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The Strategic Rationale for East Asia Community Building

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No longer merely a buzzword around the water coolers of ASEAN headquarters in Jakarta, "East Asian regionalism" has attracted global interest and become the focus of serious dialogue thanks to the proliferation of ministerial conferences and multilateral dialogue throughout the 1990s and into the new millennium. Recent meetings of both ASEAN+3 and the East Asia Summit have made it clear that the establishment of an East Asia community is a common goal of member states. Statements from the East Asia Summit suggest an expanding conceptualization of regionalism to include joint efforts to combat the spread of infectious disease, energy security, and other issues.¹ This trend is a clear manifestation of the fundamental changes in attitudes toward community building that are taking place throughout East Asia.

Despite substantial progress in cooperation, perhaps best evidenced by the proliferation of free trade negotiations and agreements in recent years, the primary impetus for enhancing regionalism and East Asian integration remains largely economic and market driven. While

1. Such efforts, it should be noted, nevertheless remain in the preliminary stages. See, for example, the "Cebu Declaration on East Asian Energy Security" (January 15, 2007) and the "Chairman's Statement of the Second East Asia Summit" on the ASEAN Secretariat website (www.aseansec.org).

expanding economic cooperation is certainly a positive development and an integral part of the community-building process, an exclusive focus on the economic advantages of regional integration betrays an excessively insular mindset and delays the realization of a more comprehensive, cooperative, and enduring community.

The relative lack of substantive progress beyond the economic sphere thus far is itself a reflection of the numerous obstacles that such efforts will inevitably face. The absence of a common cultural and religious heritage, stark economic disparities, emerging confrontational nationalism, widespread domestic governance issues, past US opposition to stronger regional institutions, and both traditional and nontraditional security threats make it abundantly clear that the realization of an East Asia community will be no easy task. Faced with the need to overcome such monumental challenges, there is uncertainty among policymakers about how best to move forward. As a result, efforts to consolidate ties throughout the region have thus far lacked a unified conceptualization of what form the process of East Asia community building should actually take.

The fundamental aim of this chapter is to delineate the political rationale for expanding community-building efforts and to explore its two core components. The first component is what we refer to as the “virtuous cycle” that exists between economic growth and political liberalization, each of which can have a positive impact on the long-term stability of East Asia. Second, we examine the necessity for a rules-based (rather than values-based) approach of “inclusive multilateralism,” which aims to address regional issues through voluntary and coordinated actions, rather than allowing the most powerful governments in the region to govern by fiat. We argue that in light of contemporary realities in East Asia, an “*action-oriented regionalism*,” a process through which states are bound together by rules and operations to proactively tackle functional issues of common concern, is the necessary starting point for this effort. Such an approach is the most practical way to deepen trust between states and gradually lay the groundwork for more substantive community building in the future.

While acknowledging that regionalization efforts should maintain the creation of a formalized “East Asia community” as the ultimate objective, we nevertheless hold that the true value of this pursuit lies not so much in the establishment of a European-style regional superstructure as in the *process* of community building itself. Given the current circumstances in

the region, and in particular its vast diversity, a rules-based and process-oriented approach is the only practical strategy to gradually transcend existing obstacles and further consolidate the peace, prosperity, and stability of East Asia.

THE CURRENT CIRCUMSTANCES IN EAST ASIA

Before continuing on to a more in-depth discussion of the political rationale for the development of an East Asia community, it is necessary to first offer a brief summary of the current circumstances in the region.

The East Asia that exists today is vastly different from that of only a decade ago. Discourse on the region is now dominated by talk of the rise of China and India, two nations whose economies are on course to become the second and fourth largest in the world respectively within only two decades. Goldman Sachs, the global investment banking firm, predicts that China will continue on to pass the United States by 2035, with India following suit a mere ten years later.² The smaller developing economies are also growing at a torrid pace, with average gross domestic product (GDP) growth rates in the region passing 8 percent in 2006.³ One need only look to the recent proliferation of bilateral and multilateral free trade agreements, soaring intraregional trade levels—currently surpassed only by those of the European Union (EU)-15⁴—and widespread governmental support for the expansion of Asian bond markets for ample evidence that regional economic integration is well underway. However, far from being limited to economic growth, the region's transformation is also increasingly noteworthy for the slow but steady shift toward a general embrace of democratic values. This development is manifest in the recent decisions of several formerly authoritarian governments to dramatically liberalize their political systems.

Within China, continued economic growth and the increasing prominence of domestic governance issues (e.g., tensions between economic

2. "India Projected to Join China in Surpassing the Size of the US Economy by 2050," *International Herald Tribune*, January 24, 2007.

3. Asian Development Bank (ADB), *Asia Development Outlook 2007* (Hong Kong: ADB, 2007).

4. Based on 2005 data, the level of intraregional trade has already reached 55 percent, a rate higher than the North American Free Trade Agreement, at 45 percent, and quickly approaching the 60 percent level of the EU. See Masahiro Kawai, "Toward a Regional Exchange Rate Regime in East Asia," ADB Institute Discussion Paper 68 (June 2007).

freedom and political freedom, widening income disparities, energy, and environmental issues) serve in many ways as a reflection of the challenges facing the region as a whole. Given its vast size, not only in terms of population but also economic influence, land area, and resource consumption, the rise of China is arguably the most significant global development in recent memory. China has been pursuing a benign yet increasingly assertive foreign policy, characterized by substantial and nontransparent annual increases in military spending and elements of nationalistic tendencies in conjunction with the 2008 Olympics in Beijing and the 2010 World Expo in Shanghai. This has sent policymakers in neighboring countries scrambling for effective means to hedge against the uncertainty surrounding its future path.

India's economy is also rapidly expanding. Historically one of the founding members of the Non-aligned Movement during the Cold War, India has in recent years gradually strengthened its ties with the West. In light of concerns surrounding China's rise, some Western policymakers hope to see India emerge as a collaborative partner on the global stage and as a potential balancer to China. This logic is clearly manifest in the nuclear cooperation deal between the United States and India, as well as in Australia's lifting of a decades-old ban on uranium sales to states that are non-signatories to the Nonproliferation Treaty. Engagement of India is by no means limited to the West, however. The ultimately successful campaign to include India as a member state in the East Asia Summit and former Japanese Prime Minister Shinzo Abe's rhetoric about the importance of enhancing "democratic partnerships" in the region are just two examples of similar movements occurring within East Asia.

One other evolution of note in the region is the gradual transformation of Japan. The primary change of relevance here is its growing assertiveness in international affairs, which is itself a reflection of structural changes in domestic politics, the economy, and the social fabric of Japanese society. Developments outside its borders have also played an important role in facilitating this assertiveness. For one, China's growing regional and global political influence has inflamed existing bilateral tensions and exacerbated competition for regional leadership. Additionally, the situation on the Korean Peninsula, in particular North Korea's October 2006 nuclear test and the continued controversy over its abduction of Japanese citizens, has also had a profound impact on Japanese public opinion. Concomitant with these trends and with a gradual decrease in domestic opposition, Japan's security policy is

undergoing a significant transformation in the new century as it seeks a more proactive and “normal” role.

Turning our focus southward we find that, despite the substantial progress ASEAN has made in recent years, many of its members continue to struggle for better governance. While the region is certainly an economic success story, having posted annual GDP growth rates of over 5 percent for several years, corruption, environmental degradation, the absence of modern infrastructure, and an expanding gap between rich and poor nevertheless pose substantial threats to sustainable development. Although internecine warfare between ASEAN members has, with the exception of a few brief border skirmishes, largely become a relic of the past, nontraditional security threats such as maritime piracy, human and drug trafficking, and the spread of infectious disease remain issues of serious concern to both Southeast Asia and the greater region.

TOWARD AN EAST ASIA COMMUNITY

Communities are groups that interact, have similar interests, and pursue a common destiny. While the number of leaders who have come out in support of a shared vision for the region has grown significantly in recent years, the obstacles that efforts to create an East Asia community will inevitably face in a region as diverse as East Asia remain substantial. In light of this reality, for the foreseeable future leaders are advised to focus their efforts not on the creation of a formalized “East Asia community” but on the process of community building itself.⁵

The Link between Economic Growth and Political Stability

As Jesus Estanislao effectively argues in Chapter 5, the economic rationale for increased interdependence within East Asia is quite clear.

5. Although the phrases “East Asia community” and “community building” have entered into common usage, the term “community” is perhaps too laden with connotations to accurately capture what is happening in East Asia. Bilahari Kausikan, for one, has suggested that a neutral term such as “architecture” might actually be more appropriate. Kausikan, “Constructing East Asia” (opening address, 5th Annual NEAT Conference, Singapore, August 21, 2007).

While there is no doubt that this consolidation of economic and financial ties is an absolutely integral part of the community-building process, these links should be treated as necessary but by themselves insufficient aspects of a larger process. Henceforth, regional leaders must give increased attention to the political benefits of prosperity and economic interdependence.

What exactly are the political benefits of expanding economic ties throughout East Asia? If economic community building expands to include trade in goods and services, investment, standards, and the movement of people, this would effectively set the stage for a regionwide economic partnership agreement, which in turn could develop into a broader Asia Pacific/APEC free trade zone. The gradual emergence of this kind of community, which should observe the rules and obligations of the global system and be linked to such international institutions as the World Trade Organization (WTO), would not only make the region more prosperous but also encourage further economic and political liberalization.

The link between economic growth and political liberalization is well established. While increased prosperity is of course not the only factor involved in determining whether a country undergoes democratization, one need only look to the postwar experience of a state like South Korea for evidence of the connection and its applicability to nations in East Asia. If considered together with the substantial evidence suggesting that democratic states rarely, if ever, use war as a means to settle disputes with other democracies, the positive contributions that economic growth and political liberalization stand to make to long-term regional peace and stability become clear. Put simply, economic growth supports political liberalization, which in turn leads to a more prosperous, stable, and peaceful region.

Unfortunately, despite the peace dividend that could potentially emerge from a further proliferation of democratic values throughout the region, East Asian leaders rarely cite the positive effects of political liberalization as a rationale in support (or defense) of regionalism. This hesitancy probably has two main sources. First, there is concern that an excessive focus on political liberalization and democracy would ostracize some leaders who might view such efforts as a case of outsiders meddling in domestic politics and thus as a violation of state sovereignty. However, if articulated in a manner sensitive to these concerns, any negative impact should be minimal. A second reason may be concern

about the domestic instability that could potentially emerge in the process of political reform. The transition from autocracy to democracy is rarely problem free. While it would be irresponsible to ignore this reality, on balance the benefits of political liberalization far outweigh the risks; a more stable peace in East Asia serves the interests of all peoples in the region.

There is one important caveat regarding the relationship between regional economic growth and political stability: what is good for individual states may not necessarily be good for the stability of the region as a whole. Although seemingly counterintuitive, when it comes to community building, economic growth in a given country can be a double-edged sword. If the gap between wealthy states such as Singapore and underdeveloped states such as the so-called CLMV nations (i.e., Cambodia, Lao PDR, Myanmar, and Vietnam, whose people live on an average income of only US\$1.38 per day⁶) continues to expand, the implications for regionalism could be disastrous. Under such circumstances, an East Asia characterized by “winners and losers” could emerge, where calls for the further advancement of regionalism would fall on deaf ears. This development would only confirm long-held suspicions among some skeptics that “community building” is nothing more than an excuse for the region’s wealthier states to freely pursue their respective national interests.

In order to avoid such an outcome, more affluent nations with interests in East Asia must begin the process of alleviating economic disparities through greater contributions to market expansion, institutional capacity building, and human development in the region’s poorer nations. Increasing official development assistance (ODA) to develop modern infrastructure and placing a higher priority on the intellectual component of foreign aid are only two examples of such policy options. The former would not only yield direct benefits for individuals and local businesses within the recipient countries but could also serve as a critically important factor in attracting foreign direct investment, which would in turn further contribute to national development. With regard to the latter, the success of programs undertaken by Japan and other nations in Vietnam and Lao PDR have clearly demonstrated that intellectual ODA can go far toward helping nations learn how to help themselves.

6. Calculated using 2006 data from the IMF’s April 2007 World Economic Outlook Database (www.imf.org/external/pubs/ft/weo/2007/01/data/index.aspx).

Unless the advanced economies do more to address the widening economic gaps between states in the region, facilitate the development of physical infrastructure, and foster economic growth in poorer nations, not only could community-building efforts in East Asia be put at risk, but the very stability of the region could be threatened. However, if rich countries actively expand their efforts to alleviate these economic disparities, both the poorer states and the region as a whole will benefit. Countries with healthy economies tend to have relatively stable governments. Domestic political stability in turn facilitates the development of more durable and harmonious diplomatic relations among neighboring countries. In short, expanding economic integration throughout the region should lead to a virtuous cycle of mutually reinforcing economic and political ties, a process that will in turn make a great contribution to the peace and stability of East Asia.

Inclusive Multilateralism

Without a doubt, the single most important factor in East Asia's recent transformation has been the rise of China. By almost every traditional measure of national power, be it economics, politics, or the military, Chinese leaders aim to see their country achieve great power status in the near future. While China's emergence does not necessarily pose a direct threat to regional stability, it has nevertheless given rise to a great deal of apprehension throughout the region. To address these concerns and ensure that China becomes a responsible player in global affairs, it is abundantly clear that a return to a Cold War-era strategy of containment to preempt China's rise is not a realistic option. Not only would such a strategy play into the hands of hardliners within the PRC who call for China to adopt a more assertive and confrontational foreign policy, it would also reverse many of the positive effects of China's rise in the region, and in particular the valuable contribution it has made to global economic growth. Instead, a policy of cautious engagement that addresses, but does not fall victim to, the uncertainty and skepticism surrounding China's rise would be much more sensible.

This cautious engagement strategy would utilize two main approaches to achieve its goal of bringing China into the global community as a peaceful and responsible player. The first approach, which is beyond the scope of this chapter, consists of developing a kind of soft

but firm hedge against the unpredictability of China's future course that at the same time takes care to avoid threatening or antagonizing its leaders. Briefly, this approach would most likely include a consolidation of strategic links among Japan, India, Australia, South Korea, and the United States, as well as a continued emphasis on US bilateral security alliances and partnerships in the region. The second approach is designed to engage both China and the rest of the region in "inclusive multilateralism," the goals of which are to gradually facilitate the proliferation of international norms throughout the region and to use multilateral dialogue and a significantly expanded emphasis on proactive and cooperative action to address issues of common concern. In the long run, these efforts will strengthen intraregional ties and engender relationships based on confidence, trust, and ultimately a shared sense of community.

Norm Proliferation

The expanding economic interdependence emerging in East Asia in recent years has made it so that sustainable cooperation is in the interest of each and every state. Institutions such as ASEAN+3, the ASEAN Regional Forum (ARF), and the recently established East Asia Summit demonstrate that regional leaders have come to believe in the benefits of cooperation and increasingly share a common vision for the region's future. These intergovernmental links, complemented by the rapid expansion of multinational corporations and the ongoing proliferation of various other transnational networks at all levels of society, have effectively laid the groundwork for the further expansion of multilateralism.

One of the primary mechanisms driving these developments has been the recent spread of international norms throughout the region. One need only look at the vast literature of international political and economic theory to find scholarship arguing that the spread of norms, rules, and international institutions is immensely beneficial for global peace and prosperity. While there remains a great deal of skepticism in some East Asian circles about the legitimacy of such claims, particularly in light of the trauma of the 1997 financial crisis, there is no doubt that the liberal norms of transparency and participation in rules-based institutions are gradually taking root in the region. Far from being

exclusionary or particular to a (relatively) homogenous system like that of the EU, one need look no further than China's entry into the WTO for evidence that even countries that have yet to experience extensive domestic political liberalization can actively participate in and benefit from this kind of open and rules-based system. In fact, it is exactly this openness that has been the basis for much of the region's economic expansion in recent years.

While participation in these multilateral institutions is important in and of itself, what is of arguably still greater significance in the context of community building is the positive influence that these institutions can have on member states. Through participation in rules-based communities, nations gradually become "socialized" to realize the benefits of adopting certain modes of behavior. These norms are gradually internalized and, with time, are institutionalized, by which point the costs of attempting to "go against the grain" become so large that continued compliance is in every state's interest. In essence, despite the diversity of East Asia, if states come to adopt standardized rules and norms of behavior, such as increased transparency, the transaction costs of interaction will decrease. This process will in turn cultivate greater trust, confidence, and interdependency.

An example of the contribution such an outcome could make to regional peace and stability may prove instructive. One of the most significant obstacles to the realization of an East Asia community has been the sharp rise of nationalistic sentiment in the region in recent years, particularly in China, South Korea, and Japan. Although pride in one's country poses no direct danger to regional stability in and of itself, the nationalistic sentiment of interest here, manifested in such incidents as the anti-Japanese demonstrations that spread throughout China in the spring of 2005, could conceivably develop into a strain of exclusive, confrontational nationalism. For example, it is not overwhelmingly difficult to imagine a scenario in which China and Japan, driven by suspicions that the other is intent on acquiring regional hegemony, engage in a debilitating arms race with the potential to deal serious damage to regional stability and the community-building process. However, such confrontational nationalism is neither inevitable nor irreversible.

Whenever one looks for the origins of nationalistic sentiment in Northeast Asia, be it anti-Japanese sentiment in China, anti-Japanese/Chinese sentiment in South Korea, or anti-Chinese/North Korean

sentiment in Japan, the answer often lies at least partially in domestic politics.⁷ Leaders in any number of political systems sometimes see the pursuit of a populist or nationalistic foreign policy as a means of garnering popular support. Although such tactics may succeed in reaping short-term gains for the party in power, they can have dangerous consequences in the long run. In contrast, the leaders of a nation that is a member of a community that has adopted a norm of seeking multilateral solutions to intraregional issues depend on their neighbors for help in addressing problems outside national borders. Since regional stability is central to the national interest, the state's leaders will show an increased sensitivity to views and expectations of community partners rather than depending solely on the popular support of domestic constituencies. As domestic constituencies come to see the benefits of a more constructive and cooperative foreign policy, popular opinion will become increasingly supportive. The end result would be a more rational (or, at the very least, less provocative) foreign policy and mutually beneficial (as opposed to zero-sum) calculations of national interest.

In short, as states become socialized to these norms of interaction, multilateralism may become a means to transcend national egoism and ambition and minimize the deleterious effects of traditional power politics. This process would reduce confrontational nationalistic sentiment and could potentially, one day in the distant future, render concerns about the emergence of a militarist or expansionist power in the region obsolete. Any process that is able to remove or at least partially attenuate these concerns, which arguably pose the single largest obstacle to community-building efforts, would make an invaluable contribution to long-term peace and stability in East Asia.

7. Two points should be stressed here. First, in all instances, our argument that confrontational nationalism is detrimental to regional stability is not tantamount to a dismissal of the grievances of the protestors themselves, many of which can be considered legitimate. Second, we also reject claims, particularly prevalent in Western circles, that the recent rise in nationalist sentiment has been orchestrated by the central governments of certain countries and is therefore, so the argument often goes, nothing more than a) a foreign policy tool to guilt or intimidate other nations into giving it what it wants, or b) a clever scheme to manipulate public opinion and shore up popular support for the regime in power.

Action-Oriented Regionalism and an East Asia Security Forum

There is no doubt that the continued participation of regional states in constructive bilateral and multilateral diplomatic fora, as well as the gradual adoption of common norms of behavior, would yield immense benefits for East Asia and should remain a long-term objective of community-building efforts. Nevertheless, it is important to reiterate the fact that circumstances in East Asia differ significantly from those in a region like Europe, where similar values such as democracy and the rule of law already had very strong roots at the time of the EU's establishment. In contrast, East Asia is—as many pundits who are cynical about community building are wont to point out—a region of considerable diversity, where the legacy of history looms large and the political relationship between its two greatest powers is at times characterized more by mistrust and suspicion than anything approaching common values. The expectation that East Asian states could put aside their differences overnight and adopt new values and norms of behavior in the name of “community” is far-fetched, to say the least. While recent joint statements such as the 2005 Kuala Lumpur Declaration are welcome developments, leaders must take care not to oversell such abstract concepts as an “East Asia community” until the prerequisite foundation is more firmly established. This process will necessarily take time.

Going forward, the most effective way to facilitate the strengthening of community will be a functional approach to proactively address issues around which the interests of all countries in the region converge. In particular, an emphasis on *action-oriented regionalism*, through which states are bound together by rules and operations, rather than (necessarily) values, religion, or political systems, stands to make a significant contribution to the community-building process. This approach would go beyond existing dialogue-based multilateral institutions and engage states in proactive and cooperative efforts to tackle challenges of common concern.

As noted previously, the region currently faces a number of threats to sustainable development. A greater effort must be made to convince regional leaders of the urgency of these threats and the necessity of working in concert to solve them. The bad news is that no country is immune to potential devastation if a disruptive event were to occur. Somewhat paradoxically, the good news (at least in the context of this chapter) is also that no country is immune to potential devastation if a disruptive event were to occur. The logic is simple: since all states would

be affected, all states therefore have an interest in preventing, or at least minimizing, the damage.

One core area ripe for functional cooperation in the region is the field of security. While the ARF maintains an important function as a broad security dialogue forum effective for confidence building among its members, very little in the form of concrete cooperative action ever results from its meetings.⁸ When it comes to putting an end to maritime piracy, terrorism, or other issues with the potential to seriously threaten regional stability, merely discussing the issue, while by no means absent of value, is nevertheless wholly ineffective for actually solving the problem. What the region needs is a regionwide security forum with a mandate to take specific and proactive action against such common threats.

It is important to stress that this security forum would at no time in the immediate future serve as an alternative to existing bilateral security alliances and partnerships with the United States, which serve as a guarantor of regional stability. Rather, for the time being its function should be complementary in nature. There is no doubt that Europe's evolution took place within the US security guarantee and could not have occurred without it. While the thought may be less than appealing to some leaders in the region, for at least the foreseeable future, the reality is that the same holds true for East Asia. Without US involvement, no regional security institution has a realistic chance of success. While the global strategic environment has undergone a substantial transformation in recent years such that most threats now come from nonstate actors, these traditional "hard" security alliances and partnerships with the United States remain necessary hedges against unpredictable future threats. In stark contrast to the situation as recently as the mid-1990s, these ties are now seen by most actors—even China—as fundamentally stabilizing for the region at large. Every effort must be made to keep the United States engaged in the region and make clear that all regional leaders welcome its continued involvement. At the same time, the United States has a responsibility to clarify and renew its commitment to the region. One way for Washington to do so would be to sign a Treaty of Amity and Cooperation and join the East Asia Summit.

8. In fact, there is only one instance of cooperative action in the ARF's 13-year history, a two-day joint maritime security exercise held in Singapore in January 2007.

While US security links in the region are absolutely necessary, they are no longer sufficient to provide the kind of stability necessary for East Asia's continued growth. Rather, they must be complemented by new and more inclusive multilateral institutions with a broader mandate. One example of this kind of institution is the Six-Party Talks framework, which has emerged as an effective subregional security dialogue forum tasked with the resolution of the North Korean nuclear issue. It is worth noting that such a multilateral security dialogue forum, which involves the five most powerful states in the region cooperating on a common security threat, was all but unimaginable only a decade ago. Even after the nuclear issue is settled, the framework can continue to serve as a subregional channel for confidence building among its members.

The ultimate goal, however, should be the establishment of an "East Asia Security Forum" composed of the East Asia Summit member states, and having the full participation of the United States once it has signed the Treaty of Amity and Cooperation. This forum would be used to cooperatively address nontraditional security issues such as energy security and the environment, infectious disease, maritime piracy, and counterterrorism. Distinct from other multilateral institutions in the region, an East Asia Security Forum would be operational in its orientation and combine dialogue with a mandate for proactive action. At least initially, this mandate would necessarily remain limited in its scope. However, as states become accustomed to working together and gradually build the foundations of trust necessary for larger operations, the mandate could expand to tackle such issues as the proliferation of weapons of mass destruction through cooperative action similar to the American-led Proliferation Security Initiative. Collaboration of this sort would not only work toward solving both traditional and nontraditional security threats but would also serve as an effective confidence-building measure and, with time, could minimize the level of threat that some states in the region continue to perceive from their neighbors.⁹

In sum, multilateralism and community building should not be thought of as a means to impose limits on individual state sovereignty. Rather, these processes should be looked at as instruments with which to address regional problems—problems that can only be solved through cooperative action. For the time being, this kind of functional

9. For more on the East Asia Security Forum proposal, including an explanation of its differences with the ARF, see Hitoshi Tanaka, "East Asia Community Building: Toward an 'East Asia Security Forum,'" *East Asia Insights* 2, no. 2 (April 2007).

approach is the most practical way to push the community-building process forward.

CONCLUSION

East Asia has undergone a substantial transformation in recent years. While the region as a whole continues to achieve rapid economic growth and growing economic and financial interdependence, very serious issues such as overwhelming disparities in per capita GDP, resource scarcity, terrorism, maritime piracy, infectious disease, and environmental degradation still remain and demand greater attention. Common values remain elusive due to the considerable political, social, and religious diversity of the region. The nuclear issue on the Korean Peninsula and potential conflict across the Taiwan Strait pose continuing threats to regional stability. These are all challenges that cannot be overcome by prosperity and economic interdependence alone.

In this chapter, we have delineated what we see as the basic political rationale for an East Asia community. It is our hope that policymakers will place greater emphasis on the benefits of economic and political liberalization, the positive impact of the spread of norms and rules-based institutions, and the valuable role that action-oriented regionalism, as embodied in such new institutions as an East Asia Security Forum, could play in engendering a more stable and cooperative atmosphere in the region. As states find themselves increasingly bound together by rules and operations, this inclusive process will also lay the groundwork for still deeper regionalization and, ultimately, the formalization of an East Asia community.