region responded by independently developing and furthering its own agenda. The low level of U.S. engagement was surprising, given the desire of many regional players for an enhanced American presence to provide security, economic investment, trade liberalization, and aid. Moreover, U.S. strategic interests would support a heightened presence across the Pacific, given the region’s conflicting realities of being a hub of economic activity while simultaneously being at risk of insecurity and instability without a ready guarantor within the region.

In light of the global precedent for regional community building—the European Union—this wave of growing integration in Asia is understandable and does not harm American interests at present. However, it is apparent that since 1997, trans-Pacific processes such as APEC have lost steam compared to intra-Asian efforts. Unless understood and managed for the future, this would suggest a shift in balance that may not favor U.S.–Asian ties.

As part of this regionalism, ASEAN has played a central role in organizing Southeast Asian nations to collaborate on key challenges. It has brought together historical rivals while providing forums for the discussion of a host of issues. ASEAN’s role is significant. The rising powers in the region have differences among them and diverge in their views on the United States. In this context, ASEAN has been a hub and a convener because of its political openness to different partners

and because it is neither a competitor nor a threat to these rising powers.

However, unless there is greater trust and stability among East Asian nations, ASEAN's central role is not guaranteed for the future. As nations such as China, India, and Japan continue to rise and assert themselves, ASEAN risks getting lost in the fray if it cannot increase cohesion among its members. The hope is that ASEAN can adapt and remain a source of leadership that is acceptable to all Asians and simultaneously is beneficial for the United States and its interests.

### **The future of global institutions: Multipolar, bipolar, or nonpolar?**

There is an idea that “nonpolarity” will become critical in the future—that is, a world in which not one, two, or even three state actors dominate the realm of international affairs. Rather, nonpolarity suggests that power will be diffused rather than concentrated, and there will be an increased role for nonstate actors.

While scholars have observed that there seem to be dominant powers that are exerting pull on other countries around them, it is also possible that there will be an increase in nonpolar relationships. At the moment, we seem to be in a multipolar world that is shifting toward nonpolarity; for example, in the U.S.–China relationship, there is no longer one clear dominant power, and in fact other nations, such as Japan, seem to play a key role as well. However, we also are witnessing the rise of regional infrastructure, such as ASEAN, and other nonstate actors that are exerting influence, if not direct power, in the region. Delegates believe that interlocking relationships will become much more resilient, as there are no two poles but a disparate set of influences.

---

*...we also are witnessing the rise of regional infrastructure, such as ASEAN, and other nonstate actors that are exerting influence, if not direct power, in the region.*

---

We tend to think of these poles as nations, but subregional units are having a growing influence—for example, the “mega-regions” around Beijing, Shanghai, and Bangalore, to name a few. These sorts of forces increasingly may be able to shape outcomes.

Finally, transboundary problems, such as SARS and haze pollution, increasingly will transcend traditional political jurisdictions. Such nonpolar problems may require nontraditional solutions.

### **The rise of China**

The delegates agreed that U.S.–China ties may be the most important for the region, and others in Asia have a stake in strengthening them. Asians do not want to have to choose between China or the United States; they would prefer to have

the opportunity to engage and interact with both countries. Participants stated that efforts to build a strategic dialogue between China and the United States should start by focusing on issues of bilateral importance, but increasingly, the context should be the region as a whole. Strong ties between China and the United States will be good for all, as will strong ties between China and other Asian nations. Therefore, Asian countries have a stake and can play indirect, but not insignificant, roles in the bilateral U.S.–China relationship. This will be an important context for Asia’s regional dialogues and new discussion forums.

## The Goals of Multilateral Engagement: What Are We Trying To Achieve?

### The twentieth century

Participants in the second session began by revisiting the past. Many characterized the second half of the twentieth century as a period of “Pax Americana.” That is to say, for much of the twentieth century, the Western Hemisphere and the so-called Western world enjoyed a period of extended peace resulting from the preponderance of political, economic, and military power exerted by the United States. Moreover, the world once was divisible into two groups: “major players” and “minor players.” Major players were economically and militarily dominant countries such as the United States and the United Kingdom, while minor players included the whole of Asia and Australia. The major players were the trendsetters; their actions and words defined the course of international politics, whereas those of the minor players had relatively less impact. In economic terms, the minor players were “price takers,” while the major players were “price setters.”

### Our world today

Participants agreed that today, however, the situation has changed. In our modern, fast-paced, increasingly globalized world, the influence of the major players is no longer unchallenged. The new analogy is to view the previously minor players as water. Water, although not always a definitive or shaping force, can be extremely potent when it is moved and manipulated. Nobody disputes the power and influence of the major players, but the force of smaller countries and nonstate actors also no longer can be ignored. In other words, the minor players may not create trends, but the way in which they react and respond to them can shape the world. Such is the impact of globalization and the increasing prevalence of emerging economies. To put things into perspective, we can look at Asia today as an example of this new paradigm. While certain Asian nations, such as China, still may be viewed as major players in the region, the new reality is that any Asian country can act, or react, to a multitude of international stimuli. Thus, the status quo in Asia is being transformed, causing ripples of change to reverberate across the rest of the world.

---

*Nobody disputes the power and influence of the major players, but the force of smaller countries and nonstate actors also no longer can be ignored... the minor players may not create trends, but the way in which they react and respond to them can shape the world.*

---



As we face this new reality, it is clear that the system must adapt to accommodate it; no one country can continue to act without regard for the responses or reactions of another. Therefore, a new type of multilateralism is taking shape across Asia and the world, and we are seeing a greater emphasis on regionalism and, as a result, on regional action. Indeed, the question has become, are we witnessing the dawning of a new post–Pax Americana world order?

### **The world we seek**

There are many ideas about the type of world we should be seeking given this new set of circumstances. What all of these ideas have in common is that they see a primary role for multilateral action in the international arena.

One view argues that we should aim for a kind of “Pax Pacifica” in which all Asian players, regardless of size and clout, have a vested interest in peace, stability, and prosperity through collaboration with the United States. This would mean that all countries could find some ground for productive, effective relations with each other in order to achieve a set of common goals. While this sounds good in theory, there certainly would be many obstacles to overcome in order to achieve this outcome in practical terms—differences in morals and values are one of them.

Another view is that we should not focus only on U.S.–Asia relations, but rather on how the United States and Asia separately connect with the rest of the world. If, as many believe, Asia is “on the rise,” it will be a very influential force in international relations for the next 50 years. Thus, how Asian nations as individual players relate to other countries will have a significant impact on world events.

A third view stresses the importance of multilateralism over bilateralism. A world that has experienced the effects of globalization must recognize that states thrive on a sense of shared interest and common goals among a few particular states at any given point. The consensus at the Williamsburg Conference was that in Asia, the time has come for a region more driven by multilateral relations.

### **Toward a multilateral world**

Delegates stressed that as we work toward a multilateral world, we cannot ignore the smaller players in the system. Stakeholder formations are complex. New ones are emerging every day, and hence there is a constant need to adapt. Participants made a number of points about the methods for developing institutional formations in Southeast Asia:

- 1) The urge to construct a fixed structure, and to follow the rules that traditionally come with such a structure, needs to be resisted. A more organic approach must

be adopted. The environment and backdrop surrounding key world events must be carefully considered, and diplomacy is an evolving force that does not take the same shape or employ the same methods in every case. For Asia, this may mean that countries should take turns in the driver's seat, depending on the situation. There is room for improvement in terms of identifying issues and areas for collaboration in order to produce enhanced cooperation and the kind of institutionalization that is desirable and achievable.

- 2) However, there must be no delusions that this will be an easy process. To achieve their objectives, countries will need to manage situations in which players have divergent, conflicting interests and goals. This is challenging, as successful multilateral diplomacy sometimes can strain bilateral ties. But countries must keep in mind that the strength of ASEAN as a unit is much greater than that of any one or two of its individual members.
  - 3) On an interregional level, countries need to show respect for their counterparts that want to band together to establish a multilateral process that is not antagonistic toward others. Countries should try their best not to act on the threat they may perceive as a result of new relationships between other countries.
  - 4) Strong bilateral ties are essential to multilateral ones. They help in the transfer of skills, knowledge, and technology.
  - 5) Problems attributable to differences in identity, values, and interests must be solved quickly.
- *...countries will need to manage situations in which players have divergent, conflicting interests and goals... But countries must keep in mind that the strength of ASEAN as a unit is much greater than that of any one or two of its individual members.*

---

In short, we can use the concept of the “four Is” to summarize this process: interest, image, idea, and institution.

### **Interest**

In international affairs, the interests of a country, region, or subregion (in this case, Asia) are determined by its leaders. In a sense, this is an incomplete view of the situation (as the interests of large corporations, for example, might not be the same as those of the government or the average citizen), but for the purposes of international relations, we must assume that a country's leader accurately will represent its interests. However, today, interconnectedness (or globalization) enables countries to be part of, and hence have a vested interest in, transnational issues. Thus, interests overlap.

## **Image**

The definition of image here is the way in which ordinary citizens view their region (again, in this case, Asia). According to one delegate, different countries have different priorities, and the collective Asian identity was distorted by history during the world wars. In East Asia, few see themselves as “Asian.” They identify themselves by country and perhaps even as global citizens, but hardly do they see themselves as Asian or East Asian. The question, then, is what sort of identity should the international community seek to imbue them with? What image should their leaders cultivate? This brings us to the third “I.”

## **Idea**

There exists no apparent fleshed-out picture, or idea, for Southeast Asia as of now. This is an obstacle that needs to be overcome. On one hand, the ASEAN Community is a start, as is the goal of creating a venue for regional economic cooperation, based loosely on the same principles that were used to create the European Union. Still, this idea is far from polished. Through continued engagement and discourse, it will be refined. Once the idea is clearer and the goals are cleanly laid out, it is possible to discuss the fourth “I.”

## **Institution**

Only once the vision (idea) is clear is it possible to begin to build viable institutions. The key to building a successful institution lies in determining the appropriate structure. Different kinds of institutions call for different building techniques, and identifying which to use in each situation is key in determining whether the institution will last and succeed or whether it will fail. This is not easy; it can be difficult to strike a balance between creating an institution that is strong and center driven versus diffuse and input driven. All parties want to feel represented by the institution and do not want to see their interests subjugated to those of other, more “powerful” players. Still, if executed effectively, the “four Is” can be a comprehensive and multilayered base that can help build strong multilateralism in the region.

## **Impediments to multilateralism in Asia: The case of ASEAN**

While it is easy to talk of “multilateralism” as a concept that will solve many problems, participants in this session agreed that, in truth, multilateralism has its own problems. Each problem that needs addressing has its own character, as does each and every multilateral institution that is built for a specific purpose. For starters, countries that wish to enter the new institution, or to participate in the joint problem-solving process, must adapt to what the circumstance requires of them, which is not always an easy task.

In ASEAN, structures and processes are developed to respond to the needs of the time. Changing needs over time require high degrees of flexibility.

For example, ASEAN includes both historical and rising economic powerhouses. The implication of this is that there is no real status quo; rather, countries rise, stagnate, and decline over short periods of time, and the rest of the member countries must learn to adapt to constantly changing circumstances. Flexibility and the ability to adapt are key traits of all member countries, as rigidity and strict adherence to arcane rule structures will lead to complications and limit productivity of ASEAN.

Furthermore, multilateralism in Southeast Asia does not have a leader; things are done through governance by consensus. Heads of ASEAN are chosen periodically, and all countries take turns in the driver's seat—that is, leading the effort to accomplish the goal of the moment. While this allows each country to feel involved and have a genuine say in decisions, it also can lead to problems. One example is the controversy over Myanmar: ASEAN countries have conflicting views about Myanmar's proposal to chair ASEAN in 2014. Many countries, including those that are not members of ASEAN, have a vested interest in Southeast Asia and ASEAN, and therefore they are concerned about its chair being given to a country such as Myanmar—a state that has not demonstrated a willingness to engage and has numerous human rights abuses on its record. The chair, after all, is supposed to be the driver of the association, and countries such as the United States and its European allies do not want to see Southeast Asia go in the direction of Myanmar.

Taking this to the next level, the implementation of practical, effective solutions to genuine challenges is a huge obstacle, as multilateral institutions such as ASEAN are forced to take into consideration differing national interests and priorities of subregional groups. Inevitably, there will be times when regional concerns come before global benefit, and ASEAN has to manage that balance as well as deal with the consequences of such a trade-off.

As mentioned earlier, even if goals are aligned, the value systems that exist in different countries will affect the success of multilateralism. Once something is labeled a “community” (as ASEAN is), there is the idea that all members subscribe to the same unified, values-driven system. However, in Southeast Asia, there is so much diversity of culture, ethnicity, and religion that this simply is not the case. An especially egregious

---

*Once something is labeled a “community” (as ASEAN is), there is the idea that all members subscribe to the same unified, values-driven system. However, in Southeast Asia, there is so much diversity of culture, ethnicity, and religion that this simply is not the case.*

---

example of this divergence is Myanmar; the country is often regarded as a problem, as it seems to differ from the other members in terms of its hierarchy of values. This further highlights the significance of the all-important “driver’s seat,” as the driver is the one that steers the community in the “right direction.”

### **Further concerns regarding multilateralism**

Delegates listed a number of other points that should also be considered when evaluating multilateralism and the objectives for considering multilateral solutions:

- 1) Are goals and structures interchangeable concepts?
- 2) If multilateralism is not yielding the desired results, does it change the role of the articulated goals?
- 3) How useful are the goals of peace, stability, and progress? Would it be more useful to address more concrete, specific issues such as climate change and poverty reduction?
- 4) Is regionalism/multilateralism an open concept? How many stakeholders actively will be participating in the engagement?
- 5) Do we have the proper vehicles to share resources to ensure that multilateralism can succeed?
- 6) Are we looking at truly multilateral engagement, or little more than bilateralism?
- 7) Where does economics come into play? Economic configuration is very important for regional engagement. It can have a two-way effect on economic integration (whether regional or multilateral) and different economic sectors (trade and financial).
- 8) What will happen if we can successfully create bands of countries, but cannot disband them? Would this pose a problem?
- 9) Outlier countries such as Myanmar and North Korea must be taken into account.

In sum, there is common interest in the idea of multilateralism. But within multilateralism, there are many smaller types of integration, such as regionalism, which are increasingly important. The challenge is to get to the point at which regional and broader multilateral action can be employed usefully and effectively. Unfortunately, this is easier said than done, especially given today’s fluid and changing world.



2011 Williamsburg Conference Delegates

*Left to Right:* Tommy T.B. Koh (Singapore) and David Carden (United States)



*Left to Right:* Shaukat Aziz (Pakistan) and Nayan Chanda (United States)

*Left to Right:* Bi-Khim Hsiao (Taiwan) and Alexandra Harney (United States)





Left to Right: C. Raja Mohan (India) and Anthony Milner (Australia)



Left to Right: David L. Carden (United States), and Rong Ying (China)



Left to Right: Yoshiji Nogami (Japan) and Ton-Nu-Thi Ninh (Vietnam)



Left to Right: Shen Dingli (China), Rong Ying (China), and John Pang (Malaysia)



Left to Right: Simon Tay (Singapore), Yeo Lay Hwee (Singapore), and Damdin Tsogtbaatar (Mongolia)

---

## Nationalism, the South China Sea, and the Future of Asia's Common Spaces

The concept of absolute and inviolable national sovereignty is a strongly held principle for many Asian nations. Though understandable from a historical perspective, such a traditional notion of sovereignty limits Asian regionalism and threatens to undermine the postwar “international system” as Asia increases in importance.

As the influence and impact of Asian countries continue to grow, and as new conflicts emerge in the maritime sphere (e.g., the South China Sea) and even in cyber- “common spaces” because of the notion of national sovereignty, Asian nations and the United States need to think differently about protecting and maintaining the regional and global commons.

### Background of disputes: Spratly, Diaoyu Islands

Two maritime disputes in the South China Sea were discussed at the conference, as they have serious implications for the stability of Southeast Asia.

The Spratly Islands are claimed by China, the Philippines, Taiwan, Malaysia, Vietnam, and Brunei. The dispute is the result of overlapping sovereignty claims to the Spratly Islands that are thought to possess substantial natural resources—chiefly oil, natural gas, and seafood.

The Diaoyu/Senkaku Islands are claimed by China, Taiwan, and Japan. None of the countries wants the issue to become a source of difficulty in their bilateral relationships, as the South China Sea has in Southeast Asia. Moreover, although the ownership of natural resources is the main point in this dispute, it is believed that the dispute is not simply about resources; it is also about asserting power in the region. Political concerns and domestic pressures further complicate the issue.

---

*...it is believed that the dispute is not simply about resources; it is also about asserting power in the region. Political concerns and domestic pressures further complicate the issue.*

---

### Points of view

There has been much regional discontent with China's map of the South China Sea, which featured nine dotted lines demarcating the territory that China claimed as its



own. China submitted the map to the United Nations in 2009, drawing protest from other claimants, but it has stood by its claims ever since.

As China is a claimant of both the Spratly and Senkaku/Diaoyu islands, the Chinese perspective is critical to understanding the South China Sea disputes. While China is committed to the peaceful resolution of these disputes, it also asserts the inviolability of its territory and is unlikely to cede any of it. The following points were made regarding the Chinese position:

- 1) China has been reasonable and pragmatic in settling border disputes. Land border disputes with 12 of 14 countries have been solved. The Chinese have adopted both a firm principled approach that stems from feeling strongly on historical grounds and an effective pragmatic approach based on mutual accommodation and adjustment.
- 2) China always has adopted a defensive posture regarding territorial disputes and feels that it is being forced to manage a host of external hostilities and internal problems that include managing agencies and the public.
- 3) China believes that the way to solve disputes is to take a concrete, rule-based approach that can be applied to multiple situations—the Chinese do not wish to see tensions escalate, nor are they in favor of using threats to achieve their goals. The Chinese currently are pursuing different crisis management strategies and may even establish an organization to deal with maritime issues (piracy, fishing, etc.).
- 4) Vietnam's maritime disputes with China pertain to the exclusive economic zone (EEZ) on Beibu Bay, the EEZ on the South China Sea, and the Paracel and Spratly islands. Vietnam, though a much smaller developing economy with fewer resources, is not about to cede its claim to the EEZs and allow China to have its way. That said, China occasionally has engaged in provocations in the South China Sea to test the waters and assert its claims over the territory. This is a potential flashpoint that must be monitored closely.

### **Different approaches to maritime disputes: Claiming common spaces**

At the end of the session, parallels between areas of maritime disputes and common spaces were drawn. The discussants suggested several approaches to resolving maritime disputes that could be adapted to protect and maintain the regional and global commons. They are as follows:

- 1) Solely considering claimants in conflict resolution is insufficient. Stakeholders with vested interests have to be considered as well.

- 2) Thus, rules have to be worked out by all stakeholders. This is a very time-consuming process, but in light the problems of claims and counterclaims, there needs to be a pragmatic method of joint discussion and development of rules.
- 3) Third-party intervention in dispute resolution must be reassessed. In many cases, third parties have their own agendas that prevent them from acting as impartial arbitrators in dispute resolution.
- 4) In theory, the International Court of Justice (ICJ) would be a fair venue for conflict resolution. But even international bodies such as the ICJ are flawed. Furthermore, the court's decision is final, and "losers" cannot appeal the ruling. This type of finality can lead to escalation of conflict, and even violence, if a claimant feels that it is dealt an unfair ruling.

---

*Regardless of whether the status quo is to be preserved, or whether ownership is to be granted to specific claimants, a set of universal rules needs to be established. These rules will continue to underlie the decision-making process and must take into account the considerations of all stakeholders.*

---

As traditional maritime and land border disputes pose a significant threat to the sustained peace and stability of Asia, and considering the ever-increasing importance of cyberspace, the regulation and maintenance of common spaces needs to be tackled as soon as possible. Regardless of whether the status quo is to be preserved, or whether ownership is to be granted to specific claimants, a set of universal rules needs to be established. These rules will continue to underlie the decision-making process and must take into account the considerations of all stakeholders.

---

## Asia's Economic Dynamism and Deepening Economic Integration

Following the 2008–2009 global financial crisis and weak recoveries in North America and Europe, Asia has emerged as the world's engine for economic growth. The region is home to a large number of diverse economies that are engaged in intense economic competition while simultaneously deepening their economic integration. The result is a powerful economic dynamism that is fundamentally reshaping the regional political and security environment. The process of regional economic integration is proceeding rapidly through an expanding network of complex cross-boundary supply chains and a growing web of free trade arrangements. Among the issues discussed, participants examined how far regional economic integration has progressed and what comes next. They also considered what the key processes and players will be going forward.

### Is this a shift or transition?

A shift signals that the global system already has reached the intended endpoint. A

---

*In the case of Asia's economic growth, it is more likely that we are in the midst of a transition and not a shift... Today, the Western world is in debt and Asian countries are buying up Western sovereign debt... One view surmises that the current situation is unsustainable and likely will evolve.*

---

transition, on the other hand, suggests that the system still is evolving on its way to an end state. In the case of Asia's economic growth, it is more likely that we are in the midst of a transition and not a shift.

To understand why Asia is characterized in this way, we can look at an economic example. Today, the Western world is in debt and Asian countries are buying up Western sovereign debt. But the question is whether this scenario is a new status quo or one that will change. One view surmises that the current situation is unsustainable and likely will evolve. For example, currently, there is greater potential for inter-Asian trade. Increased regional trade certainly may

come into play in the future and would serve as a further impetus toward increased economic integration.

## Challenges to increased East Asian integration

### Cultural concerns

Some camps believe that cultural biases play an obstructive role in Asian economic integration. For example, the credit ratings of the majority of Asian bonds are stagnant, even though Asian economies are the greatest purchasers of Western sovereign debt. The weakening of Western economies also seems to have had little impact on their credit ratings, except in the most extreme cases, such as Greece.

History is also a limiting agent in Asian economic integration. Countries still may harbor distrust or subtle hostility toward each other based on past events; for example, there is still a general Chinese resentment toward Japan for its past aggression and colonialism.

### Financial and trade integration

Participants agreed that there is room for more trade integration to occur in Asia, and even more so for financial integration. This situation is expected to improve quickly as a result of the global financial crisis, which has forced Asian countries to turn inward and rely on domestic and regional markets rather than on Western countries as markets for Asian exports. The question is whether financial integration will follow suit. Can financial integration be achieved by using intentional policy implemented by the region to strengthen the financial situation, or is self-reliance a given pattern?

### Current economic blocs

Currently, the most well-known economically integrated bloc is Europe. It possesses both trade and financial integration in that it has free movement of goods within member countries and a common currency. Though the European Union (EU) has progressed well for the most part, it currently is going through trials and tribulations. Several countries are in debt, and the countries with larger economies are propping up the entire union. Complexities are rife, and the action of any member has a significant impact on the others and on their shared currency.

A less well-known example of economic cooperation is the Gulf Cooperation Countries (GCC), which include Kuwait, Bahrain, and Qatar. Having royal executives has allowed them to band closer together, but their economic integration is on a much smaller scale. Unlike the European Union, there are no free trade agreements between the GCC and other countries—GCC economic cooperation is mainly internal and inward looking.

Should Asia wish to deepen its economic integration, the EU model is a good

place to start. However, it is important to remember that the institution has its flaws, that it is built on uncertainty, and that it lacks proven capability. In that sense, Asia is similar to the European nations because Asia is also home to a mix of developed and developing economies. Furthermore, much like the EU, a central concern for the regional community is determining which countries should be offered membership.

### **Development and equity trade-off**

Economic growth in Asia has introduced its own set of problems. As the laws of developmental economics go, countries generally undergo a transition. For example, among developing countries, there is great disparity between the rich and the poor.

One view presented during the session contends that this economic inequality is attributable to insufficient social safety nets. Especially today, few countries have the necessary resources to address the woefully inadequate safety nets that exist in many Asian nations.

Another view argues that the macro environment is not conducive to addressing micro concerns. Rapid urbanization has led to demographic changes and environmental and social problems. Given that these are domestic issues that vary from nation to nation, they are discarded when leaders gather at regional forums. It is important to address these problems, but countries are not taking any coordinated steps to solve them.

On a regional level, there are also disparities among countries. Top-performing Asian economies such as South Korea and Japan stand in stark contrast to the likes of Myanmar and Bangladesh, and this situation has paved the way for intraregional unhappiness and negative feelings toward neighbors. Although the Asian Development Bank (ADB) can provide limited amounts of economic support to the countries in most dire need, Asia still faces many social challenges ahead.

### **On Asian bloc organization**

Certain considerations have been explored with regard to the prospect of organizing Asia into a bloc with deeper economic integration. However,

- 1) There is no proof that integration will bring about the higher level of welfare that developing Asian economies currently lack.
- 2) The presence of the ADB facilitates financial integration, trade integration, and infrastructure growth, all of which will encourage growth in trade. But Asian nations also are experiencing more rapid trade growth as a result of

heavy Chinese investment. How other Asian countries handle the Chinese investments will affect intraregional relations.

- 3) Any integrated economic system must be governed with a set of universal rules.
- 4) Who will be the bully in this stratum? Because the ADB plays only a facilitator's role, it must be able to facilitate a large number of players who may or may not play by the rules.
- 5) Historically, there has not been strong support for new multilateral economic initiatives. For example, the government of Singapore tried very hard to come up with an inclusive growth model with APEC in 2009. Japan followed, but it failed to elicit a strong response from the regional partners.

Economic integration usually refers to a linear progression that starts with trade integration and ends with financial integration. However, this linear pattern may not necessarily work in Asia.

### **How to leverage Asia's potential**

Given the uncertainties that Asia has to deal with, how can Asia's economic potential be increased? Participants expressed a number of views:

- 1) Asia must ensure continued economic connectivity among regional players. This can be done by promoting deeper intraregional trade and investment ties.
- 2) Investing in infrastructure and development can encourage collaboration between countries in the region.
- 3) Expanding cross-boundary protections, such as intellectual property rights, will strengthen mutual trust and build positive relationships.
- 4) More free trade agreements can facilitate regional trade and increase international cooperation.
- 5) Expanding the Trans-Pacific Partnership to tap into the experience of more advanced nations can help leverage the institution's potential.
- 6) Emphasizing economic activities that are important to middle-income groups will entrench a key demographic in the economic regionalization process.
- 7) The creation of an ASEAN category and ASEAN lane of business to cater to the need for more regional companies like those in Europe will spur investment in the region.
- 8) Focusing first on smaller-scale cooperation will make it easier to achieve greater cooperation. This will require strong strategic leadership and political support.

In essence, one of the strong economic messages of the conference was that increased capitalist principles, including free trade agreements, and smaller alliances that feed into larger cooperation agreements, eventually will yield more efficient outcomes and greater prosperity for the region.

---

*Economic integration in Asia can add value if it is done properly, but there still is a long way to go for economic regionalization to become a reality.*

---

Economic integration in Asia can add value if it is done properly, but there still is a long way to go for economic regionalization to become a reality. Much is being done by the ADB at the moment, but otherwise, there are no major institutions working toward this goal in the short term. It also should be noted that deregulation places much pressure on individual governments and is not always beneficial. Often

deregulation fails because the regulatory mechanism fails. This occurs when there is a gap between what the market is capable of doing and what the regulators know about the market's capabilities. This type of market failure is yet another concern for Asian nations to consider as they work toward increasing economic regionalization.

## South Asia after Osama bin Laden

### History

The Soviet Union invaded Afghanistan in December of 1979. Afghan children were trained and taught to fight the Soviet invaders by the Services Office, which was run by Osama bin Laden and Palestinian religious scholar Abdullah Azzam. Together, they recruited, trained, and financed thousands of “holy warriors” from more than 50 countries. After the final expulsion of the Soviets in 1989, none of the countries wanted the children back. Bin Laden suggested that these fighters continue to wage a holy war beyond Afghanistan, and he formed al-Qaeda (meaning “The Base”) around 1988.

The effects of this chapter in Afghanistan’s history still can be seen today. Al-Qaeda has branches throughout the world, and it has been behind many of the largest, most deadly terrorist attacks in the twenty-first century. As the leader of the organization, bin Laden was the globally recognized face of terror for the majority of the last decade.

On May 2, 2011, President Obama announced that bin Laden had been killed in his home in Abbottabad, Pakistan, in a top-secret raid by U.S. Navy SEALs. The plans for the raid were kept hidden even from Pakistani authorities, who had claimed not to know bin Laden’s whereabouts.

### Implications of bin Laden’s killing

The reaction to the assassination varied across the world. South Korea, a close ally of the United States that has 400 civilians, police, and military personnel working in reconstruction efforts in Afghanistan, supported the mission and congratulated President Obama on his success. On the other hand, Pakistan, the closest non-NATO (North Atlantic Treaty Organization) ally of the United States and its most sanctioned ally, had a far different reaction. This was attributable to the complicated relationship between the United States and Pakistan, where there is a trust deficit at both ends.

---

*...the complicated relationship between the United States and Pakistan, where there is a trust deficit at both ends.*

---



Bin Laden's death has several implications for this relationship:

- 1) If Pakistan truly did not know bin Laden's whereabouts, the country has admitted an intelligence failure, which is an embarrassment to Inter-Services Intelligence (ISI), Pakistan's premier intelligence agency.
- 2) If Pakistan did indeed know bin Laden's whereabouts but for whatever reason did not inform the United States, this shows an unwillingness to cooperate.
- 3) The United States did not trust Pakistan enough to alert authorities about their planned attack. This means, first, that the United States acted with little regard for Pakistan's national sovereignty. Second, it shows that the United States was concerned that Pakistan would alert bin Laden and therefore suspected that Pakistan was affording him sanctuary.
- 4) Should Pakistan choose to focus on the U.S. violation of its national sovereignty, this could lead to a severe deterioration in U.S.–Pakistan relations, with unknown consequences in the region.
- 5) A good intelligence agency keeps in touch with players on both ends of the spectrum. It is likely that the ISI and the Taliban have some links and ongoing communication, but the relationship between the two now could change. For example, the Taliban may see the ISI as unable to safeguard its interests in the future.

### **Pakistan's role in Afghanistan**

Afghanistan is a complex country. There are many major players that are trying to influence outcomes and events in the country. Internally, the different ethnic groups—such as the Pashtuns, Tajiks, Hazara, and Uzbeks—pledge their support to their own communities.

A three-pronged plan of action for Pakistan to follow in Afghanistan was suggested during the session to address political, economic, and security concerns:

- 1) Political: Get eight or nine representatives of stakeholders together (i.e., different tribes and ethnic groups) and address security issues on a high level (i.e., with ranking Pakistani government officials).
- 2) Economic: People in Afghanistan have yet to see what has changed for them. Improvements in transparency and corruption reduction will placate the population and highlight the improved quality of life after the fall of the Taliban.
- 3) Security: Security concerns boil down to problems with leadership and governance. Changes must be made at the local level so that people can see

what is being done. There was a suggestion that a mechanism be developed for Afghanistan to take ownership of its own security. This would include the continued training of the Afghan police and security forces and the establishment of an effective bureaucratic apparatus. This way, Afghanistan would have less need to rely on others. The question is whether Pakistan is willing to aid in the development of Afghanistan's independence, or whether Afghan dependence is what it seeks.

Pakistan is expected to bear much of the brunt of helping Afghanistan transition to independence and return to "normalcy" as a sovereign nation. However, for their efforts, the Pakistanis are expecting, and actively seeking, enhanced influence in Afghan affairs. The truth, though, is that Pakistan does not have to be the only regional neighbor helping in the Afghanistan conflict. For example, the money from drug trafficking in Afghanistan, of which Europeans are on the receiving end, is being channeled to support terrorism. Instead of attacking the drug trade solely from the supply side (in Afghanistan), the International Security Assistance Force could work to combat the problem from the demand side as well (at home in Europe and America).

Following the bin Laden assassination, the United States has increased its scrutiny of Pakistan's government, military, and intelligence agencies. Many in the United States and Europe believe that bin Laden could not have survived so long in Pakistan without support from someone connected to the military or government. In light of this, the United States likely will increase pressure on Pakistan to investigate military officials with ties to terrorist groups and to more directly support strikes on terrorists in Pakistan's tribal regions. However, now that China has become such a large player in the international system, if the United States pushes Pakistan too far, it may seek a closer relationship with China. Signs of this transition already are becoming apparent. Indeed, in the weeks following the bin Laden assassination, Pakistan and China deepened their economic and diplomatic ties.<sup>1</sup>

---

*...now that China has become such a large player in the international system, if the United States pushes Pakistan too far, it may seek a closer relationship with China.*

---

---

<sup>1</sup> As Pakistan has reacted angrily to the United States infringing on its sovereign territory, it has (perhaps symbolically) drawn closer to China. China has voiced its support for Pakistan's work to combat terrorism in the face of U.S. skepticism. Immediately following the announcement of bin Laden's death, China agreed to provide Pakistan with 50 fighter jets.

## And India

India has the resources and the ability to contribute significantly to the Afghan reconstruction effort—but only if Pakistan is willing to allow Indian influence so close to its borders. India and Pakistan have a long history of war over territorial disputes and sovereignty. Pakistan sees India as its biggest security threat. That said, bin Laden's death marks a definitive shift in the calculations of all major players

---

*Pakistan and India continue to jockey for influence in the area, and following the bin Laden raid and the subsequent fraying of ties between Washington and Islamabad, Pakistan is worried that New Delhi may grow closer to Washington, thus jeopardizing Pakistan's safety.*

---

in Afghanistan: Washington, Kabul, Islamabad, and New Delhi. Pakistan and India continue to jockey for influence in the area, and following the bin Laden raid and the subsequent fraying of ties between Washington and Islamabad, Pakistan is worried that New Delhi may grow closer to Washington, thus jeopardizing Pakistan's safety. Therefore, Pakistan has sought to assert greater influence in Afghanistan by hedging its bets and supporting Taliban warlords who may rise to power after the departure of the United States. Pakistan also has cultivated a relationship with Afghan president Hamid Karzai, in part to balance India's increasing influence. Thus, Pakistan needs to

have some say in the order of the system. But the fact remains that India can, and should, play a role as well.

The strength of relations between South Asia and other players is likely to change. The United States, which holds significant influence in South Asia, is likely to see a deterioration in its relationship with Pakistan. Pakistan, on the other hand, will have the opportunity to develop closer relationships with other countries, such as China, that can help the country develop economically and socially and decrease its dependence on U.S. aid. The wildcard, however, is India's role in the region.

As for India, it is unclear what is next. Pakistan and India obviously have an icy relationship, and any attempts by India to intervene in Pakistani or Afghan affairs likely will be seen as unwanted encroachment. The best solution for Afghanistan certainly would be for India and Pakistan to cooperate in order to strengthen and rebuild their neighbor, but in all likelihood, this will not happen. As a result, Afghanistan may suffer.

## The Global Responsibilities of Asia's Rising Powers

The global financial crisis has transformed the region's political and economic landscape. China and India enjoy a newfound prominence that would have been hard to predict only a few years ago. How has this influenced Asian regionalism? What are the responsibilities of a developing China and India? What would meaningful global leadership by China and India look like?

### Asian leadership on the global stage

Transitions are happening across the region, and it is clear that the United States will not shoulder as much global responsibility as it has in the past. The rise of Asia, as it refers to (1) the rise of China, (2) the rise of the rest, and (3) Japan, means that these states will all need to take on greater responsibilities within the region and around the world.

ASEAN can help the region deal with global concerns, and China and India can play a more prominent and responsible role on the global stage. For example, ASEAN leaders point to mechanisms already established by the organization, such as ARF, ASEAN+3, and EAS, as evidence that ASEAN has what it takes to engage with the world and address regional issues.

One of the most pressing questions is what role China will play in the new global order: will it step up and accept more responsibility, or will it continue to advocate state sovereignty above international engagement?

Three options for China were discussed by the participants:

- 1) China could opt to participate in and support a multipolar order similar to what already exists, admitting its benefits but also accepting sacrifices.
- 2) China might suggest a better international system and detail the necessary steps for this system to be realized.
- 3) The third and most worrisome scenario discussed during the session is the possibility of China maintaining its belief that state sovereignty should supersede international institutions. If this grand policy scheme is adopted, it would prevent China from realizing its potential as a global leader and hamstring efforts to ensure prolonged regional peace and prosperity; an international system with China as a leader is more likely to be more stable than one without it.

Delegates believed that the world has benefited from the strong presence of the United States abroad and the so-called Pax Americana since World War II. But the global situation has changed, and the United States increasingly is looking inward to deal with domestic issues. This change in attitude is causing many to fear the emergence of a more isolationist America. To avoid a dangerous leadership void in the system, the United States must continue to engage, both in meetings

---

*To avoid a dangerous leadership void in the system, the United States must continue to engage, both in meetings and in collaboration in the Asia-Pacific region. Other countries, especially those in Asia, must respond by stepping up and assuming more responsibility on tough issues.*

---

and in collaboration in the Asia-Pacific region. Other countries, especially those in Asia, must respond by stepping up and assuming more responsibility on tough issues. Solutions that benefit both those in Asia and in America can and should be found.

When the West intervened in Libya, many in Asia were silent but shook their heads. China might have summarily vetoed the United Nations Security Council resolution that authorized the use of “all necessary measures” to protect civilian life in Libya, but it consciously abstained. This decision varies starkly from China’s past criticisms over intervention in the former Yugoslavia and elsewhere.

Most Asian governments, such as China, have avoided condemning the intervention in Libya—India’s stance against the Western action is an exception. But Asian acquiescence should not be mistaken for acceptance. It is not principle that has guided Asian governments, but pragmatic calculation once the Arab countries supported the action in Libya. Questions continue to be raised across the region, even if few nations have vented them publicly.

Asian attitudes toward intervention increasingly are being analyzed as the world looks to a future that may feature a heavier Asian influence. Even today, some question the appropriateness of such an intervention, as the Western powers who led the surge faced economic travails at home, and those in other parts of the world were on the sidelines.

Will Western-style interventions be countenanced in the future, when Asia and others rise to parity? Or is what we see in Libya a last hurrah for NATO and the Western powers? If forceful intervention is deemed unacceptable as a resolution tactic in the future, how will Asians elect to keep peace in a multipolar world?

Previous interactions with Western powers have left many Asian nations distrustful of foreign intervention in domestic affairs. Historically, Western powers often used force to interfere in the affairs of states, under the pretense of humanitarianism or some other “just cause” to justify the building of their

empires. It does not help that the Libyan intervention is being led by France and the United Kingdom, the old colonizers.

### **ASEAN and the Regional Superpowers**

Interactions with ASEAN can help the international community gauge China's and India's potential to lead on the global stage. For example, if the two Asian powers cannot work with ASEAN countries as a group, it is doubtful that they will be able to lead responsibly in the global arena.

Still, ASEAN stands to learn much from both countries. China and India are two of the world's largest economies, and their experience can provide lessons for other nations; their export-led international cooperation model has bred incredibly fast-paced growth. The two countries have cooperated in some areas, including climate change (the India–China cooperation on climate change at Copenhagen stands out as a highlight). Both are members of the G-20 and BRIC (Brazil, Russia, India, and China), and both are choosing to partake in large global frameworks.

China, for one, has been active in managing relationships with ASEAN, but it is still more focused on its own immediate concerns. By contrast, Japan has proven more willing to engage fully; it has structured official development assistance and technical assistance for ASEAN, while China and India have yet to do so.

For now, ASEAN is skeptical of China's and India's willingness to take on a bigger role in the region. Japan's positive engagement with ASEAN has been cited as a model and used as a reference point to persuade China and India to cooperate more. While there are some optimistic signs, it still seems that both countries are choosing to take a limited worldview.

The hope is that ASEAN, China, and India can find issues on which they can collaborate. However, if this does not happen, there are still means of working together on an individual basis. For example, the current platform for ASEAN–India cooperation is the ASEAN–India Free Trade Agreement. Unfortunately, it has been stuck in negotiation for years, but the hope is that the agreement eventually will be finalized and become a source of real benefit for the region. Going forward, ASEAN hopes to get China and India to demonstrate their interest in enhanced regional engagement through existing processes, consolidating trade liberalization, and dealing with issues such as the South China Sea.

---

*Going forward, ASEAN hopes to get China and India to demonstrate their interest in enhanced regional engagement through existing processes, consolidating trade liberalization, and dealing with issues such as the South China Sea.*

---

## Implications of the “Arab Spring” for the Asia-Pacific Region

Events in Libya and the Middle East are being watched closely in Asia. Interconnected in new ways by social media, the public in the Middle East is demanding rights and new governance structures. To date, there has been relatively little spillover of the revolutions into Asia, but other smaller effects have been felt. But will this last? What are the implications of events unfolding in the Middle East for Asia?

### Short-term effects

Transitions are happening across the region, and it is clear that the United States will not shoulder as much global responsibility as it has in the past. The rise of Asia, as it refers to (1) the rise of China, (2) the rise of the rest, and (3) Japan, means that these states will all need to take on greater responsibilities within the region and around the world.

For many Asian governments, the most immediate concern is whether the movement could leap across continents through the media and the Internet. Ripples likely will be strongest where citizens seek democratic reforms and are faced with government corruption and high unemployment coupled with rising food prices.

In China, protests in a few cities have echoed the call for a “Jasmine revolution.” The Chinese authorities have made it clear that these protests will not be tolerated, and it announced measures ranging from greater Internet censorship and monitoring of migrant workers to police crackdowns on protesters. The conditions in relatively prosperous China are quite different from those in the Middle East, and therefore it is likely that the country will be able to weather a contagion effect.

So far, government responses to mollify citizens and mitigate any influence from the revolutions in the Middle East have offered some concessions to protestors, utilizing police action when necessary. Asian countries are watching closely to see whether this kind of response will be more effective and legitimate than pure military action.

In the short term, if these movements stop at Tunisia, Egypt, and perhaps one or two more Arab states, the effects on Asia may be relatively contained. But

if the revolutionary movement continues at the current pace and affects the Gulf countries and even Saudi Arabia, it could have much greater implications.

### Medium-term effects

Thus far, the major East Asian countries have been able to repel a contagion effect, having avoided mass public uprisings and calls for sweeping government reform. However, problems for Asia may surface further down the line: the seeds of discontent are present in some societies, as recent protests in Malaysia have shown, and may be brewing now, only to erupt in the future.

The unfolding events in the Middle East have affected Asia most significantly in terms of energy security, as the Asian economies depend heavily on the Middle East for oil imports. The unforeseen and

unprecedented events make Asians nervous, as they are price takers in regard to crucial fossil fuels. Asian nations therefore will watch closely to see how these movements evolve among the Arab states and what the United States and Europe do in response.

The United States is the key external player, and the Obama administration has been cautious so far. President Obama faces a dilemma: on one hand, the United States has been a longtime supporter of some of the less democratic Arab regimes in exchange for oil security. Supporting the protesters could undermine long-standing ties in key states. On the other hand, the Obama administration cannot sit by and watch regimes suppress democratic protesters with excessive force. Supporting the status quo could be disastrous if the revolutionary movement succeeds. The lesson from the 1979 fall of the Shah of Iran echoes in American policy thinking.

### Long-term effects

In the long term, the effects of the “Arab Spring” will be much harder to predict. Even if this round of uprisings is met with some degree of failure, and even if the revolutionary sentiments do not immediately spread to Asia, the foundation may be laid for future movements. Seeing what is possible in Egypt may give heart to some of the more dissatisfied populations in the region and increase the potential for pro-democracy movements to resurface in the future.

---

*However, problems for Asia may surface further down the line: the seeds of discontent are present in some societies, as recent protests in Malaysia have shown, and may be brewing now, only to erupt in the future.*

---



## What comes next?

What will come next in the Middle East after the revolutions? Will there be Islamic governments or military coups? If there are democratic coalitions, will there be cohesive governments that are conducive to business? It is possible that weak states could emerge without effective governance, as we saw in Iraq after the fall of Saddam Hussein. Such medium-term scenarios can affect Asia much more than immediate revolutionary turbulence. Key Asian economies depend on the Middle East for oil and energy, and rapid population growth in East Asia will continue to generate increasing demand for oil and gas.

The hope is that the Middle Eastern countries can create working governments

---

*It seems that the best outcome that Asia can hope for is the emergence of a Middle East that is occupied by stable, viable, and more representative governments and that is open to partnering with Asian governments and corporations.*

---

that will honor existing contracts (unless these are tainted by corruption or seem to be superfluous “white elephants”). It is likely that new governments will aim to reassure the international community that they are not military dictators and to show their people that improvements are being made for their welfare.

However, if radical Islamic regimes or incoherent failing states emerge in key Middle Eastern countries and oil-exporting nations, all sectors that rely on the steady supply of oil will be stunted by the unexpected and inadvertent shock to the global economy.

It seems that the best outcome that Asia can hope for is the emergence of a Middle East that is occupied by stable, viable, and more representative governments and that is open to partnering with Asian governments and corporations.

## Task Force Recommendations

**A**t the final session, discussants raised several key points about the future of the U.S.–Asia relationship. This discussion was situated in the context of a task force on U.S.–Asia relations that is being undertaken by the Asia Society to examine future avenues for cooperation. The goal of the task force is to review the phenomenon of East Asian regionalism and to make policy-relevant suggestions to the Obama administration in order to renew and deepen engagement between the United States and Asia.

The recommendations were as follows:

**Recognize and prepare for change in the U.S.–Asia relationship.** The status quo of recent decades—the predominance of the United States and the prevalence of Asian disunity—cannot be sustained. The United States faces more challenges as it goes forward in the wake of the financial crisis. Issues in the Middle East and elsewhere command American attention and involvement and stretch capacity. Among Asians, there increasingly is a sense that their development must be more sustainable, balanced, and complete as a region. In this light, a new engagement with the United States and a rebalancing of the U.S.–Asia relationship after the crisis—not the status quo—will be needed.

**U.S. engagement with Asia can and should continue to be deepened.** The Obama administration’s engagement with Asia has been positive, with progress made on strategic and economic issues. But there is no room for complacency. The last half of 2011 will be important as the United States participates in three high-level summits. Secretary of State Clinton will attend the ASEAN Regional Forum, and President Obama will attend the East Asia Summit in Bali. The United States will host APEC in Hawaii; this may be the last chance to show that APEC is worth the effort. These summits will open up new avenues for multilateral engagement, which should continue to be balanced with bilateral relations.

**Asian regionalism is growing, but it should be supplemented by efforts to engage more deeply with the United States and avoid Asian triumphalism.** Asia’s nascent Asia-only regional processes (such as ASEAN+3) should be

recognized by the United States and encouraged to develop Asian perspectives and, where possible, consensus, even as U.S.–Asian partnerships are developed. While Asian meetings may proliferate and overlap, the United States should be comfortable allowing Asians to set the pace and agenda for these meetings. The Obama administration would be well advised not to overly rationalize the region’s indigenous and overlapping institutions for the present and in the near term. Further ahead, any discussion of regional architecture should begin with an exploration of goals. It is only by defining what we seek to achieve that we can have a meaningful dialogue about what structure and steps can get us there.

**U.S.–China ties are the most important for the entire region, and others in Asia have a stake.** Asians do not want to have to choose between one or the other power. The efforts to build a strategic dialogue between China and the United States should develop and focus on bilateral issues. But increasingly, the context should be the region as a whole. Strong ties between China and the United States, as well as between China and other Asians, will be good for all. Therefore, others in Asia have a stake and can play indirect but not insignificant roles in the bilateral U.S.–China relationship. This will be an important context for Asia’s regional dialogues and forums.

**With its emerging powers and the U.S. presence, Asia has to strike a balance between being a community of values and a region shaped by power; ASEAN has a role to play in this.** While ASEAN is not an emerging power, the group of ten medium and smaller-sized countries has promoted modes of cooperation through its own example of developing a community. In the ASEAN Treaty of Amity and Cooperation and other efforts and practices in regional diplomacy, ASEAN provides an example and possible foundation for future Asian regionalism based on norms. The role of ASEAN in engaging the emerging powers of Asia deserves recognition and support in this context. Moreover, a deeper ASEAN engagement with the United States can reinforce the importance of values and norms, not just a balance against different powers in Asia.

**A new U.S. diplomacy with ASEAN is needed.** There is a need and opportunity for the United States to engage with ASEAN more closely as a hub for wider Asia. Building from the newly established U.S.–ASEAN Summit, the United States should seek out like-minded countries in the grouping. This should not be limited to its allies—the Philippines and Thailand—but also should involve Indonesia, Singapore, Vietnam, and Malaysia and include cross-border projects

such as the Greater Mekong Subregion. In this context, the challenges in relations with Myanmar have to be addressed.

**ASEAN must be more dynamic to offer regional leadership.** ASEAN is already the host and hub for many leading regional dialogues and forums, and it is moving toward its own ASEAN Community by 2015. This is important not only for ASEAN itself; ASEAN integration is also critical for its wider regional role. ASEAN's governments must cooperate to identify issues and achieve joint programs, and common positions on key issues and relationships are a necessary first step. Further ahead, the group's members must coordinate on wider regional and global issues.

---

## Conclusion

The delegates to the 39th Williamsburg Conference were nearly unanimous in their agreement that multilateral engagement in Asia is the way forward. There is hope for a new, expanded role for the United States and its Western allies in this ongoing discussion, but it is also clear that change and growth in Asia will have to come from within. Furthermore, strong, healthy U.S.–China relations will have a stabilizing effect in the region, and the two countries must begin to work together on issues of mutual importance. Small successes may serve as building blocks for a more mutually beneficial relationship that will create an environment that is more conducive to reform, economic prosperity, and political efficiency in Asia. However, if Asian states are to play a greater role in world affairs, they must take on more global responsibility.

The road will not be easy, as regional flashpoints will continue to serve as destabilizing forces and must be dealt with in a manner that is acceptable to the ASEAN nations as well as the international community. These issues include the recent skirmishes in the South China Sea, North Korea’s reclusive and belligerent behavior, and Myanmar’s military dictatorship and human rights record. Multilateralism can play a significant role in addressing the issues facing Asian nations, as multilateral forums can serve

---

*Multilateralism can play a significant role in addressing the issues facing Asian nations, as multilateral forums can serve as a venue for all nations to voice their concerns, desires, and prospective solutions.*

---

as a venue for all nations to voice their concerns, desires, and prospective solutions. Facilitated by the United States and China, but led from within, ASEAN can become a strong regional solution-generating body that will endure and prosper long into the future.

---

## Participants

### AUSTRALIA

**Anthony Milner**, Basham Professor of Asian History, Australian National University; International Director and Board Member, Asialink and AustralAsia Centre, Asia Society

### CHINA

**Rong Ying**, Vice President, China Institute of International Studies  
**Shen Dingli**, Professor of International Relations; Executive Dean, Institute of International Studies; Director, Center for American Studies, Fudan University

### INDIA

**C. Raja Mohan**, Senior Fellow, Centre for Policy Research, New Delhi; Adjunct Professor of South Asian Studies, S. Rajaratnam School of International Studies, Nanyang Technological University, Singapore

### INDONESIA

**Iwan J. Azis**, Head, Office of Regional Economic Integration, Asian Development Bank  
**Meidyatama Suryodiningrat**, Editor-in-Chief, *Jakarta Post*

### JAPAN

**Sumitaka Fujita**, Special Advisor to the President and Chief Executive Officer, ITOCHU Corporation  
**Akiko Fukushima**, Senior Fellow, Japan Foundation  
**Eiji Iwashige**, Chief Representative, Singapore, Kyushu Electric Power  
**Yoshiji Nogami**, President, Japan Institute of International Affairs

### KOREA

**Shin-Wha Lee**, Professor, Department of Political Science and International Relations; Director, Global Leadership Development Center, Korea University

### MALAYSIA

**Mohamed Jawhar Hassan**, Chairman, ISIS Malaysia  
**John Pang**, Chief Executive Officer, CIMB ASEAN Research Institute

MYANMAR

**Tin Maung Maung Than**, Senior Fellow, Institute of Southeast Asian Studies

MONGOLIA

**Damdin Tsogtbaatar**, State Secretary, Ministry of Foreign Affairs

PAKISTAN

**Shaukat Aziz**, Former Prime Minister

PHILIPPINES

**Allan A. Delos Reyes**, Assistant to the Executive Director, Institute for Strategic and Development Studies

**Rodolfo C. Severino**, Head, ASEAN Studies Centre, Institute of Southeast Asian Studies

**Gilberto Teodoro**, Former Secretary of National Defense

SINGAPORE

**Nicholas Fang**, Director, Singapore Institute of International Affairs

**Aaron Maniam**, Head, Center for Strategic Futures; Deputy Director, Strategic Policy Office, Public Service Division, Singapore Prime Minister's Office

**Ong Keng Yong**, Director, Institute of Policy Studies

**Simon Tay**, Chairman, Singapore Institute of International Affairs; Associate Professor, National University of Singapore

**Yeo Lay Hwee**, Director, EU Centre in Singapore; Senior Research Fellow, Singapore Institute of International Affairs

TAIWAN

**Bi-Khim Hsiao**, Vice President, New Frontier Foundation

UNITED STATES

**David L. Carden**, Ambassador to ASEAN, United States Mission to ASEAN

**Nayan Chanda**, Director of Publications, Yale Center for the Study of Globalization

**Alexandra Harney**, Visiting Scholar, University of Hong Kong

**Michael G. Kulma**, Executive Director, Global Leadership Initiatives, Asia Society

**Jamie F. Metzl**, Executive Vice President, Asia Society

VIETNAM

**Ton-Nu-Thi Ninh**, Former Vice Chair, Committee on Foreign Relations, National Assembly; President of the Founding Committee, Tri Viet University

**Vo Tri Thanh**, Vice President, Central Institute for Economic Management

---

## Funders

