Ideas and Identity in the International Political Economy of Regionalism: The Asia-Pacific and Europe Compared

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Introduction

At a scholarly level, the study of comparative regionalism has been back in fashion for some time now—especially in the USA, where studies of NAFTA and the EU and NAFTA and Asia Pacific cooperation have emerged. A closer examination of the Asia Pacific over the last few years suggests a potentially rich two-way vein of empirical and theoretical insight to be gained from comparison with Europe. Europe's present does not represent the Asia Pacific's future but, as well as their obvious differences, there are striking parallels that might not seem evident at first but that do emerge via comparative analysis. The geographical, historical, political and cultural contexts are sufficiently different to ensure different paths towards regional cooperation, but the context of managing regional economic policy coordination in an era of globalisation is the same for both European and Asian actors.

For the student of international political economy, the comparative analysis of regionalism in the EU and Asia offers a chance to refine our theoretical knowledge in several broad areas of international relations and comparative political economy scholarship. At a 'mainstream level' it allows us to refine dominant neo-liberal institutionalist approaches to the understanding of economic cooperation. At a less mainstream level is allows us to see the utility of alternative 'constructivist' applications to the study of regionalism. Particularly, it allows us to take 'ideas and ideational analysis' seriously. Questions that have not been on the research agenda of economic regionalism for quite a while—questions of identity—are now deemed to be salient. This paper is less a finished product and more a research agenda for students...


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of comparative political economy working on regionalism in Europe and Asia. While the study of regionalism in both areas is a substantial industry nowadays, it is comparative analysis that will provide us with value-added in overall efforts to advance the theoretical understanding of regionalism.

Within comparative study, economistic explanations of regionalism—especially of a neo-classical variety—are much more advanced than identity studies. It is the aim of this paper to attempt to redress this imbalance somewhat. Divided into three parts, section one attempts to provide an idealational, as opposed to a material, framework for the analysis of regionalism in an era of globalisation. Why is it important to do so? Because, I would argue, the relationship between ideas and interest still lies at the heart of the contemporary realist-liberal-institutionalist debate about how best to achieve international cooperation and/or policy coordination. At the risk of cliché, we need to get beyond it. Consequently, section two offers a comparative insight into the contemporary relationship between ideas and institutional development in Europe and Asia. Section three provides a more idealational analysis of regionalism in the Asia-Pacific than has been common in the literature to-date.

1. Ideas, Identity and Regionalism in an Era of Globalisation

For much of the post-World War Two period the realist assertion of the primacy of interest in a system of unconstrained anarchy passed largely unchallenged (see Waltz, 1979). However, the last couple of decades, initially influenced by a recognition of the respective analytical importance of the growth of interdependence (see Keohane and Nye, 1977) and international society (see Bull, 1977) have seen a challenge to the realist orthodoxy. This challenge, or in some contexts reform (see Goldstein and Keohane, 1993), has gained pace in the last decade with the growing recognition of the importance of ideas in the explanation of international cooperation. While a concern with the role of ideas in policy formulation, implementation and coordination is not new, the explanatory importance of ideas has gained currency with the passing of the Cold War and the loosening of the ideological straight jacket that structured much post-World War Two foreign policy making. This is not to suggest that the power of interests can be subsumed to the power of ideas. Rather it is to suggest that for much of the post-WW II era, the analytical and prescriptive strength of interests and power, embodied in a realist understanding, have seen ideas, as influential factors in the making of foreign policy, minimised.

But we need to understand the impact of ideas on public policy and the manner in which ideas find there way into public policy. Policy is neither formulated nor implemented in the absence of ideas, knowledge and ideology. The difficulty, of course, is validating the causal relationship between a
given policy and the ideational factors that inform it. Ideas shape agendas. More generally, questions of an ideational nature must inform our understanding of region construction more than they have done in the past. Both the specific and the general assertion find support in contemporary European and Asia Pacific regional narratives. Consequently, I wish to argue that over the last decade we have seen something of a convergence in the dominant ideas system underwriting policy change in both regions.

This is not to imply that the specific ideas that underwrite policy might not be substantially different, as section two will demonstrate. Rather it is to suggest that the ideas that form the basis of policy making on questions of regional cooperation are derived from, or draw their epistemological strength from, a converging form of neo-liberal (capitalist) ideology (Gill, 1995). In policy terms in a European context this is detailed in the development of the Single Market Programme. In an Asia-Pacific context it has led to the development of a policy commitment to market-led open regionalism. The source of these ideas, I want to argue, is to be found not simply in the interests identified by regional state policy making elites, but also in the influence of emerging wider regional communities of like minded corporate sector actors, scholars, research brokers and practitioners (both public and private) engaged in the definition of regional identities, problems and putative policy proposals for the resolutions of these problems. For members of the Asia Pacific policy making elite, 'open regionalism' is a normatively good thing. As such it is political construction as well as economic theory. APEC is a creature of the rise of economic liberalism (Biersteker, 1992). Central to open regionalism is a belief in the virtues of market-led integration giving rise to the beginnings of what two of its major protagonists call a 'General Theory of Integration for the Pacific' (Drysdale and Garnaut, 1993).

Both substantively and procedurally, the similarities between the processes in Europe and the Asia Pacific have more in common than the single region focussed analyst might assume. In order to substantiate this position, a number of prior questions need to be addressed. For example, how do we understand the influence of ideas on the policy process? It is an elusive question not easily amenable to manageable analysis. Goldstein and Keohane recently defined ideas as 'shared beliefs' operating as 'road maps', or strategies for maximising interests.\(^1\) Interests, however, are not purely

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\(^1\) Not unusually, the scholarly interest of the international relations community in these, as in many other issues, lags somewhat behind that to be found in the wider social science community. See variably, Kingdon, (1984), Hall (1989), and Gamble \textit{et al} (1989). Indeed, 'the knowledge utilisation school' of public policy with its emphasis on the importance of ideas has its roots back in the 1970s. For a discussion see the essays in Weiss (1992). I would like to thank Diane Stone for bringing this point to my attention.
material, nor are they necessarily prior to ideas as much rationalist scholarship would argue. They can also be value based or normative. The point for Goldstein and Keohane is that ideas act as road maps, which by their exclusion of alternative routes, limit choice. They do this by implanting the suggestion in the minds of policy makers that alternative interpretations of reality are less worthy of support (Goldstein and Keohane, 1993: 3-12). Moreover, they see this is an exercise driven by rationality—'...a theoretically useful simplification of reality rather than a true reflection of it' (Goldstein and Keohane, 1993: 5). But we should note that the rational calculation of interest is conditioned by the strength of the ideas that constitute an actor's, or actors', understanding of interest. Rational action is not prior to the ideas that nourish it.

Applying their 'road map' metaphor to the Asia Pacific for example, we can see that the ideas of market-led open regionalism and, in the security domain, the gradual multilateralisation of the security debate, are becoming important road maps with which to traverse the uncertain regional economic and security terrain. But it is early and, to extend the metaphor, these ideas are not as yet institutionalised as the best routes on offer—neither in the sense that they are embedded in norms and principles, nor in the sense that there has developed in the Asia Pacific a set of operating procedures and administrative agencies capable of providing a strong transmission belt between ideas and the policy process.

These analytical devices may provide us with insight into the comparative development of recent policy processes in both Europe and the Asia Pacific. Yet these refinements in neo-liberal institutional analysis are not sufficient. Section three of this essay—in what would be considered a step too far for liberal institutionalists like Goldstein and Keohane—goes on to ask a series of 'constructivist' questions about the importance not simply of ideas, but of identity building as an aspect of contemporary regionalism. To be fair, scholars of integration studies—focusing for obvious historical reasons on Europe in the first instance—have long anticipated the salience of value based, institutional and 'ideational factors' in successful regional economic integration. In such an explanatory analysis, region level institutions of government would be accompanied by the acculturation of value based and culturally defined understandings of region. The significance of these general sentiments differs depending on the specific analytical framework employed. Transactionalists (see Deutsch, 1957 and more recently, Wallace, 1990) see them as being more analytically salient than the early neo-functionalists such as Haas (1958) and Lindberg (1963) for whom ideational aspects of integration are secondary outcomes of enhanced efficiency inherent in the rationalist, utility maximising processes of integration.

In short, the development of a 'regional' identity as an essential component
of value change among the political communities of the member states, if that is what it be, is understood from a rationalist perspective as self-regarding, particularist, and instrumental rather than other-regarding, universalist and cognitive. Thus there is in essence a very firm interest-driven, material basis to the analysis of ideas in explaining enhanced regional understanding across the spectrum, be it from the development of regional policy dialogues in the Asia Pacific through to the creation of an integrated market in Western Europe.

This emphasis on the primacy of materialist, factors in the explanation of integration in general and European integration in particular makes historical sense. It is also sensible to be circumspect about their ability to be all embracing in their explanation of the development of contemporary understandings of the processes of enhanced regional cooperation in train at various levels and in various contexts in the Asia Pacific, and indeed Europe. The impact of globalisation on both regions is important.

If we assert at a general level, as liberal institutionalists in international relations and neo-classicists in economics would do, that the implicit ideas underwriting the wider conception of regional economic cooperation in both Europe and the Asia Pacific are neo-liberalism and rationalism, then these ideas have gained force amongst policy making elites in the context of the progressive globalisation of the world economy—where, according to such a position, actors seek to maximise their interests albeit within a system of political and economic constraint. In their different ways and over different time scales, both the EU and APEC are responses to three aspects of globalisation: (i) the replacement of national markets by world markets; (ii) the decline of geographical determinants of financial location and the internationalisation of the division of labour; (iii) the continued strengthening of multinational and private policy making structures vis-a-vis the public authority of the state (Strange, 1995). Along with advances in communications and information technologies, these developments ensure the globalisation of production, finance, knowledge, trade and a changed relationship between economic activity and national borders.

Increased exposure to the effects of international markets, in both trade and investment, require not only domestic policy adjustments but also generate an increased desire to address these problems collectively. Consequently, successful implementation of domestic policy adjustment increasingly requires inter-state negotiated bargains. It is no coincidence that the more developed states, with accompanying significant intellectual-cum-policy making communities, have recognised the political expedience of externalising adjustment processes at a bilateral level where possible—most notably in the US determination to place the onus of change on Japan—but also via enhanced economic cooperation at the regional level as in the EU
since the mid-1980s and increasingly in the Asia Pacific region in the 1990s. For the NIES of the of the Asia Pacific, this represents a new stage in their international economic understanding. Prior to this period they have been ruthlessly successful domestic adjusters, but slower than the USA and European states to recognise the international dimensions of adjustment via collective regional action. It is an assertion of this paper that this understanding is changing in the Asia Pacific.

Within a general neo-liberal context, policy communities in all the major regions of the world are seeing a convergence of thinking about how to respond to globalisation. Because globalisation weakens the efficacy of national policy instruments, collective action approaches to problem solving with regard to issues demanding transnational management solutions are probably easier at the regional level—or this in theory should be the case given an expectation of at least some shared regional political, economic and socio-cultural understandings. Region level problem solving seems more politically manageable. Thus, there would appear to be a greater consciousness of agency in regionalisation than in globalisation. It is paradoxical in an era of globalisation, when distance becomes a less significant constraint on economic relations, that regional relations are growing—both theoretically and empirically. The governing elites of Asia's major states, given their past history of conflictual interaction, might not have thought of each other as natural partners, but an effect of globalisation is the evolution of a strong regional dialogue about economic cooperation. At overlapping regional/state levels the evolution of a strong policy community of the principal players (both public and private) has become increasingly wedded, both normatively and causally, to the principles of liberalisation. Moreover, liberalising agreements between regional neighbours provide policy discipline in the face of domestic pressures, the aim of which is to compensate at the regional level for policy autonomy lost at the national level.

Policy elites have largely accepted 'new institutionalist' explanations as to why it is in the interest of actors to cooperate in regional contexts. Essentially a critique of pure theories of a neo-classical genre in economic theory, the new institutionalist economics and liberal institutional international relations theory retain the idea of rational/self-interested/egoistic action as an important motivating factor in actor behaviour, but also recognise that (i) human action is not always rational and not always based on perfect information (see Williamson, 1984: 58–9), and (ii) actors can also be motivated by aims and goals beyond narrow self-interest. As such, traditional neo-classical economics is argued to have always under-estimated the value and importance of institutions and time (a similar critique is extended to realist scholars of international relations). By contrast, new institutional economists ask: (i) How is cooperation between egoistic actors developed in
the first place; and (ii) how can a boundedly rational actor be certain that other actors will comply with agreements at later stages? (North, 1994: 359). This is now well understood in the liberal institutionalist scholarship of international political economy (Axelrod, 1984; Axelrod and Keohane, 1986; Keohane, 1984 and 1989; Oye, 1986).

Institutions, need to be seen in the broad sense as organised rules, codes of conduct and structures that make gains from cooperation over time by solving collective action problems despite uncertainties present in mixed motive games. They do so not simply in a formal institutional way but also by providing a kind of social cement that mitigates self interest and opportunism (North, 1981: 35-37). Interaction within the context of these institutional settings creates a path dependence and vested interest in these settings and arrangements where priority is attached to process and social learning through iteration.

But this institutional rationalist approach to integration, drawing primarily in revised neo-classical economic analysis and neo-liberal institutional scholarship in international relations—seeing regime building as the efficient response to fixed policy problems—important as it may be, is only part of the story. It ignores the ideational dimensions of this process, thus missing alternative dynamics of regional cooperation and conflict that are of considerable significance in the closing stages of the twentieth century. Ideational approaches allow us to see the extent to which regime building is influenced by ideology, beliefs and knowledge and especially the evolution of consensual knowledge positions among crucial actors.

Knowledge and learning affect the nature of rules and cooperation in international relations. Rationalist assumptions about utility maximisation are too parsimonious. Perception and interpretative practices are also significant in shaping actor preferences. Interests can change as a result of learning, persuasion, knowledge and ideology. States can still remain the dominant actors under this form of analysis, but the origins of policy are less structurally determined. Thus from a more sociological, constructivist position (see Wendt, 1994; Hurrell, 1995) national interest is the outcome of a combination of both power and values. Indeed, interest cannot be conceptualised outside the context of the ideas that constitute them. In a regional context questions of regional awareness and regional identity become more important than in economistic, market-led understandings of regionalisation on the one hand, or neo-liberal institutionalist understandings of regime building on the other.

2 There is now a large body of literature on questions of learning and knowledge in international cooperation. It cannot be reviewed here. For a flavour see inter alia, Haggard and Simmons (1987) Adler and Crawford (1991), Haas (1992).
The role of ideational factors in recent developments in regionalism in the Asia Pacific and Europe is salient, indeed self evidently so given that such factors stress the importance of politics and ideology in the explanation of enhanced economic cooperation. Yet in both the Asia Pacific and Europe the interplay between regional economic integration and identity is under researched both theoretically and empirically. There are two research agendas of quite an old fashioned kind in political science that can be usefully re-instated and expanded in the comparative study of the international political economy of regionalism. These agendas would examine the interplay between power and purpose and between identity and interest. In such a context, the traditional sole focus of the student of integration—be they realists or liberals—on states, becomes insufficiently complex for the dynamics of regional activity in train in the post Cold War era.

Yet, in the discussion of the emergence of regionalism there is often a failure to distinguish between cause and effect. This may be less so in the economic literature which has the benefit of parsimony and robustness. But as better economists will admit, such virtues are gained at the expense of nuance, complexity and richer explanation—specifically with regard to the effect of ideas, ideology and politics on the development of regionalism. In this sense, the economic literature is less adept at dealing with the relationship between power and purpose on the one hand and identity and interest on the other in the explanation of regionalism. In a European context, the development of inter-subjective understanding among 'region makers' is invariably seen as a consequence of the development of more traditional indicators of region (proximity, strengthened economic integration and the development of regional institutions). Some would argue that this is so because issues such as the development of inter-subjective understandings of region are secondary to traditional understandings based on rational utility maximising understandings of interest, geography and gravity models of intra-regional trade. Moreover, such a position does not explain the new found interest in enhanced regional dialogue, cooperation and nascent institutionalisation in East Asia and the Pacific.

An examination of the activities of the trans-regional policy elites of the Asia Pacific over the last decade can suggest that we should perhaps question the Eurocentric nature of these prevailing theoretical assumptions. The Asia Pacific experience provides enough evidence to support a view that the development of a regional 'identity'—or perhaps less contentiously what I call 'a shared understanding of region' amongst the international policy elites—is emerging along side, or even prior to, the consolidation of the economic indicators of region and indeed, even in the absence of some geographical and historical indicators of expected 'regionness'. I offer this observation more as a question than an assertion. The question is posed in
this way because all prior literature on the study of regional integration would find such a suggestion scarcely credible. It needs testing in the light of the behaviour of regional policy elites, especially since the end of the Cold War, not only towards questions of economic cooperation, but also political issues such as human rights and security.

2. Ideas and Institutions in Regionalism in Europe and Asia

Do theoretical approaches to the study of regional integration, based on readings of the European experience, offer insight into the processes in the Asia Pacific? The question posed here is not whether the Asia Pacific is at the beginning of a process which, over time, will mirror the European experience. European observers invariably start from this question, and as one senior member of the Asia Pacific policy community opines, see Asian approaches as 'mushy' and 'soft headed' (Sopiee, 1994: 16). In so doing, Eurocentric analysis starts from a wrong assumption. Asian approaches to cooperation, rhetorically at least, reject the 'Cartesian' emphasis on legalism, formal agreements, contracts and institutions in favour of an emphasis on confidence building, 'hearts and minds' elite bonding, peer pressure and trust. They argue that the enterprises in the two regions are different. While this is a truism, I propose to argue that it masks a greater range of similarities—of normative aspirations, causal linkages and processes—in the respective histories of European and Asia Pacific regionalisms, which can be revealed by comparative analysis.

The European Experience

Of recent EU history, it is the Single European Act (SEA), the Single Integrated Market (SIM) and the 1991 Maastricht agreement to secure European Monetary Union by 1999 that represent points of institutional departure for a comparison with the Asia Pacific region. The SEA and SIM embody three major characteristics of cooperation currently absent in the Asia Pacific: (i) the institutional removal of domestic regulations to achieve a common market guaranteeing the free movement of capital, goods, services and labour among member states; (ii) the development of supranational organs as vehicles for decision making (qualified majority voting) on measures necessary to ensure the functioning of that market; and (iii) a commitment to develop policies to reduce regional imbalances and enhance socio-economic integration within and between members of the community. To the extent that these processes have required a pooling of sovereignty they are both qualitatively and quantitatively years ahead of Asia Pacific economic cooperation as it has developed to-date (see the essays in Keohane and Hoffmann, 1991).

These events of the second half of the 1980s also led to a growing
dissatisfaction with traditional neo-functionalist approaches to explaining the evolution of the EU. Reformulations of neo-functionalism, anticipating a strengthening of supranational institutions, and the development of liberal inter-governmental regime analysis (*pace* the writings of Andrew Moravscik, 1991, 1993 and 1995) stressing the central role of the national state as the key decision making actor and the mitigator of the integrationist impulse—have come to rest centre stage in the theoretical literature in recent years. While they have provided sharper insights into the relationships between states and the wider European Union, they are still very much grounded in an instrumental rationality that treats ideas and ideational factors as secondary (see Risse Kappan, 1996). Moravscik sees the European Union as an ‘...intergovernmental regime designed to manage economic interdependence through negotiated policy coordination’ (1993: 474). It is more efficient, he argues, to use the EU to manage economic policy coordination collectively than it is for states to manage it unilaterally. The development of the common market has come about through reciprocal market liberalisation.

This analysis is consistent with the mainstream liberal institutionalist understanding of regime formation. Conventional understandings of state level decision making—in which governments formulate policy in part as a response to the preferences and influences of the major actors in their domestic polities—underwrites this approach (see Moravscik, 1993: 487). State interests are defined and the bargaining process then runs its course. Of course, Moravcsik's reading of the decision making processes in the European Community is not without challenge in the analytic community. While it is a robust and parsimonious analytic model, much scholarship (especially reformulated neo-functionalism) and most politicians (especially of the Eurosceptic persuasion) would argue that there has been a shift of control to Brussels in many areas of decision making and that in any case, states are but one set of actors amongst many in the contemporary European polity. For contemporary neo-functionalists the motor of the European movement in the late 1980s was an 'elite alliance' between the Commission and business (Sandholtz and Zysman, 1989: 96–100).

Both liberal inter-governmental and neo-functionalist analyses of the process by which the EU arrived at its current destination offer more useful insights into events in train in the Asia Pacific in the closing stages of the twentieth century, and especially developments in APEC, than many Asian analysts and practitioners might at first sight assume. At a prescriptive level, they may even offer lessons for the continued advancement of the cooperative project in the Asia Pacific. Inter-state negotiations, encapsulated in 'liberal inter-governmentalism' might offer a *modus operandi* for the institutional enhancement of the APEC process. Indeed, Fred Bergsten
(1996) has even argued that with the development of APEC since the Bogor Declaration of 1994, this is exactly what is beginning to happen. Inter-state bargaining, of the kind associated with traditional international trade diplomacy, is emerging at the regional level in the Asia Pacific.

Differences notwithstanding, at the basis of economic coordination in both regions—and as quaint as it might seem to many post-modern members of the international relations community at the end of the twentieth century—are *states*. To say so is not to privilege a traditional state-centric model of international relations. Regional economic cooperation needs to be located within a wider, multi-actor, multidimensional, globalised context. Neo-functionalist analysis does that, although governments remain the principal players. To-date, although this could change, the development of the European Union has been a consensus-based negotiated process between states. There are a range of historical, strategic and economic factors that have driven and shaped this process, but states remain at its core.

Historical, strategic and political contingency also conditions the nature of economic cooperation in the Asia Pacific in the contemporary era but, as in the EU, institutionalisation is formally determined in a system with states as the principal agents of agreement. In this regard, inter-governmental bargaining, at the core of the evolution of the EU to-date and as I have already suggested, may be more of a model for APEC than many of the region's advocates of open regionalism might expect on the basis of their reading of the cooperative dialogue in the Asia Pacific to-date. Indeed, liberal inter-governmentalism may well enhance open regionalism. If, as Moravcsik argues (1991), sovereignty is not undermined, and may even be enhanced (1994), by the striking of liberal inter-governmental bargains, then it is a strategy likely to prove popular with the vast majority of the regimes of East Asia.

Thus, if we resist the more monolithic image of government inherent in much state-centric analysis, the development of Asia Pacific economic cooperation under the aegis of APEC appears to exhibit the characteristics of inter-governmental bargaining of a neo-liberal institutionalist kind. The importance of inter-governmentalism is that it privileges the state as gatekeeper against supra-national legislation. In this sense, given the desire of East Asian states to enhance sovereignty, it may have more contemporary explanatory utility in the Asia Pacific than in the European context where Moravscik style argumentation is seriously criticised by neo-functionalists and others.

In the Asia Pacific context liberal intergovernmental and neo-functionalist analysis need not be mutually exclusive. Under inter-governmentalism, the nature of the bargaining process is determined by the principal players. To-date APEC, especially prior to the advent of summitry in 1993, pro-
gressed by not threatening the perceived national interests of member elites—especially in those countries lukewarm on the project. But the asymmetries of wealth and power between the USA and Japan and some of the smaller states of ASEAN are such that a range of negotiating alliances are forming as APEC develops, indeed the stated aim of the EAEC is to offer smaller East Asian members of APEC the opportunity to establish unified positions within APEC. To-date relative gains issues have not been important, but this may not always remain the case—especially if the US tries to use the organisation as an instrument of its regional foreign policy (Nesadurai, 1996)

Thus liberal inter-governmentalism offers potential insight into the evolution of economic cooperation in the Asia Pacific. In contrast to earlier neo-functional approaches, it places less emphasis on the role of supranational actors—of which there are none in the Asia Pacific region—and more on the role of governments in inter-state bargaining. APEC is not an exercise in integration but in inter-governmental cooperation. Yet, while concepts such as market-led integration and open regionalism may reject explicit institutional integration, they are replete with functionalist sentiment and flavour—especially notions of market generated 'spillover'. It is an approach based on the perceived self evidence of 'comparative advantage'. In many ways, open regionalism approximates a cross between William Wallace's informal and formal processes of integration. Enhanced cooperation in the region is a product of market dynamics and technological change (Wallace, 1990: 9), and while there is no formal shift of loyalty to a new political community and new jurisdictions, APEC is nevertheless a new stage in regional interaction in the Asia Pacific.

A reading of European economic cooperation that stresses an uneven process of evolution through a series of intergovernmental bargains rather than a gradual and sequentially ordered process of development sounds fewer alarm bells among Asia Pacific decision makers than the notion of a functionalist process over which they have less control. A market-led approach to open regionalism might be reasonable economic theory, but it is insufficient without an accompanying political theory. Liberal inter-governmentalism provides some important insights. Harnessed to the notion of market-led regionalism it may prove a useful hook on which to comprehend the enhancement of economic cooperation in the Asia Pacific.

Neo-functionalism's emphasis on elite alliances in the building of Europe 1992 is also a significant indicator of what is important in region building with parallels for the Asia Pacific. While the actors may be different—there is no equivalent strategically significant institution comparable to the Commission in the region—it is quite clear that pressures for enhanced policy coordination in the Asia Pacific are, as I have argued elsewhere (Higgott,
1993, 1994a, 1994b) elite-driven from within the tripartite community made up from members of the corporate, research and government worlds.

Yet neither liberal intergovernmentalism nor neo-functionalism, in either their own right or collectively, provide sufficient explanatory power for understanding enhanced cooperation in the Asia Pacific. There are other regional connections that have developed. Both approaches are interest-driven, rational actor analyses of collective action. They assume interests exist rather than explain how interests occur. The development of new policy—be it in Europe or the Asia Pacific—emerges out of the interaction of ideas and interests. The Single Market Programme of the 1980s and 1990s represented 'new thinking' in Europe just as much as the development of APEC since the end of the Cold War represents new thinking in the Asia Pacific.

For some analysts in Europe, the evolution of the Single Market Programme represented new thinking akin to a paradigm shift in the ideas that had underpinned European policy to that time. The initial Social Democratic/Keynesian/interventionist/welfare/statist consensus was undercut by the growing influence of neo-liberal ideas that stressed the role of market liberalisation and harmonisation and a greater role for the private sector at the expense of the state sector. The influence of these ideas at the state level have found their way to the forefront of the policy process at the regional level (Wallace, 1996a: 20-23). Helen Wallace identifies the locus of these changing ideas in the existence of strong trans-regional policy networks and coalitions that developed around the Commission (Wallace, 1996b: 57).

In effect, what Wallace would appear to be suggesting, if I read her correctly, is that the influence of an epistemic-like community of technocratic and private sector elites that developed the 'initial idea of Europe'—with its focus on issues of geo-political stabilisation in the first stages of development after World War Two—has given way to a newer group that exhibits different normative visions and causal methodologies for how Europe should develop in a era of globalisation characterised at that time by Eurosclerosis and the need to liberalise to improve competitiveness in the face of enhanced challenges from other regions (see Garrett and Weingast, 1993). The Single Market Programme and aspiration for a Monetary Union reflect the emergence of other sources of ideas in this period.

Various scholars have identified the European Round Table of Industrialists (ERT) and to a lesser extent the Union of Industrial and Employers' Confederations in Europe (UNICE) as being a major source of ideas—especially their vision for an open European market—within the European policy community from the second part of the 1980s (see Cowles, 1995: 503–14). Moreover, the ERT provided a forum within which the corporate sector, the Commission and the governments of the member states could meet. Al-
though exhibiting epistemic-like properties—notably strong and shared normative and causal beliefs—these bodies are more akin to advocacy coalitions than epistemic communities (see Jenkins-Smith and Sabatier, 1994: 178 and Sabatier, 1988). While ideas are important to advocacy coalitions, they are accompanied by a more robust desire to influence public policy than the more 'scientifically' oriented epistemic communities.

**East Asia and the Pacific**

In trying to identify the importance of ideas and ideational factors in regional institutional development, three basic questions posed in a European context (Rosamond, 1996: 5) also assist in the build up of a picture of the emergence of an Asian policy making space:

1. Can the existence of a series of regional as opposed to state policy problems or challenges be recognised?
2. Are there sufficiently strong networks/communities that see the need to articulate policy responses to questions and problems in the context of a regional economic/corporate/political space?
3. Consequent on 1 and 2, does it therefore make sense to think in terms of the development of regional arrangements, in addition to existing national arrangements, to enhance policy making vis-à-vis these problems?

The discussion of the European Union in the last section provides support in the identification of these three sets of circumstances. As I will try to demonstrate in this section, the recent history of both the de facto political economy and de jure institutional cooperation in East Asia and the Pacific over the last decade must also lead us (albeit qualified in ways to be outlined later) to answer yes to these questions.

In East Asia and the Pacific, transnational processes that mitigate some of the domestic-international separations that exist within liberal (and realist) explanations of decision making have been constructed. The emergence of regional policy networks, in conjunction with an inter-governmentalist understanding of decision making, offer an analytical window into the possibilities and limits of the construction of collective identity in the region. Liberal inter-governmental bargains would appear to be developing out of the enhanced dialogue, trust and transparency engendered by the activities of the regional policy networks engaged in building institutional cooperation at a rate faster than often appreciated. The principal characteristics of inter-governmental institutional change in the Asia-Pacific are fivefold:

1. It is multi-dimensional, with economics and security as the principal policy domains on one axis, and state and non-state actors as principal
participants in these processes on the other.

(ii) Nascent informal arrangements, of greater or lesser strength, already exist at multiple different regional levels. We need to think of a set of at least four concentric or intersecting understandings of region—(1) Southeast Asia (e.g. ASEAN, AFTA, ARF); (2) East Asia (e.g. the EAEC, the Asia '10'); (3) the Asia Pacific level (principally APEC); (4) a number of Natural Economic Territories (NETs or growth triangles). These different levels of understanding of region are 'contested' (see Higgott and Stubbs, 1995).

(iii) While APEC is a consensus-based organisation lacking any rules of enforcement, institutional development to-date is rudimentary but not negligible. From the initial ministerial meeting in Canberra in 1989 for example, APEC has seen the creation of a secretariat in Singapore, numerous active work groups and regular senior officials meetings (SOMS) and from 1993-on a regularised process of summitry.

(iv) Its activities are underwritten by a series of principles and norms distinctly neo-liberal in vein—notably, market-led growth, open regionalism, unilateral liberalisation and a commitment (at the rhetorical level at least) to remaining WTO consistent (see Higgott, 1996b).

In short, APEC embodies a de jure approach towards cooperation which takes the form, to-date, of loosely or at best semi-institutionally sanctioned trade commitments between states to enhance cooperation in a range of areas of either a binding or non-binding nature and without a common external tariff. Thus to explain efforts to reduce barriers to the continued development of intra-regional trade we also need to look to other factors. Welfare enhancement and the evolution of strong patterns of intra-regional trade may make good understanding in economic terms. But such static models do not help us understand wider historico-structural contexts of agency (state) induced change (see Wendt, 1994). These points may be as, if not more, salient than trade flows, and any 'natural' understanding of region. For example, the spur to the liberalisation process in ASEAN has been a growing recognition amongst the membership of the ASEAN policy community that if the continued flow of international investment funds is to continue, ASEAN states have to maintain their competitiveness vis-à-vis other investment-hungry areas. AFTA is premised on an assumption of collective inducements to investors and a political endeavour to enhance collective action absent at the state level (Lim, 1992).

It is the interplay of 'politics' and 'economics' that determines the structure of the regional political economy. State policy elites are not passive actors. They have interests. In most cases we should assume the intervention of state elites, to the extent they can, to enhance these processes if they are deemed positive to a given state's interests, or to mitigate them if they are
deemed deleterious to state interests—however these interests may be constructed. As a consequence, and at different levels, ASEAN, the EAEC and APEC should be seen as compromise products of the competing views of different groups of important regional policy actors. These views are encapsulated in Noordin Sopiee's distinction between Asian and European/Cartesian legalistic/formalised approaches towards cooperation. At first this was largely a rhetorical debate over styles and speed, but as APEC's agenda has begun to firm up it has taken a more concrete form.

Since the 1993 Seattle summit there has been an attempt to speed up the development of APEC, especially via the proposals of the Eminent Persons Group, the Bogor Declaration's commitment, rhetorical at least, to full liberalisation by 2020 and the Osaka Action Agenda (see APEC, 1993, 1994, 1995 and Yamazawa, n. d). But if the aim of APEC has been to share information, enhance transparency, and build trust via regular interaction where it has not previously existed, this is not as unproblematic as it sounds. Most Asian members of APEC insist that they resist it becoming a formal negotiating body rather than one that simply affirms broad principles and develops *modus operandi*.

APEC and other regional inter-state cooperation bodies such as ASEAN and its ancillaries such as AFTA and the ARF in the security domain are *statist*. They are seen as a way to enhance regime legitimacy. In contrast to the common Asian perception of the EU, Asian regional organisations are geared to sovereignty enhancement not sovereignty pooling. State policies towards regional cooperation, in either the economic or the security domain are not, to use the language of Europe, exercises in the 'pooling of sovereignty'. Underpinning Asian and European approaches to the question of regionalism is a different approach to the relationship between sovereignty and territory. Asian conceptions of sovereignty are much more territorially contingent than those in Europe. And regionalism in Asia, as a result, is an important part of the consolidation of state power. This is not, however, to suggest that state policy—even among ASEAN members—will be similar. History and context are important. Thus in Singapore we see a strong commitment of the governing elite to APEC, whereas in Malaysia, Mohamed Mahathir and his supporters have (via the EAEC) a different vision of region. But APEC more generally is determined no to replicate the institutional structures of the EU (Higgott, 1995). Moreover, open regionalism—the *progressive liberalisation of trade within the Asia Pacific region via concerted unilateral liberalisation but which is extended to non APEC members on an MFN basis*—is invariably contrasted with the institutional-cum-discriminatory EU model (Drysdale and Garnaut, 1993).

But this intention not to be Europe overstates the case. There is a process of 'enmeshment' taking place that alters the dynamics of inter-state relations
in the region. It is now apparent that there is a growing desire on the part of a wide range of policy actors in the Asia Pacific and East Asia to establish a greater sense of regional cohesion in order that the given region (APEC, the EAEC, or ASEAN depending on the level) might play a significant role in the conduct of inter-state relations within the region and between the region and other international actors in a range of issue areas.

Moreover, the growth of APEC and its ancillary activities represent the culmination of longer processes of gestation in regional economic networking through organisations such as PAFTAD, PBEC and PECC. Their early influence over the regional economic agenda setting process, prior to the initial 1989 APEC Ministerial meeting, were central to the evolution of the cooperative dialogue. Indeed, while there is considerable regional debate about the significance of these activities it can be said that, at the very least, a discourse of regionalisms has emerged.

But bodies such as PAFTAD and PECC, given the strong representation of researchers (principally economists, but both public and private) acted initially much more as an epistemic community in search of economic truth than as advocacy coalition in search of policy change, although PECC has been extremely influential in agenda setting in broad terms in the region throughout the early phases of APEC's existence (see Higgott, 1993 and Woods, 1992 and 1993). Quasi-comparable business bodies to the European Round Table of Industrialists in the Asia Pacific region such as the Pacific Basin Economic Council (PBEC) and the more recently formed Pacific Business Forum (PBF) do not have the same clearly defined agenda as the ERT, although the PBF is more goal oriented than was PBEC. As such, the ERT has probably been much more of a transmission belt for ideas than similar bodies in the Asia Pacific to-date. What the ERT has in common with the PBF and the PECC is that the divide between public officials and private sector actors becomes blurred. Government officials attend PECC meetings as 'individuals' in a non-official capacity.

But the influence of the non-governmental bodies seems to diminish as APEC becomes more politicised. As politicians and bureaucrats see APEC more as a vehicle for political gain rather than simply a vehicle for the advancement of the normative goals of the epistemic community (economic liberalisation for its own sake) then indicative agenda setting via epistemic politics will decline vis-à-vis deliberation in the context of inter-governmentalism. Non-governmental (corporate and academic) members of a policy community may be an important source of early ideas but we should not underestimate the desire of governmental members of the community to resist intrusions into policy making by non-governmental members.

The increased activity in APEC over the last few years has become more securely the preserve of senior officials (SOMs) than of the early advocates
of the cooperative project from within the wider, but non-governmental, reaches of the policy community. In this context, while more senior non-government members of epistemic communities may take on the appearance of a court—ostensibly 'speaking truth to power'—in reality they are more like junior partners in a patron-client relationship. For example, national PECC committees are reliant on, and accountable to, government for much of their financial support and legitimacy. In the last instance it is governments (and especially political leaders in key positions) that negotiate cooperation. Technical specialists or corporate actors in non-governmental reaches of the wider community—notwithstanding the increasingly important nature of 'Track 2' diplomacy in the Asia Pacific—are only ever tangential to this process. State actors are at their strongest when engaged in inter-state (or multilateral) trade diplomacy.

A further difference in the manner in which ideas are insinuated into the policy process in Europe and the Asia Pacific is to be found in the role of the European Commission. While APEC has a nascent Secretariat in Singapore, its functions are limited. The Singapore secretariat has yet to develop a negotiating or brokering role. If there is anything in the European context that strikes both fear and scorn in the hearts of Asia Pacific policy makers it is the thought of developing a giant bureaucracy in the region comparable to that which resides in Brussels. There is a clear philosophical difference here. While there may be debate over the magnitude of its influence, there is no doubt that over time, the Commission has been an important source of ideas in the European project (see Sandholtz and Zysman, 1989).

But a focus on institutions is not enough, in either Europe or the Asia Pacific. The major difference between the two regions is that the understanding of the core of the region is more settled in Europe than it is in the Pacific. The vision of a predominant and permanent role for APEC as the voice of the region is an ideas battle that is not as yet decisively won. It is tied closely to the question of the emerging 'identity' of the Asia Pacific; how that identity is defined and by whom. For some in the region, and regardless of the fact that it is driven by a different rationality than that which underpins market-led theories of open regionalism at the Pacific wide level, the idea of regionalism with smaller numbers as in EAEC, may also be argued to be rational.

By contrast, the core of the region is clearly delineated in the EU. The original six are embedded at the heart of its institutional framework. If we ignore Great Britain's two aborted efforts to accede to the Community, then the expansion to nine, twelve and now sixteen members has an orderly air to it. In the Asia Pacific, the constitution of region remains a contested terrain. More than anything else it has been the desire of the 'non-Asian states' of the region to consolidate links with the 'open market oriented economies' of East
Asia that has given APEC its definitional characteristic. But while the US, Japan and China are the major economic players in the region, they are not embedded at the centre of the decision making process in a manner similar to the position of France and Germany at the core of the EU.

Moreover, the contested nature of the region limits the way in which we might consider APEC as an international actor. This is not a question we would ask of the EU. Notwithstanding public bickering over some issues and inertia over others, the EU exhibits 'actorness', as Hill (1994) would put it. Brussels conducted the Uruguay Round of MTNs on behalf of the members of the then EC. APEC may have demonstrated a developing presence in global economic relations, and East Asia (the Asia 10) may have convened the first ASEM with Europe in March 1996, but neither group can be said at this stage to demonstrate conclusively the existence of a collective will or institutional capability for regular, iterated unitary action. Similarly, unlike the EU, there is no adjudicative capability at any regional level in the Pacific.

3. Ideas and Identity in the Development of Asian Regionalism

The constitution of an Asia Pacific identity is more problematic than that in the European Union. It needs to be understood not only as an evolving rationalistic process but also one that may defy the common rationalist logic that underpins both realist and liberal/institutionalist approaches to cooperation. Both realist and liberal understandings of the regional evolution in the Asia Pacific are excessively economistic. They assume rational interest maximising activity on the part of the states of the region. For liberal institutionalists this will, theoretically at least, lead to greater cooperation than for realists. But neither theoretical approach assumes that growing levels of systemic interaction at the regional level may be capable of transforming the nature of state interests, and that this in turn is an essential element of any explanation of greater regional cooperation.

This is an omission within realist and liberal orthodoxies that has both theoretical and practical implications. In the latter parts of the twentieth century we need to pay more attention to the theoretical impact of systemic interaction on the construction of identity in international relations in general and, in this instance, regional identity in the Asia Pacific in particular. It is not to deny the importance of the domestic (internalised) derivations of state identity to pose the question of the degree to which externalised systemic interaction, in this context attempts to generate collective responses to regional problem solving in the Asia Pacific, can be influential in creating new understandings of regional identity. The question I have formulated here represents an attempt to recast Alexander Wendt's important 'constructivist' insights on collective state identity for-
mation into an Asia Pacific regional context (Wendt, 1994). The theoretical implications can only be touched upon here, but analyses of APEC and EAEC are incomplete without ideational factors.

It is in this theoretical context that the debates between APEC and EAEC in the Asia Pacific are so interesting. They represent a range of alternative political-ideational constructs of region which their respective proponents hope will serve particular goals (see Higgott and Stubbs, 1995). They need to be analysed not simply as rationalistic responses to a range of ideas and interests, but also as the development at the regional level of 'intersubjective structures' which, according to Wendt (1994: 389) are a set of '...shared understandings, expectations and social knowledge embedded in international institutions and threat complexes, in terms of which states define (some of) their identities and interests.'

Such structures obviously vary as to degree, kind and context. But their identification raises important questions that need to be addressed if we are to better understand the prospects for, and limits on, cooperation and policy coordination in the Asia Pacific region. We need to ask if the material and ideational structures in the Asia Pacific provide enhanced incentives for collective regional problem solving. Specifically in need of investigation is: (i) the degree to which the dynamic economic density that has developed in the Asia Pacific in the last two decades and the degree to which a more benign security environment which has developed since the end of the Cold War (if that indeed is the case) provide a more positive context within which new discursive structures of regional economic and security cooperation might flourish in the closing stages of the twentieth century; and (ii) the degree to which these enhanced economic interactions on the one hand, and at least a recognition of common security concerns on the other, strengthen the incentives of regional state policy making elites to identify with one another in the interest of greater collective action and/or policy coordination.

These are not simply questions of a scholarly interest, nor are they simple questions. But they are questions of policy importance. It is not inevitable that states of the region will continue to consolidate collective interests. Indeed, historical experience does not provide us with firm ground on which to base any such claim for greater regional identification. Yet the importance of a constructivist analysis that rejects both realism's and liberal institutionalism's assertions that identity is endogenously given, and embraces the possibility that systemic regional interaction may transform identity, offers the prospect of explaining enhanced collective action in the Asia Pacific. Systemic interaction in the Asia Pacific is influencing the attitudes of state policy makers to a series of important regional questions. We do not have to argue that a shift in the nature of state identity is
emphatically taking place in order to recognise the importance of investigat-
ing whether such transformation is possible.

To state the position somewhat crudely—and notwithstanding the fact
that the notion of Asia (let alone the notion of the Pacific) is clearly a western
'invention' (see Dirlik, 1993 and Leon, 1995)—'Asianess' is becoming a factor
in inter-regional relations in particular and in international relations in
general. This can be seen in the economic domain in the activities and
effects of regional inter-state bodies through AFTA, EAEC, APEC and the
development of a range of NETS; in the political/security domain in the
activities of ASEAN and the development of the ARF; and in inter-regional
relations via inauguration and development of ASEM. These nascent insti-
tutional activities (for that is what they are regardless of what many of their
exponents would wish to argue), are in many ways secondary manifesta-
tions of regional activity that are accompanying the more strongly en-
trenched (and better understood) de-facto processes of structural economic
regionalisation (Barnard and Revenhill, 1995).

There are critics of such a point of view—notably security specialists who
focus on the seriousness of potential conflicts between the major players in
the region on the Korean Peninsula, across the Taiwan Straits and in the
South China Sea (pace Buzan and Segal, 1993). But many of the arguments
advanced about the prospect of inter-regional conflict miss the point that in
a post-Cold War context, the 'regionalisation' of these conflicts is becoming
one of their strongest characteristics. States may well behave badly, these
conflicts may well have global implications, but they are looming consis-
tently larger in regional discourse and taking on 'regional' characteristics.

The development of an 'imagined' or 'invented' understanding of region
does not axiomatically imply a harmonious and consensual understanding
of region. It simply implies that regions can be cognitively or ideationally
identified as much as they can be historically or geographically determined.
Now I am not for one moment wishing to suggest that this is a deep process
in East Asia at this stage. It is certainly not to imply an equivalence with the
EU. Moreover, the discussion is quite specifically restricted to those mem-
ers of the burgeoning policy communities of East Asia and the Pacific—
what we might call the 'stakeholders' or beneficiaries of economic globalisa-
tion in which the Asia Pacific has played such an important role in the last
several decades. Indeed, these processes are still principally elite-driven in
Europe, there is no reason whatsoever to expect that they would be any less
so in East Asia.

If the membership of the wider civil societies of the member states of the
European Union are tepid Europeans, then non-elite public opinion in most
member states of East Asia—even amongst the ASEAN states that do have
some common historical, ethnic and linguistic commonalities—are not even
accustomed to thinking in terms of 'Asianess'. There is still an absence in
the region of anything other than an instrumental, or tactical, commitment
to enhanced cooperation. As yet there is no collective (cognitive) objective
comparable to the 'European Ideal' to which member states can subscribe to
ensure a 'deepening' of cooperation. 'Asianorms' do not have the comparable
support of 'Euronorms'. Notwithstanding the contemporary problems of the
European Movement—be it the setbacks in the ERM or, more generally, the
resistance of Eurosceptics in some states to the notion of offering up nation-
al autonomy over decision making to Brussels—there exists in the minds of
even the most skeptical Europeanist a conception of 'Europe'. At this stage,
the notion of the Asia or the Asia-Pacific as a focal point for identity exists
in the hearts and minds of only a very small number of the most devoted
members of that transnational community of Asia Pacific scholars and
practitioners. For most regional policy makers APEC is seen in purely
instrumental terms.3

But this too is not the point. The point is to examine if there is developing
amongst the policy communities, especially in the economic domain, an
'Asian regional approach' to problem solving? Clearly the evidence of
European problem solving is stronger in both issue-oriented focus and
institutional development than it is in Asia. But even here, in the closing
stages of the twentieth century, the evidence is sufficiently strong to suggest
that similar processes are in train in the Asia-Pacific.

Evidence drawn from evolution of institutions such as APEC, EAEC,
AFTA, ASEAN/ARF, policy issues such as economic cooperation, enhance-
ment of the regional security dialogue, development of Asian positions on
issues such as human rights and labour standards and relationships with
other bodies such as the WTO, and other regions (cf the developing dialogue
with the Europeans) are important manifestations of Asian adjustment to
the end of the Cold War.

Asian positions in many ways are beginning to mirror the questions
dominating the policy agendas in Europe and North America. For example,
if the US initially, and Europe secondly, have become concerned with how to
contain competitiveness from Asia, then Asians too, are coming to see that
they need to respond to these issues in a collective rather than a national
way. This is happening at a number of levels: The development of AFTA is
spurred on by a need to enhance its attractiveness as a location for FDI in
face of competition from other regions. More generally, Asian states see the
need for a collective response to the challenges of US reciprocitarianism
(Bhagwati, 1996), or what I call 'predatory liberalism' (Higgott, 1996a) and

3 See Breslauer (1991) and Levy (1994) for discussions of cognitive and instrumen-
tal learning.
the challenges that this throws up for their view of a beneficial multilateral trading regime (see Higgott 1996b) now that many of the states of the region recognise the need for the multilateral trade regime to continue to liberalise if they are to prosper. But perhaps the major example of a developing 'Asian' position is to be found in the resistance to US and European pressures for the reform of labour standards (and the adoption of more 'western' positions on human rights in general). These are seen as a thinly veiled attack by the Europeans and the US on Asian competitiveness.

The development of 'Asian' positions on certain policy problems is a reactive process. It is the identification of European economic space and policy positions and American economic space and policy positions that is fostering the identification of (differing) Asian understandings of space and policy positions. For realist and liberal institutional sceptics of recent applications of post modern theory to international relations, here we can actually see a classic illustration of the influence of particular 'discursive strategies'—the 'rhetoric of Europe', or the 'rhetoric of Asia' juxtaposed against the 'other'—on 'real' policy issues and processes. Rosamond (1996: 6) has demonstrated the manner in which the European Commission, via the Cecchini Report, developed a 'distinct discursive strategy...to place the idea of Europe as an economic entity on the agenda'. The regional and international diplomacy of Asia and the Pacific in the closing stages of the twentieth century represents the development of similar discursive strategies by different groups of actors with multi-level regional agendas.

If we accept the rationale of this argument then it leads us to ask more searching questions of how interest is defined in an Asian context than is available for us within the analytical tools of either rationalist driven realism or even neo-liberal institutionalism (which does at least acknowledge the possibility of contextual influences on agent behaviour). Specifically, a reading of the development of Asian regional identities on various policy issues must lead us to resist the notion prevalent in realist and neo-liberal accounts that interest is formed prior to interaction. If we follow a more constructivist line of argument then we can see that it is possible for understandings of interest to develop out of processes of interaction. The development of 'Asian' identities and interests in the contemporary era lends empirical support to recent constructivist theorising about collective state identity building. Both interest and identity are emerging out of social and political practice. Indeed,

> Identities are the basis of interests. Actors do not have a portfolio of interests that they carry around independently of social context; instead they define their interests in the process of defining their situation. (Wendt, 1992: 398)

For the comparative purposes of this paper, we learn from Rosamond that...
...the development of a sense of European identity was central to the unraveling of the policy programme which produced the project to complete the community's internal market and generated spill overs into the realm of deeper economic and institutional integration. The creation of a sense of European selfhood among key corporate and other non-state actors was... bound up with the strategic interests of institutional actors such as the European Commission. (Rosamond, 1996: 9)

We are, I would argue, seeing a similar pattern of interaction emerging within the tripartite Asia Pacific regional policy communities—consisting of the key elite actors from within the corporate, governmental/bureaucratic and research communities—to that which has been identified in the European context. Clearly, these processes of interaction in Asia have not developed to as deep a level as those in Europe and are still at the instrumental/tactical end of a instrumental—cognitive spectrum of policy learning. The instrumental end of the spectrum is one at which the desire for the institutionalisation of social practices and relationships is still resisted. This resistance, however, is often stronger at the rhetorical level. Asian objections to 'Cartesian formalism' notwithstanding, stronger institutions are playing a stronger role in the region. The debate over regional economic cooperation in the Asia Pacific—to date posited in a dichotomous form between the consensus based Asian approach and the supposed legal formal approach of the Europeans on the other—is falsely dichotomised. It is false because the polarised nature of the proposition resists the degree to which Asian states already adhere to institutional instrumental constraints in the practice of their trade policy (norms, principles and rules) greater than they either appreciate or are perhaps prepared to publicly acknowledge. Institutions, seen as organised rules, codes of conduct and structures that make gains from cooperation possible over time by solving collective action problems, despite uncertainties present in mixed motive games, are important to Asians as a kind of socio-political cement that mitigates self interest and opportunism. Interaction within the context of these institutional settings creates a path dependence and vested interest in these settings and arrangements where priority is attached to process and social learning through interaction (see Axelrod and Keohane, 1986) There is epistemic evidence in Asia that a cognitive adjustment to the principles of free trade

There are of course those, epitomised by Eurosceptics in all the major members of the EU, who think that the process has gone too far in Europe and that it might now be time to roll back some of the deeper aspects of integration. It is not coincidental that some of them—as for example amongst the Eurosceptics of the British Conservative Party, with their focus purely on trade issues—see the looser non-institutional relationships developing in the Asia Pacific as representing a preferable modus operandi for regional cooperation.
and open regionalism in an era of regional growth is taking place in important quarters of the economic policy communities of some states. (Higgott, 1994 and Harris, 1996). But this is not a teleological process. Domestic political pressures—rent seeking or ideological—mean governmental responses will often be selective and tactical rather than cognitive and universalist.

The development of Asia Pacific economic institutional structures is part of the re-ordering process accompanying the end of Cold War bi-polar political structure and the post-WWII economic structures once underwritten by US hegemony. Institutional arrangements must now expect to be less coherent than in the era of these disciplines. Moreover, institutions can expect to have overlapping competencies in a post-modern, post-Westphalian context. Explaining this re-ordering process is not an exercise in economic theory, as much as one in international political theory. The world economy reflects the combined influences of twentieth century technology, a nineteenth century free trade ideology and the re-emergence of a polycentric alternative to the modern state system some call the 'new medievalism'.

We do not have to accept the cartography of Kenichi Ohmae's borderless world (1995) to recognise that we are entering an era of diminished state autonomy and sovereignty. The implications of these theoretical insights for the practice of the global trading system we are only just beginning to imagine. In an increasingly inter-linked and globalised world the distinction between domestic and foreign economic policy is losing meaning and the presence of multiple identities, loyalties and conflicting sovereignties is more common. A globalised economy run by overlapping and interconnected networks of state and non-state actors in both public and private domains is mitigating the significance of space and territory. Symbolic understandings of space now exist side by side with geographical understandings of space. Such insights are not mere abstraction. They help unpack the multiple understandings of region currently 'alive' in East Asia and the Pacific.

Ideas, to have influence, need to be operationalised. Policy makers have to accept and implement them. There is a vast body of literature in political science explaining how this might come about. Less attention has been paid to these questions in the international relations community in the past than should have been the case. Recent times have seen some attempt to address this shortcoming. For example, Gramscian approaches to the significance of ideas—developed within the so-called Italian school of international relations—stress the important role of a transnational managerial class that functions via a '...process of consensus formation among the official caretakers of the global economy' (see Cox, 1994: 49). While this is an evocative
metaphor, it remains largely unoperationable for analytical purposes. Analysis of inter-elite interactions and policy positions at the regional level may be less exciting, but they are empirically much more useful if we want to put some flesh on the bones of the socialisation and social learning processes that may be taking place. The general significance of socialisation is well summarised in Ikenberry and Kupchan (1990).

Policy elites of the East Asian region, have, of course imbibed many of the same influences as elites from other parts of the world via the educational process many of them undertake in North American and, to a lesser extent nowadays, European 'ivy league' style universities. But styles of entrepreneurship are localised. Specifically, and as I have argued elsewhere (see Higgott, 1993a) the transregional policy communities in East Asia and the Pacific are epistemic in character to the extent that they exhibit a strong commononality of normative and causal commitment to the basic canons of neo-classical economic knowledge. And while this shared knowledge is an important part of a wider transnationalisation of linkages that has contributed to 'learning' on questions of regional cooperation, it is developing a sufficiently East Asia flavour for any band-wagoning effects (Ikenberry, 1990) to be regionally specific. To the extent that 'state interests', or more specifically the interests of dominant sections of ruling state policy communities are given some generalised regional theme, this is better expressed through detailed studies of elite socialisation, than through more globalised instruments of recent Gramscian analysis.

This position is supported by an examination of a new Asian assertiveness epitomised in the writings of members of what is sometimes referred to as the Singapore School (see Kishore Mahbubani, 1992, 1994a and 1994b). These positions would implicitly and explicitly resist notions that the policy elites make decisions under the influence of hegemonic imposition. To say as much, however, is not to underestimate the impact of socialisation on Asia's regional policy making elites. Interaction in the international system in the post-colonial era, the vestiges of colonial experience and the influence of education systems and institutions from the West all help develop regional understandings of a wider set of ideas, norms, principles and practices, but they are developing with quite strong regional flavour and focus.

The development of 'Asian positions' on specific policy issues reflects a growing realisation of the interactive nature of the relationship between globalisation and regionalisation. East Asian states and East Asian policy elites clearly make judgements and implement policy within a context of global understanding, and they do indeed reflect many of the policy positions and interests that we could subsume under the general rubric of a 'neo-liberal hegemonic discourse' (see Gill, 1995). But the regionalisation of some positions enhances the bargaining position of East Asian states with
regard to the conditions under which they are incorporated into wider global processes. In the contemporary context, Japan and others of the more powerful of the East Asian NIES are actually participants in the debate over the shape of the global liberal hegemony rather than simply recipients of the main points of its central orthodoxy. For example, debates in Europe and North America over the nature and utility of 'industrial policy' can only be understood as part of a perception of the prevalence and success of such policies (no matter how defined) in Asian contexts.

Yet the (re)creation of an Asian identity is not a second wave of orientalism as expounded by Westerners—exemplified by Huntington's (1993) populist attempt to 'create a clash of civilisations', or in more sophisticated and less polemical fashion in the World Bank's (1993) identification of an East Asian Miracle—it is much more an attempt by Asians to create a discernible Asian identity. Numerous prominent figures in the Asian policy community have recently made appeal to 'Asianness'. The significance of this for our understanding of region cannot be underestimated. Regions are not simply economic phenomena, they are cultural and ideational too. Several brief illustrations may serve to support this assertion:

(i) Perhaps most notable is Malaysia's 'Look East' policy under Dr Mahathir that is an attempt to draw on neo-confucian behaviour patterns from Japan, Korea and Taiwan (for a discussion see Camroux, 1994). Indeed, as one influential member of the Malaysian trans-regional policy elite tells us, the Malaysian programme of looking east is an attempt to 'rediscover the value and the virtue of being Asian.' (Sopiee, 1994:48). These influences lay at the core of the Malaysian insistence on the legitimate role for the East Asian Economic Caucus in any regional dialogue—especially in the APEC context (Higgott and Stubbs, 1995).

(ii) Following from his nationalist polemic, The Japan that Can Say No, Shintaro Ishihara co-authored a similar work with Dr Mahathir entitled The Voice of Asia, but originally entitled The Asia that Can Say No. In the conclusion to the work, the point is made that 'As this century draws to a close we (the Japanese) should come home to Asia, our heritage and our future.' (Mahathir and Ishihara, 1995: 159). Similar culturalist appeals to the theme of an Asian identity are found in the works of other writers such as Anwar Ibrahim, who asserts that '...the Asian renaissance is very much in progress. Although the economic dimension is the most visible aspect of the current revival, it is in fact more holistic than generally supposed (Ibrahim, 1994).

(iii) The Commission for a New Asia's report Towards a New Asia (1994: 57–58), while privileging the economic dynamism of the region, asserts the centrality of embedding this economic success within the broader context of Asian cultural values. The Japanese Report to the Commission, in decidedly
post-modern vein, comments on how early, orientalist understandings of Asia emanating from the West defined Asia by what it was not rather than what it was. It was not Europe in the context of the earlier understanding of Eurasia (Japanese Committee, 1995: 2). In the end it remains vague about how to define Asia. But again, accentuating the negative seems to be the first stage. In the context of neo-liberal understandings of the modern, modernisation is good in an Asian context. It is westernisation—notwithstanding the imprecision of what we might mean by it—that is being rejected. Efforts are being made throughout the region to harness modernity to indigenous forces.

In a regional context, it is possible to argue that the marriage of modernity with motifs and practices indigenous to the region is leading to the development of a system of regional inter-state diplomacy attempting to provide a collective response to individual state weakness in the international order that for so much of the early post-colonial period, indeed up to the end of the Cold War, characterised the foreign policy of many of the states of Asia. Indeed, it is possible to argue that 'the region' in Asia (in several of its multiple level definitions) provides a space, other than that of the nation-state, in which multiple loyalties—what Camroux (1996:18) calls 'pan-nationalism'—might prove functionally useful. I would not, of course, wish to suggest that this process is at anything other than an embryonic stage and I impute no teleological properties to it. But it allows for the articulation of policy positions the interest base of which can have a class, national and/or regional interest to them. The existence of multiple loyalties influencing the policy process might not lead to parsimonious political science, but it is surely not a very difficult concept to accept.

What is important about these examples is the 'Asianess' of them. They stand in sharp contrast to the 'Pacificness' of other mobilising myths that currently permeate the wider region to include the USA, Canada, Australia and New Zealand and that some see as having an entirely different agenda—that of the incorporation of Asia into a global liberal discourse with the US at its centre. In an anti-colonial vein, the EAEC makes a great deal more sense in terms of shared attitudes and values than does a wider APEC. This point is forcibly made by one scholar-cum-activist, Chandra Muzaffar, who sees APEC as a vehicle for the US and other non-Asian countries of the Pacific to 'hitch a ride' with the more dynamic Asian economies. For him, the economic dynamism of the Asia Pacific is in reality Asian dynamism:

As a concept, 'Asia Pacific' makes little sense. Unlike East Asia or South Asia or Southeast Asia, it has no shared history or common cultural traits. Asia Pacific is not even an accepted geographical entity. The US has vast economic ties with Europe but is not part of the European Community which jealously protects its own historical, cultural and political identity. Similarly,
Japan is deeply involved in the US economy but it is not part of the North American Free Trade Agreement. It is only in the case of Asia, more specifically East Asia that there is a concerted attempt to suppress its collective identity and thwart its legitimate quest for a common identity. (Chandra, 1993: 13)

The new Asian discourse resists the ideological hegemony of the USA within the context of an ‘Asia Pacific’ discursive strategy of the USA and its acolytes such as Australia. This is not to suggest that what Woodside (1993) calls the Asia Pacific ‘mobilizing myths’ is incapable of co-existence with an Asian one, but rather that there are different sets of interests at work with each myth. In some contexts ‘western’ writings are extremely influential with Asian policy elites—especially given that the audiences are limited by the fact that most publications are in English. For example the works of populist management style ‘gurus’ such as Kenichi Ohmae (1990 and 1995), and western interpreters of the Asian miracle such as John Naisbitt (1995) and Jim Rowher (1995), or at a more rigorous level the East Asian Miracle, are major vehicles for Asians wishing to imbibe a neo-liberal understanding of the inevitability and benefits of globalisation.

This section of the paper has not tried to rehearse the debate over what constitutes Asian values (see The Pacific Review, 9 (3) 1996). Rather, by way of theoretical exposition, and a few examples, it is has attempted to suggest that the debate forms part of a wider process in which ideational factors now demand significant attention in any explanation of the regional policy process. An ‘Asian’ identity is viewed in part as a reaction to the way in which the US treats the region (Mahbubani, 1994). But the notion of an Asian identity is an exercise in invention, seen by leaders who advance such notions as a way of stemming the intrusion of western moral value systems without rejecting the dynamic aspects of economic-technological modernisation. In the Asia Pacific context this has significance to the extent that outsiders might come to feel increasingly obliged to define their policies to individual states in regionalist terms. Thus to the extent that the notion of an ‘Asian Way’ to diplomacy has any meaning, it is more in how it is received and responded to by actors exogenous to the region rather than to the degree that it affects the behaviour of actors within the region. This is not a process confined only to Asia, but the effect of the Singapore School arguments, if any, has been to shift the international discourse on a range of issues, such as human rights or economic relations, into a mode more amenable to Asian elite interest. Such sociopolitical aims may seem ‘fuzzy’ and difficult to define, but they are no less significant for the fact that they do not lend themselves to easy quantitative analysis. Cognition and ideas are important in the identification of regional communities.
Conclusion

The differences between the levels of both intent and capability in international economic policy coordination between the EU and the Asia Pacific are stark. The EU is the most developed and most cohesive example of regional economic cooperation to-date. In Europe we can talk about integration. Indeed, there is a debate over whether a 'European State' is in the making. If we accept the most conservative position on this issue then the EU is '... more than a regime but less than a Federation' (Wallace and Wallace, 1983: 403) and it has governmental features to be found in developed polities (Wallace, 1996a: 17). For the most bullish (Caporaso 1996: 45), to the degree that EU political structures have policy competence, authority and autonomy from national political institutions, an effective European state exists. By any judgment, the EU is the most institutionalised regional economic organisation in the world. On the basis of any of these readings, the contrast with any of the nascent exercises in regionalism in the Asia Pacific is profound. In the Asia Pacific we may talk tentatively about the beginning of economic cooperation but some would even restrict this discussion to one of economic dialogue. Moreover, the EC is a common market. APEC is not and has signalled it has no intention of becoming one. Time will tell whether it will become a Free Trade Area.

At no regional level in the Asia Pacific has there been any agreement to relinquish, or in Eurospeak, 'pool' aspects of the sovereignty of individual state economic policy making procedures. While not unaware of the longer term economic welfare benefits of greater cooperation, regional leaders in Asia regularly demonstrate how they can easily be seduced by the short-term political gains to be had from intransigence or non-cooperation at the regional level, although this practice is of course no stranger to European politics. State and nation building in Asia, at this stage at least, takes precedence over the idea of pooling sovereignty in the interests of enhanced policy coordination.

Whether the internalisation of new regional understandings is in train or not in the Asia Pacific can really only be determined on a state by state basis. But this is not a stark realist analysis of the prospects for greater cooperation. To the contrary, the evidence presented in this paper, following Wendt (1992: 395), suggests that there is no 'logic of anarchy apart from the practices that create...one structure of identities and interests rather than another'. Future regional economic relations are not structurally predetermined. Notwithstanding regional heterogeneity and the rudimentary nature of the cooperation experience, stronger cooperation can be, indeed is, more than just a theoretical possibility. In periods of dramatic economic change—as in the Asia Pacific in the 1990s—it is possible that the more
optimistic advocates of APEC cooperation might have a point. Within this analytic framework, economistic conceptions of market-led integration and open regionalism may have a secondary influence most economists would feel uncomfortable articulating. Exercises in institution building are not just the outcome of rational utility maximising processes, as important as this theoretical insight may be. They can also, by their very act, be exercises in the internalisation of 'new understandings and roles...[and]...shared commitments to social norms'. (Wendt, 1992: p 417)

The approach that is emerging in the Asia Pacific is less institutionalised than in Europe. This not only reflects different levels of development, it also represents a deliberate choice, based on Asian assumptions of greater flexibility in the relationship between the public and private sectors and a greater facility of government to interact with, and come to the help of, business than is the case in many parts of Europe. It is a system in some ways alien to a western cultural preference for arms length relationships between government and the corporate world—at least in the formal sense. In part this explains why there is a tendency in Europe to see the public-private interaction in East Asia as a form of cheating when compared to 'western ways of doing things'. The economic policy making communities of the Asia Pacific operate with decidedly blurred lines of membership when compared with those in Europe. This, it was suggested, is explained by the existence of well identified policy networks with a neo-liberal vision of economic cooperation. Neat Weberian patterns of decision making and opinion forming are not easily identifiable in the Asia Pacific. The degree of separation of government, the private sector, and even the academic community, which exists in Europe is not so evident in Asia. Policy making operates differently. The business sector, universities and think tanks, rather than government, supply much of the economic analysis that drives policy.

But it was also suggested that an explanation of enhanced economic cooperation in the Asia Pacific in the 1990s needed to understand both ideational factors and material interests. This analysis was derived from the combined application of construcivist insights into some of the ideational aspects of policy analysis in the Asia Pacific and a reading of Moravcsik's liberal inter-governmentalism in the EU and its relevance for Asia. Liberal inter-governmentalism, with its emphasis on inter-state bargaining—and as the evidence of APEC activity since the Bogor Declaration might suggest—may well become more important to the understanding and evolution of the regional economic coordination process in the Pacific now that the rudimentary stages of epistemic community driven dialogue are receding.

References


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