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## **Navigating Change: ASEAN-Japan Strategic Partnership in East Asia and in Global Governance**

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IN THE POLICY recommendations for the first phase of this study project, published under the title *Beyond 2015: ASEAN-Japan Strategic Partnership for Democracy, Peace, and Prosperity in Southeast Asia*, we emphasized bottom-up thinking and approaches, highlighting the critical and central roles of people and civil society in enhancing ASEAN-Japan cooperation in ASEAN's community-building efforts in three domains: politics and security, economics, and society and culture. Needless to say, this basic people-centered philosophy remains the same in this report focusing on ASEAN-Japan cooperation in East Asia and in global governance.

Indeed, given what ASEAN-Japan partnership has accomplished over the last four decades in enhancing regional integration, not only in Southeast Asia but also in a wider regional context, it is high time for us to begin to expand our thinking on ASEAN-Japan partnership beyond Southeast Asia into the domains of East Asian peace and prosperity and into a set of global issues in order to enhance global governance. In 2015, ASEAN itself reached the completion of the first phase of its community-building project. In this regard, the important task for ASEAN member states and Japan now is to elevate the cooperative relationship to a new level, one that is able to meet the challenges of the emerging regional order in East Asia and beyond. At a time when national and regional issues are closely connected with trends at the global level, ASEAN member states and Japan need to respond to the greater convergence of interests, take entrepreneurial leadership in forming

and advancing critical agendas of cooperation, and find greater synergy in implementing them.

ASEAN and Japan have used their partnership over the last four decades to achieve economic growth and increase stability in Southeast and East Asia. All of the countries in Southeast Asia have become more open, some of them notably becoming mature democracies. Civil society has grown exponentially in the region, providing a base in Japan and the ASEAN countries for shared norms and values to deal with governance, human rights, and democracy. Very importantly, this success story of the ASEAN-Japan partnership has prompted the rest of East Asia to follow a similar path toward becoming more open societies. As shown in the experiences of the ASEAN Regional Forum (ARF) and ASEAN+3, ASEAN has remained at the center of region-building efforts.

Recently, however, some of the underlying conditions that allowed East Asia to enjoy its peaceful and people-centered development have been undergoing substantial changes, the most significant of which are the changes occurring in the geostrategic landscape of East Asia. We cannot ignore the challenges that these changes may pose to the future of East Asian peace and prosperity. Deeper ASEAN-Japan cooperation is needed to help mitigate the potential negative impact of these strategic changes on efforts to create an East Asian order built on common interests and shared visions.

How can ASEAN and Japan build on existing institutions, norms, and rules in the region to accomplish this task? This report attempts to answer that question and makes policy recommendations regarding such issues as maritime security, cybersecurity, humanitarian disasters, development gaps, and poor connectivity.

As to global governance, this volume argues that, as the world becomes more globalized, ASEAN and Japan should play a bigger role in shaping the structures that will guide global governance into the future. ASEAN and Japan have important ideas and best practices that need to be shared with institutions for regional and global governance, but they should also serve as a conduit for ideas and best practices from East Asia to the rest of the world. Through this two-way interchange, ASEAN-Japan cooperation can primarily serve as a facilitator of knowledge spillover and a conveyer of good policy practices.

At the same time, ASEAN and Japan should be somewhat adventurous in extending entrepreneurial leadership in dealing with critical global issues. Recommendations discussed in this volume include the creation of an ASEAN-Japan Financial Stability Forum, an ASEAN-Japan Dialogue on Sustainable Development that would address water conservation and food security, an Energy Community, an ASEAN-Japan Partnership 21

for Inclusive Development, an ASEAN-Japan Diversity Program, and ASEAN-Japan cooperation in promoting the rule of law and comprehensive security.

In sum, the aim of this volume is, first, to propose ways for ASEAN member states and Japan to jointly achieve an East Asia that is peaceful, prosperous, and governed by the rule of law, which after all should benefit all people in East Asia. Obviously, the well-being of ASEAN and Japan is inseparable from that of East Asia as a whole. Secondly, we strongly believe that the scope of ASEAN-Japan cooperation should extend to a host of pressing global issues that have become inseparable from peace and prosperity in East Asia, as well as to the welfare of all the people in today's interdependent and globalized world. The volume thus examines various global issues as well and suggests how ASEAN countries and Japan can and should cooperate as equal partners.

## WHY BROADEN THE SCOPE OF ASEAN-JAPAN PARTNERSHIP?

### East Asia

Over the last four decades, the ASEAN-Japan partnership has contributed to regional economic growth, greater domestic and regional stability, and the growth of democratization and civil society. Needless to say, the well-being that ASEAN and Japan have thus achieved for their populations is inseparable from that of East Asia as a whole, including China and South Korea. Recently, however, several of the underlying conditions that had allowed East Asia to enjoy its peace and prosperity have been changing dramatically.

One of the most significant geopolitical changes underway is the narrowing power gap between China and the United States, which has aggravated the strategic distrust between the two. Although the prospect of China surpassing the United States in total national strength, including military capability, is not in sight, it is obvious that the shifting power balance between the two has been encouraging Chinese assertiveness in East Asia even at the cost of stable relations with some of its neighbors.

With the relative decline of US power, its ability to continue providing international public goods as it has could also decrease. The freedom of the sea, air travel, space, and cyber space may be contested. At the same time, conflicts over territories and maritime space in the South China and East China Seas have increased. This trend could continue and worsen. ASEAN member states, Japan, South Korea, and Australia may find it increasingly

difficult to find the right balance in their relations with the two great powers, China and the United States. This could divide the region. To mitigate these negative consequences of US-China competition, it is important to establish a rules-based regional security architecture, one in which ASEAN and Japan remain relevant.

The US-China relationship has ramifications for the economic architecture as well. ASEAN centrality in regional institution building has helped mitigate rivalry among the major powers, but geopolitics still has the potential to undermine ASEAN's centrality and the regional integration process. As the political and security environment changes quickly, the gradual ASEAN-led process of regional integration may in the end bring the community-building process in East Asia to a halt. Without an effective multilateral regional security institution, East Asia may find itself in a vulnerable position.

Other complex security concerns and threats continue to plague the region as well. Nontraditional security threats abound, with cybersecurity concerns stemming from advances in information and communications technology; threats to water, food, and energy caused in part by climate change; and declines in human security resulting from population displacement, migration, and extreme economic underdevelopment.

The focus of ASEAN-Japan partnership should be on solving problems, but doing so in a way that is based on consultations and a set of rules, not by the use or threat of force. ASEAN and Japan should undertake a joint assessment, at the minimum, of the nature of changing strategic relations between China and the United States, as well as their respective thinking and policies. No state can deal with the complex web of challenges in today's world on its own, which argues for a strengthening of cooperative security in the region, led by ASEAN and Japan working in partnership with each other.

## **Global Governance**

Close to half of the world's population lives in East Asia, which has become one of the primary drivers of growth in world output and wealth. ASEAN and Japan are thus in a good position to play a significant role in global governance, the structures of which are currently experiencing growing pains. The limits to the sustainability of growth are particularly evident in China, which has already been faced with both potential and real obstacles to continued growth.

ASEAN-Japan partnership should be able to come up with creative regional solutions to complement those being formulated at the national

and global levels. Some areas that are ripe for creative regional solutions include protecting air space, sea lanes of communication, air quality, and biodiversity. Despite the territorial disputes and vitriolic rhetoric, the welfare of all countries in East Asia is dependent on that of all others. Supply chains depend on every link functioning properly, and the information and communication technology (ICT) and automotive industries are particularly vulnerable to disruption. At the same time, these are two of the very sectors that are leading growth in the region.

The ASEAN countries are emblematic of the democratic progress happening across most of the region, and few leaders can hang onto power without instituting economic, political, and social reforms. Still, several countries in the region are ramping up their external provocations as a way of distracting their publics from domestic challenges.

East Asian regionalism is most likely to follow an evolutionary path, driven by the responses of governments, businesses, and civil society to changes in technology and their impacts on societies. As a result, it is natural that ASEAN-Japan cooperation play a larger role in the context of wider East Asian regionalism, but this should not preclude ASEAN and Japan from also driving the agendas of more global institutions like the G20 and UN institutions.

ASEAN-Japan cooperation can contribute to global governance in several ways: (1) as a pillar for governance reform in East Asian region-building efforts; (2) as a conduit to relay ideas and lessons from ASEAN and Japan to the rest of the world and vice versa; (3) as a force to attract science and technology cooperation; and (4) as a model of partnership in the face of diversity and inequality.

## A COMMON AGENDA FOR ASEAN-JAPAN REGIONAL AND GLOBAL PARTNERSHIP

### **ASEAN-Japan Partnership in East Asia**

ASEAN and Japan have both focused in the past on trust and confidence building as a basis for comprehensive and cooperative security in East Asia, even in the face of vast political and economic differences. They both place value on processes and building patterns of cooperation. But it is time for them to think about the best modalities for cooperation going forward, including not only high-level government meetings but also people-to-people and civil society exchanges.

## 1. Multilateral Frameworks

(a) **Japan and ASEAN should jointly ensure that Asian multilateral platforms remain vibrant and useful for fostering peaceful and responsible behavior by all stakeholders.** To date, ASEAN and Japan have significantly contributed to the establishment of a number of regional political-security and economic frameworks in East Asia, including the ARF in 1994, the ASEAN+3 in 1999, the East Asia Summit (EAS) in 2005, and the ASEAN Defence Ministerial Meeting Plus (ADMM-Plus) in 2008. Given Japan's shifting stances and its quest for "normalization" under the current administration, the need cannot be overemphasized for Japan to strike a delicate balance in maintaining its effective military ties with the United States and to maintain its association with soft power and quiet diplomacy.

(b) **Given that the EAS holds a great deal of potential to become the premier multilateral security forum in the region, ASEAN and Japan should work closely to promote its institutionalization.** The EAS is a forum led by heads of state and government, and its ability to influence the principles, norms, and practices of security cooperation in East Asia cannot be overstated. ASEAN and Japan should work together to examine ways to establish a dedicated secretariat for the EAS to advance its agenda and in turn help member states to develop a sense of ownership over the multiple processes of maintaining peace and stability in the wider East Asian region.

(c) **The level of ASEAN-Japan political cooperation should be raised to a higher plane.** While Japan is one of ASEAN's oldest and most reliable dialogue partners, given the strategic shifts in East Asia, ASEAN-Japan relations have reached a point that necessitates a higher level of mutual trust and confidence building as well as political and security engagement. An important step in this direction would be to include defense and security officials from Japan in the annual ASEAN-Japan Post Ministerial Meeting (PMC+1). The PMC+1 could certainly be an important platform for ASEAN and Japan to discuss shared security concerns covering both traditional and nontraditional security issues.

(d) **Japan's multifaceted assistance in pushing for a successful realization of the ASEAN Economic Community (AEC) must be carefully calibrated to align with ASEAN's regional integration programs.** ASEAN's success in its goal of establishing the AEC is important, not only to Japan but also to ASEAN's other dialogue partners (China, Korea, the United States, and

others) given the potential that the ASEAN single market and production base offers to states within and outside of East Asia. Concrete measure should include the following:

- Japan should align its official development assistance (ODA) with ASEAN’s regional integration program. One of the key elements in the AEC that would benefit greatly from Japan’s ODA is the Master Plan on ASEAN Connectivity (MPAC), particularly in terms of improving physical connectivity through certain infrastructure projects. Strong Japanese support for ASEAN’s connectivity projects should not be limited only to the East-West and Southern corridors of Indochina but should also extend farther to the wider Southeast Asian region.
- ASEAN and Japan should establish an “ASEAN-Japan Integration Forum” that brings together government officials, business communities, experts, and civil society from the two sides.
- ASEAN and Japan should strengthen the currency swap agreement within the ASEAN+3 framework to help states in the region mitigate the impact of a possible financial crisis, as well as to provide a regional safety net through the provision of short-term liquidity support. In this regard, greater efforts should also be made to promote the yen in ASEAN and its members’ markets.
- Japan should promote the benefits of ASEAN’s Free Trade Area (FTA) and other FTAs—such as the ASEAN-Japan Comprehensive Economic Partnership (AJCEP) and the Regional Comprehensive Economic Partnership (RCEP)—among its business and industry associations. Japan should help raise awareness and provide information on how the Japanese private sector can utilize the FTAs and highlight the synergy of ASEAN and Japanese markets in the supply chain networks.

(e) ASEAN and Japan should enhance people-to-people cooperation beyond the official and business corridors to include civil society networks, media, youth and women’s groups, and other communities. Given the close ties that have been built through the years of ASEAN-Japan partnership, it is important that these relations also find their roots in deeper people-to-people exchange. Importantly, it is the nature of cooperation among the peoples in the region, the social interactions, and the civil society networks that may provide a panacea in managing interstate conflicts. A number of initiatives to enhance people-to-people exchanges should be considered, including the following:

- Establish a fund to promote exchange programs among women’s groups engaged in peacebuilding and cross-border issues, women in parliament, and women in the military.

- Support the establishment of a network of foreign language and cultural centers in East Asia.
- Develop a civil society organization (CSO) wiki knowledge center that serves as a repository of knowledge on CSO activities, including a catalog of experts from CSOs and NGOs from ASEAN and Japan that work in the socioeconomic and political fields.
- Promote the development of a regional civil society by encouraging exchanges among CSOs and NGOs. These regular exchanges, in turn, would help to raise awareness and promote better understanding of the range of issues affecting the future of East Asia and encourage closer cooperation among nonstate actors in addressing regional concerns.
- Support media exchanges and cooperation through the establishment of a journalist fellowship program and promote the exchange of opinion articles and access to news items, including the rights to publish reports from other news agencies.
- Promote further student exchange programs among universities in East Asia through increased fellowship funding.

## 2. Functional Cooperation

(a) **ASEAN and Japan should intensify cooperation over two sets of maritime issues in East Asia: disputes over the sovereignty of islands and jurisdiction over maritime spaces.** Most importantly, Japan must maintain its support for ASEAN in its efforts to manage maritime tensions in the region, particularly in its engagement with China on the Code of Conduct (COC). The COC underscores the importance of a rules-based approach to managing maritime conflicts, anchored on the respect for the UN Convention on the Law of the Sea (UNCLOS) and other relevant international laws, self-restraint, and peaceful settlement of disputes. Moving forward, ASEAN and Japan should deepen their cooperation by undertaking the following steps:

- Advance implementation of prioritized confidence-building measures such as the establishment of hotlines; strengthen the work of the ADMM-Plus in advance notification of military exercises, search and rescue, and humanitarian assistance and disaster relief (HA/DR); and promote the Incident at Sea Agreement (INCSEA).
- Assist countries in the region to effectively meet their commitments under UNCLOS and proactively support the adoption of regional norms in inter-state conduct and the peaceful settlement of disputes.
- Encourage countries to clarify their claims consistent with UNCLOS through official channels and discussions in Track 2 meetings.
- Elevate discussions of functional cooperation on maritime issues, such

as the protection of the environment and the sustainable exploitation of maritime resources.

- Promote and strengthen the Expanded ASEAN Maritime Forum (EAMF) by raising participation to the ministerial level, deepening dialogue and cooperation—including developing pragmatic strategies in managing maritime disputes—and engaging all East Asian players with the objective of making the EAMF a regional institution.
- Assist countries in the region in abiding by and implementing the UN Agenda 21, particularly chapter 17 of the Programme of Action for Sustainable Development, which deals with the protection of oceans and all kinds of seas.

(b) **ASEAN and Japan must deepen cooperation in order to adopt a strategic approach to address multiple challenges to critical national and international cybersecurity infrastructures.** This includes having an active voice in shaping the international norms and rules that govern cyber space. So far, many ASEAN countries have suffered from a lack of human and technical capacity and differing priorities given to cybersecurity policy. In this regard, it is imperative that ASEAN develop a coordinated and strategic approach to cybersecurity as it moves closer to regional integration and advances toward its goal of creating an ASEAN Political-Security Community. This further underscores the need for ASEAN to urgently close the digital divide that is hampering a coordinated regional approach. ASEAN and Japan should put greater effort into bolstering strategic cybersecurity through such measures as the following:

- Raise and cultivate awareness of strategic cybersecurity by extending collaboration beyond technical expertise to include various skill sets in diplomacy, politics, and law. Japan and ASEAN can also help in promoting more discussions and exchanges at both the governmental (Track 1) and nongovernmental (Track 2) levels, particularly among legal experts and senior policymakers.
- Outline rules of engagement for cyber operations. ASEAN and Japan can work together in determining whether their respective national cybersecurity strategies provide an adequate foundation from which a regional approach can be drawn to address cybersecurity concerns.
- Organize tabletop exercises and simulations to improve responses to cyber attacks, promote transparency, and build trust and confidence among countries. These exercises can be held on the sidelines of ASEAN-Japan Summit, ARF, or ADMM-Plus meetings.
- Develop a multilevel approach to addressing the multifaceted challenges of cybersecurity by involving the private sector, Track 2 institutions, and

other relevant stakeholders. This includes jointly organized security conferences and policy roundtables, which help promote greater interaction and understanding of cyber issues between the public and private sectors.

- Promote Track 2 leadership in strategic cybersecurity to support Track 1 initiatives. In this regard, ASEAN and Japanese think tanks could initiate a series of policy roundtables aimed at producing policy recommendations for national governments in the region.

(c) **ASEAN and Japan should enhance mutual cooperation in HA/DR, which can provide a solid foundation for developing a credible regional capacity and expertise to address complex challenges resulting from natural disasters.** Over the last 30 years, 40 percent of all natural disasters occurred in Asia, accounting for 90 percent of fatalities and victims and causing 50 percent of economic losses. ASEAN and Japan should therefore spearhead many of these regional efforts to strengthen HA/DR by building on the current modalities and mechanisms within ASEAN and the wider regional frameworks like the ARF and the ADMM-Plus. Specifically, ASEAN-Japan cooperation in HA/DR can be enhanced in the following areas:

- Strengthen the functions and capacity of the ASEAN Coordinating Centre for Humanitarian Assistance on Disaster Management to coordinate rapid disaster relief and assistance among governmental and nongovernmental actors.
- Improve civil-military cooperation in disaster relief by increasing military training on disaster management together with CSOs, NGOs, and other international organizations. Effective use of military assets in disaster operations should also be maximized by reviewing logistics in transportation, search and rescue, and medical operations.
- Enhance the sharing of experience and lessons learned in disaster management.
- Ensure a smoother transition from disaster recovery to rebuilding and development since many affected areas are less developed. Japan's assistance in establishing a regional fund for reconstruction in collaboration with the Asian Development Bank and the World Bank is very important.
- Promote the use of technology, particularly satellite information, for disaster management and relief operations.

(d) **Japan should assist ASEAN in advancing the goal of greater regional integration through improved connectivity.** Closer regional integration in East Asia can be bolstered by enhanced connectivity in all three dimensions: physical, institutional, and people-to-people connectivity. A highly integrated ASEAN community opens more opportunities for extending trade and investment in the wider East Asian region and increases linkages

among institutions and communities. The successful implementation of the MPAC and issues related to ASEAN connectivity should be harmonized with efforts to promote East Asian connectivity, including China and South Korea. Given the massive agenda ahead, ASEAN and Japan should work closely to enhance regional connectivity in a number of areas, including the following:

- Establish an ASEAN-Japan Dialogue on Connectivity, including the formation of a special joint working group to identify priority areas, mobilize resources, and establish implementing mechanisms to advance regional connectivity, especially those that support the improvement and operations of various supply chains.
- Japan, in coordination with ASEAN, should deepen its support for capacity building programs for Cambodia, Laos, Myanmar, and Vietnam to narrow the development gap in ASEAN and improve institutional connectivity. These include technical assistance for simplifying cross-border procedures related to the movement of goods and people.
- Explore opportunities for further liberalization in the areas of services and investment while facilitating the freer flows of trade in goods through the effective utilization of the AJCEP schemes.
- Promote frank dialogue to address behind-the-border barriers to movements of people.
- Support the physical connectivity components of the MPAC, with Japan contributing to the development of national primary transportation networks and related facilities, including the East-West corridors, ICT, energy, and sea and air transport.
- Mobilize resources for connectivity and develop institutions for implementation. Greater efforts should also be made to improve the existing schemes, such as the Asian Bond Markets Initiative, the ASEAN Baseline Report, the ASEAN Stock Market Link, and the ASEAN Infrastructure Fund, as well as to strengthen private sector engagement with the aim of utilizing different resources effectively. This should also be done in coordination with other regional partners such as China and Korea.

## ASEAN-JAPAN PARTNERSHIP IN GLOBAL GOVERNANCE

The spectrum of global governance issues is immense, but some can be selected for their immediate relevance to ASEAN-Japan cooperation. These are grouped in four clusters. Cluster one centers on macroeconomic stability. Cluster two pivots around sustainable development. Cluster three deals

with inclusive development relating to more equitable access to resources, participation in development, and sharing of income and wealth. The last cluster deals with the contribution of ASEAN- Japan cooperation to comprehensive international and regional security.

## **1. Macroeconomic Stability**

(a) **ASEAN and Japan should consider establishing a dedicated window for financial stability cooperation, which can be named the “ASEAN-Japan Financial Stability Forum.”** High officials from institutions related to macroeconomic policymaking can participate in the forum with the goal of ameliorating vulnerability to erratic financial crises.

(b) **The forum would serve in the first place as a mechanism for knowledge spillover.** Its agenda would include what is referred to as domestic protection in the sense of good domestic macroeconomic policy such as inflation targeting. One of the greatest benefits that a country can reap from membership in such international organizations that include developed countries is the positive externality of learning.

(c) **Beyond learning, evidence-based advocacy could also be an important element of the proposed “ASEAN-Japan Financial Stability Forum.”** This applies in particular to macroeconomic policy cooperation in East Asia. Specifically, ASEAN and Japan should consolidate the Chiang Mai Initiative Multilateralized and the ASEAN+3 Macroeconomic Research Office. These institutions could eventually be elevated to full-fledged macroeconomic cooperation mechanisms in East Asia, with responsibility to work out financial stability indicators, develop an early warning system, conduct surveillance, and trigger remedial actions.

## **2. Sustainable Development**

(a) **In terms of water and food security, ASEAN and Japan should consider the creation of a dedicated window to deal with the very complex nature of water resources, along the lines of an “ASEAN-Japan Dialogue on Water Conservation.”** Efforts are urgently needed to strengthen regional cooperation in water resource management, such as the management of shared river, lake, and underground water resources. Other fundamental issues include deforestation, reforestation, water and air pollution abatement, and global warming. While the core element of food security is water security, there are also other elements, such as access to continuously improved seeds, fertilizer, pest control mechanisms, and other inputs. These inputs are increasingly science intensive. Scientific collaboration between ASEAN and Japan can bring knowledge and skills on a more equitable basis,

recognizing that ASEAN countries have also built research and development competencies in this field. Furthermore, while dealing with cyclical fluctuations that are likely to come and go with oscillations in water supply and fluctuations in other inputs, ASEAN and Japan can resort to buffer stocks or strategic reserves, which are already in place on a limited scale through East Asian cooperation.

(b) **Given the obvious need for ASEAN-Japan cooperation on energy security, a separate window for an “Emerging Energy Community in East Asia” is very much needed. ASEAN and Japan are faced with complex energy security issues.** First of all, they differ starkly in energy intensity. However, the differences point to a big opportunity for cooperation. Second, the thirst in ASEAN for energy is going to rise with income growth. Third, the long-term energy outlook suggests that East Asia in general and ASEAN countries in particular are likely to rely more on coal to meet their rising energy demands. Even Japan is likely to return to a similar trend after the frightening experience with the Fukushima meltdown. Given the structural dependence on coal, advances in clean coal technologies should constitute an important element in ASEAN-Japan cooperation. Fourth, realistically speaking, over the very long term, fossil reserves will run dry, and alternative energy in the form of nuclear energy is likely to be needed to support our lifestyles of abundance. Cooperation in nuclear science and technology should be kept alive in ASEAN and Japan even if their deployment is reduced currently. Fifth, in order to deal with the lasting dilemma between energy security and environmental considerations, ASEAN and Japan should learn from and work with European countries in the domain of renewable energy.

(c) **In order to contribute to the global governance of trade, ASEAN and Japan should launch an “ASEAN-Japan Partnership 21.”** This platform would address several agenda items: (1) a strong ASEAN-Japan coalition for progress in the RCEP negotiations; (2) initiatives for creating convergence between the RCEP and the Trans-Pacific Partnership; (3) a credible commitment to outcome-based capacity building in all partnership initiatives; and (4) creative ways of transmitting East Asian pragmatism to the global governance of trade. ASEAN- Japan cooperation should help urge the world to pay greater heed to East Asian pragmatism as a complement to the existing occidental governance architecture and structure. It should also help consolidate ASEAN centrality in community building in East Asia. The imperfect cohesion of ASEAN, as reflected in the tendency of its members to treat as taboo some important issues such as a common external trade and investment policy, is public knowledge. Through ASEAN-Japan

cooperation, Japan can be instrumental in crafting a stronger cohesion even as regards these sensitive issues for ASEAN.

### **3. Inclusive Development**

(a) **An approach to ASEAN-Japan cooperation toward better global governance that relates to inclusive development should be a cautious one, focusing more on amplifying certain elements that have proved to be effective than on inventing new measures.** Some inclusive development can result from social protection. A lot more can stem from cooperation in such areas as health, education, training, technology transfer, and better treatment of migrant workers as productive members of society.

(b) **One element that can promote inclusive development is policy advocacy.** This can also be called policy transfer. The experiences of successful East Asian countries demonstrate that inclusive development depends predominantly on good domestic policies. It is only when combined with such good domestic policies that external assistance can have a meaningful impact. The contribution of good policies to inclusive development in low-income economies can never be overemphasized, given that a policy change is often the only alternative available to a government while it seeks to guide its economy to a higher rung on the development ladder.

(c) **ASEAN-Japan partnership must extend existing policy advocacy to areas that are more directly concerned with inclusive development, and must work to make such advocacy an important element in East Asian regionalism mechanisms such as the RCEP.** Policy advocacy or transfer is an integral part of the work of the Japan International Cooperation Agency. It is also promoted through diverse channels in bilateral relations. Sooner or later, East Asia is likely to have an OECD type of cooperation. ASEAN-Japan cooperation can serve as an attractive force for such regionwide advocacy or policy transfer.

(d) **Human capital accumulation has been a perennial element in ASEAN-Japan cooperation—bilaterally and regionally—and it constitutes another distinctive feature of the East Asian development model.** It is also likely to remain part of the core of future cooperation between ASEAN and Japan. In most cases, future cooperation is likely to be an amplification of programs that have been going on for years. However, reinvention is constantly needed in a changing environment.

(e) **A new “ASEAN-Japan Diversity Program” should be added to the expansive ongoing cooperation.** East Asian people-to-people connectivity is severely hampered by language barriers. Citizens of ASEAN nations and

Japan should be encouraged to be universally bilingual, mastering English as a global language and as a common East Asian language in addition to their own native language. By doing so, East Asians would simultaneously be doing a much-needed service to preserving the diversity of human culture, including their respective mother tongues.

#### 4. Comprehensive Security

(a) In terms of counterterrorism, given the particularly weak maritime border control and maritime security in the region, ASEAN and Japan should consider establishing a regional academy for maritime law enforcement agencies (such as coast guards and water police), which would train and educate civilian officers. Another important task in contextualizing the global governance of counterterrorism in Southeast Asia and of regionalizing security cooperation within ASEAN and between ASEAN and Japan is to find an effective way to harmonize and synchronize peacebuilding efforts and counterterrorism activities in post-conflict regions and countries.

(b) It is the shared interest of ASEAN and Japan to sustain and enhance the legitimacy and credibility of the existing nuclear nonproliferation mechanisms, including the Nuclear Non-proliferation Treaty, the International Atomic Energy Agency, the Comprehensive Test Ban Treaty, and the Proliferation Security Initiative. Capacity building for export control of nuclear material and nuclear-related technologies on the part of the ASEAN countries should be promoted. Furthermore, combining nuclear security with counterterrorism measures is an urgent task for ASEAN and Japan as these horrific devices are no longer monopolized by state actors.

(c) An “ASEAN- Japan Commission of Eminent Experts for International Law Principles and Practices” should be organized to survey and report on the conformity of emerging and ongoing controversies in the region. This should contribute to a better understanding of how international law principles might be applied to resolve, manage, and frame these controversies. The spirit of adhering to the rule of law will prove to be highly relevant when Japan and ASEAN are faced with many intricate troubles with China, for example, ranging from intellectual property-related disputes to territory-related conflicts. Indeed, the explicit nature of agreed principles and common practices of international law offer clear mechanisms for the formation and implementation of global governance mechanisms. Here both ASEAN and Japan should be the key actors, not simply the followers, in forming and properly applying international norms.

## CONCLUSION

ASEAN-Japan partnership in East Asia and in global governance faces the challenge of implementation. As amply demonstrated by the chapters that follow, as well as by the study group co-chairs' overviews, which start off each section, the common difficulties and challenges caused by major shifts in the power balance and emerging issues both in East Asia and around the world require immediate and serious attention by both ASEAN and Japan. It is imperative that ASEAN and Japan adopt the principle of the responsibility to implement.

Throughout this two-phase joint study on ASEAN-Japan strategic partnership, which started in September 2012, the basic principles and objectives of ASEAN-Japan cooperation have remained the same: (1) bottom-up, people-centered approaches to issues and challenges in the promotion of peace and prosperity as well as of democracy and human security; (2) the promotion of a rules-based order, sustained by the principle of non-use of force as a means of settling disputes; (3) adherence to principles of internationalism and open regionalism in promoting cooperation in Southeast Asia, East Asia, and the world; and (4) a recognition of the increasing importance of enhanced partnerships between the governments on the one hand and nongovernmental actors and civil society on the other, based upon people-centered, rules-based, and internationalist principles.

Theoretically, there are three possible ways to strengthen institutions to implement new ideas: create new institutions, upgrade existing institutional arrangements, or scrap and rebuild some of the existing institutions. Needless to say, it is a bit premature to begin to take up the third option seriously at this stage, and many of this project's specific proposals concern the second approach to institutional innovation. This could and should be done without much difficulty if there is the will on the part of the decision-makers and policy practitioners. We urge them to do so, and in this spirit, we also strongly hope that the current recommendations, as well as the recommendations from the first phase of our study, be seriously considered.

In closing, we would like to call the attention of all of the governments of ASEAN member states and Japan, once again, to one critical recommendation made in the first phase of our joint study: Create a new policy research institute for ASEAN-Japan strategic partnership. This institute, along with ERIA [the Economic Research Institute for ASEAN and East Asia], should aim to promote the implementation of these recommendations regarding ASEAN-Japan cooperation beyond 2015 by further investigating concrete action plans and facilitating intellectual exchange. The proposed institute should also regularly monitor and evaluate the progress of ASEAN-Japan

cooperation (or the lack thereof) in various issue areas, including those recommended in the two phases of this joint study. Constant examinations of changing issues and challenges, as well as ideas and policy options for ASEAN-Japan strategic partnership, are fundamental in order for ASEAN and Japan to continue to nurture effective cooperation seamlessly over the decades to come.