EXECUTIVE SUMMARY

# Preserving the Long Peace in Asia

## The Institutional Building Blocks of Long-Term Regional Security

Independent Commission on Regional Security Architecture

# EXECUTIVE SUMMARY

**THE ASIA-PACIFIC REGION FACES AN IMPORTANT INFLECTION POINT.** On one hand, increasing GDP levels, widespread poverty reduction, and growing trade integration have created optimism for the region's future and given states every incentive to avoid conflict. On the other hand, the Asia-Pacific region's security environment has become increasingly complex, amplifying the risk that nations may stumble into conflict. Amid these changes, it cannot be taken for granted that Asia's 'long peace' will continue indefinitely. Now more than ever, we must examine mechanisms that can help prevent future crises from emerging and prepare against threats to strategic stability.

With these issues at mind, the Asia Society Policy Institute convened an Independent Commission on Regional Security Architecture in 2015 that was aimed at evaluating the challenges facing Asia-Pacific's existing regional security architecture and proposing potential reforms to strengthen and enhance regional institutions. This report outlines the Commission's findings in several areas: (1) attributes of the current regional order; (2) challenges facing Asia's regional architecture; (3) principles for a more effective security architecture; (4) potential pathways to reform that could address institutional deficits; and (5) recommendations for immediate next steps.

## ATTRIBUTES OF THE CURRENT REGIONAL ORDER

A region's security architecture consists of a multi-layered web of relationships, institutions, and forums through which nations develop shared norms and take actions to advance international security. In turn, these rules and norms, in conjunction with interstate power dynamics, serve as the basis for a regional "order." It is this regional order, and the way in which it balances the inherent tension between anarchic interstate relations and the mediating influence of shared norms and rules, that sets the expectations for state behavior in a given region. In evaluating the Asian regional order, five attributes in particular stand out.

- **Realpolitik is alive and well.** Although Asian regional integration has increased over the last couple of decades, the region's security order remains primarily state based and fractured by long-standing territorial disputes and great power politics. This reliance on bilateral and informal channels can help nations navigate difficult issues more efficiently, but also leaves them more sensitive to fluctuations in the political atmosphere.

- **U.S.-China tensions are generating schisms in the regional order.** As China's global economic power has grown, a new dynamic has emerged in which Asian nations see an increasing divergence between their security interests and their economic imperatives. While many nations view the United States as their security partner of choice, there is also a widespread feeling of dependence on the Chinese economy. The growing concern for many Asian nations is that in a world in which their economic and security interests diverge, partners will be forced to choose between the two in uncomfortable ways

- **The regional alphabet soup is comforting but hazardous.** The dominant feature of Asia's security architecture in the postwar period has been the hub-and-spoke system of U.S. alliances alongside a growing group of Association of Southeast Asian Nations (ASEAN) centric institutions and informal mini-lateral coalitions. This loose architecture has provided

nations with a certain degree of comfort, allowing them to shop for the forum they find most suited to the issue at hand. However, it has also obviated the necessity of developing a stronger regional consensus around norms and rules of the road, allowing countries to preference those venues that align with their own interests.

- **The ASEAN way is still central, but also under increasing strain.** In a system dominated by great power politics, ASEAN has managed to give smaller nations not only a voice at the table but also the ability to shape the agenda. However, ASEAN's consensus-based approach has come under increasing pressure in recent years. The challenge for ASEAN in the future will be to rebuild its internal cohesion and strategic independence in order to reinforce its capacity to play a leadership role in an increasingly polarized region.

- **Great power buy-in is essential.** It has often been ASEAN and middle powers in the region that have led the charge for stronger Asian security institutions, due in no small part to the view that such institutions would help enmesh the region's larger powers into a shared consensus and agenda. Yet greater power participation and leadership also matters. Committed engagement from leading powers, such as former U.S. President Obama's commitment to annual attendance at the East Asia Summit, is an essential component of a strong regional architecture. The question going forward will be whether the leading powers of the Asia-Pacific region will continue to play this role or seek to preserve their strategic flexibility.

## CHALLENGES FACING ASIA'S REGIONAL ARCHITECTURE

The Asia-Pacific security environment is grappling with several significant challenges that necessitate the development of a stronger, more effective regional architecture. These include:

- **Rapid political and economic transformations.** Asia-Pacific countries are wrestling with the implications of rapid technological advances, demographic shifts, and economic transition, all of which are reshaping the strategic landscape in the region. The rapid pace of transformation increases the urgency of setting clear rules of the road and seeking cooperative solutions to address emerging challenges. The challenge for the region is therefore to develop better mechanisms to manage change and transformation that nonetheless remain flexible enough to avoid creating the perception that nations have been locked into an immoveable status quo.

- **Growing strategic competition between major players in the region.** As China rises and other Asia-Pacific nations adapt to evolving power dynamics in the region, leading powers across the region are experiencing newfound friction points in their bilateral relationships. In particular, growing strategic competition between the United States and China has implications for the wider security architecture as the deepening geopolitical gaps between the two countries create schisms in the region.

- **Fragility caused by "trust deficit" among regional states.** Historical animosities and ongoing territorial disputes have created a trust deficit, in which security relations and decision-making remain heavily influenced by historical perceptions and misperceptions. This trust deficit increases the risk of instability or conflict in Asia, as mutual suspicion leads countries to imbue even tactical decisions with strategic intent.

- **Widespread militarization and acquisition of new technologies.** Rapid technological changes and the proliferation of advanced military and dual-use technologies are transforming security relations in Asia. In the absence of greater transparency, technological advancements are deepening mistrust between regional neighbors and leading nations to skew their own investments in an effort to hedge against other countries' perceived advantages. The combination of heightened mistrust and new capabilities is, in turn, altering regional military operations in a manner that further enhances risk as countries feel compelled to "deter" their neighbors through increased deployments and military activities.

## PRINCIPLES FOR A MORE EFFECTIVE SECURITY ARCHITECTURE

To address the challenges listed above, the report outlines five functions regional institutions must be able to play, and five principles to achieve these goals. First, regional institutions should *play a binding role*, drawing regional states toward greater convergence around common security interests. Second, the architecture should *mitigate against historical mistrust* and offset the patterns of history by providing opportunities for strategic dialogue as well as practical cooperation. Third, an effective regional architecture should, over time, *facilitate better management of crises and disputes*. Fourth, a regional architecture should also *rationalize and align the efforts of individual institutions and mechanisms*. Finally, an effective regional architecture should p*rovide flexibility in setting an appropriate, forward-looking agenda* in order to withstand the future pressures arising from shifting regional dynamics and evolving security policy priorities.

To achieve these objectives, countries should embrace five principles to strengthen the Asia-Pacific security architecture.

- **Strengthen the center.** The challenge of the Asian system is not to eliminate its more fluid disaggregated nature, but to encourage better coordination, with a more empowered multilateral mechanism at the center.  To strengthen the center of Asia's regional architecture, states should commit to further strengthening and enhancing the role of the East Asia Summit (EAS) as a leaders-level forum.

- **Promote strategic dialogue alongside tactical cooperation.** There is wisdom in the desire to seek cooperation on transnational concerns such as humanitarian disasters, which lend themselves more easily toward multilateral cooperation. However, an exclusive focus on these common challenges can also perpetuate strategic mistrust by avoiding discussion of the more difficult sources of regional conflict. It will be important for nations to also double down on their commitment to free and open dialogue as a means of enhancing trust.

- **Get serious about risk management and dispute resolution.** One of the greatest threats in a rapidly militarizing region such as the Asia-Pacific is the risk of inadvertent crisis and/or military escalation. Regional security institutions can play an important function in avoiding such outcomes by developing practical mechanisms to prevent crises and disputes and provide policy 'off ramps' when they do occur. The development of more formal risk management initiatives may take time, but nations could continue to seek out regional confidence-building measures in the interim.

- **Build toward a networked approach.** Asia's complex security environment calls for a more fluid and flexible regional security architecture that resembles a network more than a hierarchy. A network-centric approach requires countries to place a premium on promoting coordination and communication between organizations, embracing complementarity over uniformity, and flexibility over rigidity. As the security environment continues to evolve, institutions should also work to adjust their rules, memberships, and machinery to keep pace.

- **Embrace further strengthening of ASEAN.** As ASEAN engages in internal deliberations about its future vision and role in the region, external partners should encourage and help facilitate further strengthening of ASEAN centrality. For their part, ASEAN nations should also embrace opportunities to enhance the organization's strategic independence and leadership in order to retain its place at the center of the region's architecture.

## ENVISIONING PATHWAYS TO REFORM

In approaching the question of how Asia-Pacific nations could best pursue efforts to build a stronger security architecture, the report argues that strengthening the EAS would be one of the most important and practical steps countries could take. In the near-term, the report suggests member states could retain the relatively informal nature of the EAS but also focus on some basic reforms that would better institutionalize the forum and enhance its ability to set a strategic agenda and be more responsive to emerging events in the wider region. Member states could also take initial steps to develop a more operational role for the EAS, enabling it to play a meaningful role in preventive diplomacy, establishing crisis management protocols, and identifying confidence-building mechanisms.

Specific reforms could include:

- **Strengthen support for the chair.** One non-ASEAN nation, on a rotational basis, would represent the "Plus-8" countries and work closely with the ASEAN chair/EAS chair to set the agenda for the annual leaders meeting. This would be similar to the co-chair approach used in other settings, and would help create a wider, more deliberative dialogue about annual priorities.

- **Expand the Jakarta process.** Ensure that all non-ASEAN members of the EAS designate an individual as their Permanent Representative to ASEAN in Jakarta. This would ensure that the EAS agenda-setting process is given more attention, and could also be used as a starting point for an informal crisis management mechanism.

- **Strengthen professional staffing for the EAS.** One option would be to have a more robust ASEAN Secretariat that could provide institutional support for the EAS, and help align EAS priorities with the work of other regional institutions. Another option would be to establish a "floating" EAS Secretariat that could help ease the ASEAN chair's burden.

- **Develop temporary EAS working groups.** The EAS could begin taking on a more operational role by establishing temporary working groups, appointed for one-year terms, to issue recommendations on emerging policy issues.

In the long-term, efforts could be made to reform the EAS into a more formal organization that brings together broader components of security cooperation across the region. This would involve a process of drafting and agreeing upon rules of operation for the institution, as well as a period of time to formalize any such expanded institution. The following recommendations are offered as elements of a formal EAS structure:

- **Align and empower EAS bodies.** A more formal EAS should help align priorities between regional institutions, and could be empowered by more frequent deliberations by its supporting bodies to help drive decision-making and deliverables. In particular, member states should consider developing a more robust and deliberative role for the EAS Foreign Ministers' Meeting.

- **Create permanent support through an EAS Secretariat.** To address the concern that the existing EAS's lack of a permanent secretariat opens up the annual agenda to politicization, leaders could establish an EAS Secretariat, and appoint a Secretary-General to lead this new body, through an approach comparable to the support structures used by other regional organizations.

- **Establish crisis prevention and dispute resolution mechanisms.** Member states could create real operational capabilities for the EAS by considering the establishment of formal crisis prevention and risk reduction mechanisms, such as a multi-national Risk Reduction Center.

## RECOMMENDATIONS FOR IMMEDIATE NEXT STEPS

While institutional reform may require years of deliberation, the Commission recommends several immediate steps that countries could take to help smooth the path for further institutional reform in the future.

- **Establish a High-Level EAS Reform Committee.** This committee could meet on an ongoing basis to consider proposals to reform EAS rules and processes, particularly as they relate to strengthening the EAS's role as the premier leaders-level venue on regional security.

- **Establish a non-governmental Eminent Persons Group (EPG) to propose concrete regional confidence-building measures.** Leaders could agree at the next EAS meeting to establish a nongovernmental EPG that could propose concrete regional confidence-building measures, building on the success of existing bilateral arrangements.

- **Add regional architecture building to leaders' bilateral agendas.** In order to build a stronger architecture, leaders must overcome their preference for bilateralism and begin to discuss the priorities and concerns they have with the existing multilateral system. This is especially the case for the U.S.-China relationship: unless the U.S. and China can reach a shared agenda for cooperation, institutional reform efforts will be undermined.

- **Strengthen the ASEAN Charter.** As ASEAN member states review the Charter, they might want to consider revisiting the proposals of the 2006 Eminent Persons Group. This could include reviewing the proposal to allow for more flexible applications of "consensus."

- **Initiate Track II dialogues on regional principles.** Member states would benefit from a more robust discussion about how regional principles they have all endorsed are understood and employed in practice. States should consider establishing Track II dialogues to build consensus on the practical implementation of regional principles and discuss how statements such as the "Bali Principles" should be interpreted.

## CONCLUSION

The effort to strengthen Asia's regional security architecture, while arduous, is necessary, and the time to start is now. Determining the ultimate design of effective regional security architecture may be a slow, iterative process, but nations cannot allow the perfect to be the enemy of the good in this situation. It is essential that Asia-Pacific nations start to more actively manage the region's growing security dilemmas. Together, nations can begin to develop the necessary mechanisms that will prevent crises and create a more resilient security order that can preserve the regional peace and prosperity for future generations.