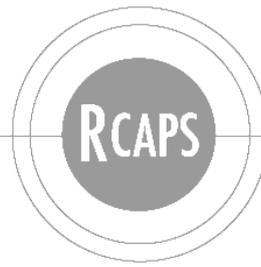


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*Reserving Food, Oil, and Money for Emergency:
China and Institution-Building in East Asia*

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Abstract: The main interest of this article is to explore how East Asia has developed 'reserve' institutions as a means to respond to risks associated with fluctuations in the global market. This article examines China's policy behaviour and underpinning interests by focusing on the building of regional institutions in three policy areas that ASEAN+3 members have developed in preparation for an emergency. It argues that the extent of China's engagement constitutes a sufficient condition to propel the development of multilateral institutions to reserve rice for food security, oil for energy security, and money for financial stability in time of emergency, and that China's engagement is dependent on its strategic calculations on regional balance of influence and impacts on the domestic economy.

Keywords: food security, energy security, financial cooperation, China, Japan, East Asia

Introduction

For a long time, regional cooperation through formal institutions remained at a preliminary stage in East Asia. In addition to a short history of regionalist initiatives and projects, major countries' propensity to maintain sovereign rights and domestic political autonomy hindered the development of multilateral institutions for regional cooperation. As a background factor, diversities in terms of political regimes, economic development, and cultural traditions including religion disturbed the fostering of common regional identity.

After the late 1990s, multilateral forums for regional cooperation began to develop in East Asia. The members of the Association of Southeast Asian Nations (ASEAN) in collaboration with China, Japan, and South Korea have developed the ASEAN Plus Three (ASEAN+3) forum as a venue for regional cooperation to meet common challenges that were difficult to resolve with efforts by individual countries and to promote collective interests of East Asia. Particularly important in promoting regional cooperation is the establishment of collective institutions to prepare for unexpected turbulences in the international market. As East Asian countries are increasingly integrated into the global economic system, they have become vulnerable to a shock and volatility of the global market. Accordingly, the establishment of a regional pool of reserve has become one of viable areas for regional cooperation, and collective institutions in preparation for the time of emergencies have developed under the ASEAN+3 forum.

The main objective of this article is to explore how East Asia has developed ‘reserve’ institutions as a means to respond to risks associated with fluctuations in the global market, with particular attention to China’s policy behaviour and underpinning strategic interests. It argues that the extent of China’s engagement constitutes a sufficient condition to propel the development of institutions for collective reserve in East Asia, and that China’s engagement is dependent on its strategic calculations on regional balance of influence and impacts on the domestic economy. The arguments are examined by focusing on regional institutions in three policy fields that ASEAN+3 members have developed in preparation for an emergency. Before delving into three empirical cases, the following section presents an analytical framework for this study.

Risk Management, Institutions, and China in East Asia

As East Asian countries are increasingly integrated into the global economic system, they have become vulnerable and insecure to global risks. Risks are unintended results of economic and technological decisions, which are previously undertaken with fixed norms of calculability, connecting means and ends or causes and effects (Beck 1999, 3-4; 2000, 212-23). Risks are created by the expansion of transboundary phenomena and activities as well as growing uncertainty about consequences resulting from them. The examples of such risks are the deterioration of the global environments, a likely financial turmoil, and the global diffusion of infectious diseases. Nobody in developed and developing countries can escape from the trap of such risks, and the societies on the globe are required to respond to insecurity posed by risks by developing various kinds of risk management systems.

A crucial means to prepare for risks pertinent to instability in the global market is the holding of ‘reserve’ as risk management systems. The states, societies and individuals can reduce perceived vulnerability resulting from the risks by holding an amount of stock and endure an abnormal condition and volatility in the global market by taking advantage of such a stock for the time being. In the case of states, they can maintain full safety by keeping reserves under its domestic sovereign rights. In the integrated global economy, however, it has become increasingly difficult for an individual state to hold the sufficient amount of reserve due to huge financial burdens accompanying such reserve. Accordingly, it is viable to hold the stock collectively pursuing the establishment of a regional pool of reserve. The resource reserve facilities among countries in a given region can generate a

larger stock capacity and produce greater benefits than a reserve facility created by a single country. Thus, the shared reserve system through regional cooperation can raise resiliency against a possible shock or turbulence in the global market and produce greater benefits to the states concerned.

The exploration of the shared reserve system has significant theoretical implications for the study of regionalism in East Asia. As East Asian countries have gradually advanced initiatives for regional cooperation since the late 1990s, various theoretical perspectives have been presented in order to analyse the origin and development of regionalism in the region. The realist perspective on great power politics has explained the basic configuration of international affairs including the evolution and management of regional cooperation in East Asia. The US predominance in the form of political and security linkages with major regional states is the major factor why regional cooperation among East Asian states has underdeveloped in East Asia despite the development of regionalism in other parts of the world (Beeson and Berger, 2003; Beeson and Higgott, 2005; Katzenstein, 2005; Sutter, 2008). Constructivist-oriented scholars have mainly highlighted regional cooperation in Southeast Asia, arguing that Southeast Asian states have gradually strengthened inter-state arrangements in the process of identity-building, which was sustained by the maintenance of the set of norms, the so-called 'ASEAN Way' (Acharya, 2001; 2004; Khong and Nesadurai, 2007).¹ Furthermore, some scholars have linked domestic politics to regional cooperation in East Asia, holding that the nature of domestic coalitions have conditioned the genesis of regional cooperation and the design of regional institutions to promote cooperation (Solingen, 2008; Stubbs, 2011).

Indeed, the past literature surely contributed to addressing the issue of how inter-state relations have constituted basic conditions on and overall trends towards regionalism in East Asia. However, it is still insufficient to analyse the process of building specific institutions for regional cooperation. In particular, it has been underdeveloped to explore what forces and interactions have defined the concrete process of creating and developing institutions whose objective is to meet functional needs in specific policy fields. The analyses of the building process of regional institutions for resource reserve are likely to make possible contributions to this weak area of regionalism study for East Asia.

Regional institutions for shared reserve systems could be regarded as regional 'public goods', and the provision of such goods is generally possible with regional leadership. In

current politics in East Asia, Japan and China are two great powers that could be the providers of regional public goods and paymasters for easing distributional tensions from regional cooperation. Japan, which maintained the status of the primary economic power in East Asia until 2009, has sustained economic growth and industrialisation in major countries in the region through trade, investment, and foreign aid (Yoshimatsu 2003). A significant redistribution of power in East Asia forced Japan to reformulate its regional diplomacy. Given the ascendancy of China as a global political and economic player, Japan has an imperative need to maintain its national interest by combining the strategies of constraining and engaging a rising China (Mochizuki 2007). Under such pressing conditions, Japan seeks to provide regional public goods to meet collective challenges and enhance shared interests in East Asia, and such an attempt for leadership is conducive to the maintenance of its political influence in the region. Accordingly, Japan tends to be an initiator of regional institutions for providing regional public goods. Major issues in exploring the process of institution-building are what interests China finds in the building of particular institutions and how China commits to the development of such institutions.

This study focuses on two factors that are likely to influence China's interests in and commitments to the building of regional institutions. The first is relevant to the impact of regional institutions on domestic conditions. The development of multilateral institutions and regulatory regimes formed at the regional level has a strong influence on the domestic society. The Chinese policymakers carefully examine what impacts the development of regional institutions will bring about on domestic economic conditions and the people's life, and seeks to avoid a situation when the impacts would undermine their domestic political legitimacy.² Indeed, China adopts the one-party dominant political system, but its ruling elites calculate how regional institutions has positive or negative impacts on the domestic society and economy as a way to maintain political legitimacy to maintain and exercise power.

The second is relevant to power politics at the systemic level. The Chinese policymakers calculate how concrete commitments to regional institutions influence China's political position in East Asia, especially in the context of rivalry with Japan. Indeed, Japan and China as the two great powers can lead other smaller states to certain policy goals by setting policy agendas on crucial and urgent issues and showing viable solutions to common challenges. At the same time, China and Japan pay due attention to

specific national interests and ‘relative gain concerns’ in engaging in regional cooperation (Grieco 1988). In the process of institution-building, each of China and Japan attempts to increase its own influence in East Asia while limiting the other’s one. Crucial issues are what interests China find in the building of regional institutions in light of regional influence, and to what extent China coordinates its policy behaviour with Japan’s as a way to attain long-term, shared regional interests.

In setting up concrete frameworks for analysis, this research selects specific policy areas through the two-step process. The first is relevant to the selection of overall forums. In East Asia, functional cooperation in various policy fields has been advanced under regional forums such as the Asia-Pacific Economic Cooperation (APEC), ASEAN+3, and the East Asia Summit (EAS). This article focuses on the ASEAN+3 forum as its members’ geographical scope constitutes the core of East Asia, and the forum is positioned as the ‘main vehicle’ for the building of an East Asian community. Furthermore, China has shown greater interests in the development of the ASEAN+3 forum than that of the APEC or the EAS.

The second process concerns the selection of individual policy fields under the ASEAN+3 forum. Regional institutions under the ASEAN+3 forum have developed in various policy fields, some of which took the form of an expansion of the existing ASEAN-based institutions. I select three policy areas: food, energy, and finance. These areas are selected in terms of their relative importance, which is clearly shown by a renowned quote by Henry A. Kissinger: ‘Who controls the food supply controls the people; who controls the energy can control whole continents; who controls money can control the world’. Given the importance of food, oil, and money, East Asian states should have regarded the stable provision of these three resources as the main target of regional cooperation. In fact, relevant ministers of ASEAN+3 members began in the early 2000s to discuss the building of regional institutions for reserving these resources in preparation for a condition of emergencies. Therefore, these three cases exactly fits into this study’s objective of examining China’s engagement in the development of functional institutions in East Asia.

Reserving Rice for Food Emergency

The development from the EAERR to APTERR

In the new millennium, an important initiative to enhance food security through rice reserve was launched in East Asia. At the first meeting of ASEAN+3 ministers on agriculture and forestry (AMAF+3) in October 2001, ministers agreed to begin studying specific cooperation to alleviate poverty in rural areas and strengthen food security in East Asia.³ Two months later, a study team on the rice reserve system began to conduct the review on rice reserve among the ASEAN+3 countries. The results of the study were discussed at the Technical Meeting on Rice Reserve (TMRR), a gathering of directors-general of relevant government agencies, which were held three times between April and October 2002. One of the recommendations put forward by the TMRR was to undertake a three-year pilot project designed to investigate the feasibility of a rice reserve system in East Asia, prior to the establishment of the East Asia Emergency Rice Reserve (EAERR). The proposal on the pilot project was approved at the third AMAF+3 meeting in October 2003, and the project began in April 2004. The project aimed at establishing stock release guidelines to provide a mechanism for utilising emergency rice reserve, stock release under poverty alleviation programmes, and food aid for disaster-hit regions.⁴ Japan was the initiator of the EAERR, and its government provided substantial financial and technical assistance for sustaining the pilot project.⁵

The overall supervisory body of the EAERR was the Project Steering Committee that reported to the AMAF+3 meeting, and daily management was conducted by the Management Team of the EAERR. In 2004, the EAERR Secretariat was set up within the Thai Ministry of Agriculture and Cooperatives (MOAC) in order to manage the pilot project and coordinate social development activities. Although the secretariat was a small body, its establishment had critical significance as it ensured a steady progress in implementing ministers' decisions through the institutional system.

The EAERR implied a cross-supply arrangement for rice from food-surplus to food-deficit countries during normal conditions and in time of emergency. The EAERR planned to hold rice reserve of 1,750,000 tonnes with two methods. The first was earmarked rice reserve under which member countries voluntarily designate a certain quantity of rice for meeting emergency requirements. The second was stockpiled (physical) rice reserve under which member countries donate a certain quantity of rice as an emergency stock to provide preparedness for an emergency.

After the EAERR pilot project began in April 2004, several cooperative activities were implemented. Nearly 3,000 tonnes of stockpiled rice were distributed under the project to disaster victims and poor households in Cambodia, Indonesia, Laos, Myanmar, and the Philippines (APTERR no year, 3).⁶ Notwithstanding practical activities for rice provision, the EAERR remained a primitive body with limited resources. The EAERR was originally projected to increase the total quantity of earmarked rice reserve to 1,750,000 tonnes. However, it continued to hold just 337,000 tonnes with Japan's contribution of 250,000 tonnes in addition to ASEAN's 87,000 tonnes, failing to draw contributions from China and South Korea. The average number of staff at the EAERR Secretariat since its establishment was six including a coordinator from the Japan International Cooperation Agency. The posts for two managers handling trade issues and IT issues were often unoccupied.⁷

Since the EAERR began as a mere management project for cooperation on food security, it was desirable to enhance its institutional foundation, and Japan had strong interests in making the reserve a permanent institution. At the fifth AMAF+3 meeting in September 2005, ministers 'agreed to emphasize the importance of converting the EAERR into a permanent scheme on a voluntary basis'.⁸ However, the ministers decided to postpone the decision on the future form of the EAERR three times at the following years' meetings by extending the pilot project. Eventually, the pilot project continued until February 2010, three years longer than originally planned. Thus, it took a long time to transform the EAERR into a fully-fledged institution that would have the authority and capabilities to establish the sound foundation for food security in East Asia.

At the eleventh AMAF+3 meeting in October 2011, ministers signed the Agreement on the ASEAN Plus Three Emergency Rice Reserve (APTERR), which came into force in July 2012. Under the ten-article agreement, members agreed to strengthen food security in East Asia by establishing a rice reserve system to meet emergency requirements and achieve humanitarian purposes, while avoiding a distortion in international rice markets. The APTERR Council was positioned as the main decision-making body to assume the responsibility of the APTERR's operation. The council is co-chaired by an ASEAN member and a member from the '+3' countries, and its decision is made on the basis of consensus. The daily management of APTERR business is undertaken by the secretariat, and a small secretariat with a staff of less than ten was established within the Thai MOAC.

The agreement accompanied attachments that indicated rice and financial contributions to sustain the APTERR operation. The member countries are required to provide a total of 787,000 tonnes of earmarked rice. While ASEAN members provide 87,000 tonnes, the rest is offered by China, Japan, and South Korea – 300,000 tonnes, 250,000 tonnes, and 150,000 tonnes, respectively –. The ministers also agreed on an endowment fund to cover costs for running and maintaining emergency rice reserve: China, Japan and South Korea disburse US\$1 million respectively; seven ASEAN members contribute US\$107,500 respectively; and Cambodia, Laos and Myanmar contribute US\$83,000 each. Furthermore, the members agreed to provide US\$300,000 to finance the operational cost of the office running the rice programme over the first five years, and ASEAN, China, Japan, and South Korea disburse US\$75,000, respectively.

Importantly, the APTERR has a potential to become the comprehensive institution to manage overall food security in East Asia by expanding the scope of targeted products and issues. At the joint press statement of the eleventh AMAF+3 meeting in October 2011, ministers referred to ‘the possibility of expanding coverage of the APTERR other than rice in times of emergency and in supporting countries in a vulnerable position as a result of food price volatility and a surge in food demand’.⁹ The APTERR was deemed to be a stepping stone to deal with more general price volatility in staple foods other than rice.

China’s evolved commitments

The Chinese policies for regional agricultural cooperation have been complicated. China exhibited willingness to promote agricultural cooperation with ASEAN particularly in relation to trade initiatives. At the ASEAN-China summit in 2001, China proposed promoting cooperation on five priority areas: agriculture, information and communications technology (ICT), human resource development, Mekong River Basin development, and two-way investment. The proposal that contained practical programmes in non-controversial areas became a clue to invite positive postures from ASEAN towards the ASEAN-China Free Trade Area (ACFTA) (Onishi 2007, 112). In November 2002, ASEAN and China signed the Memorandum of Understanding (MOU) on Medium and Long-Term Plan of Agricultural Cooperation. In this memorandum, China promised to carry out training courses in various fields such as hybrid rice, cultivation skills, fertilizer and water management, and so on. The two parties signed the extension of the MOU on Agricultural Cooperation (2007-2011) in January 2007, and various activities regarding

personnel training, technical exchange, demonstration programme, and trade promotion programmes were implemented.

The agricultural sector was important in the ACFTA as China proposed the early harvest programme (EHP), which committed to reducing tariffs for agricultural products in advance. Market liberalisation through the EHP was expected to have a negative impact on the agricultural sector in China, and caused serious concerns among producers in the sector. In fact, the Ministry of Agriculture and the local government of the Guangxi Province submitted internal reports to the Ministry of Commerce regarding the negative effects of the EHP (Ravenhill and Jiang 2009, 40). In response to such concerns, the central government sought to create and expand opportunities for local producers through closer economic ties with Southeast Asia. The Chinese government successfully made the Guangxi Province a member of the Greater Mekong Sub-region (GMS) Economic Cooperation Programme in 2005, although the province was not, geographically speaking, part of the Mekong River Basin. The relationship with ASEAN in the agricultural sector was crucial for China in terms of the trade strategy and the development of the southern provinces.

Despite China's positive engagements in agricultural cooperation with ASEAN, it did not exhibit a keen interest in the EAERR project. This was typically shown in its involvement in the EAERR Project Steering Committee. The fourth committee meeting in March 2005 was important because the Guidelines for Release of EAERR Stock and the implementation plan for the second year of the pilot project were approved at the meeting. At the meeting, the member countries were also expected to report on contributions to earmarked reserve for the EAERR.¹⁰ The delegates from China and South Korea did not attend this important meeting, and the proposed contributions to the earmarked reserve were Japan's 250,000 tonnes and ASEAN's 87,000 tonnes.

China's low interest in the EAERR project had much to do with the project's basic nature. As already explained, the project began with Japanese initiative and its management was sustained by Japanese and Thai commitments. Support for the EAERR meant to help Japan to increase its regional profile and influence. Moreover, ASEAN+3 members had a suspicion about Japan's hidden self-interest in the EAERR project: to comply with international trade obligations under the WTO to open up its domestic rice market while at the same time protecting the interests of domestic rice producers against

the upsurge of imported cheaper rice (Danō 2006: 37). Accordingly, even ASEAN members did not totally approve the EAERR's transition to a permanent institution. Under such conditions, China did not find sufficient interests in providing support for the development of the EAERR.

A driving force for regional cooperation on rice reserve was provided by China that changed its postures towards cooperation on food security after 2009. The country showed willingness to offer material resources to sustain the EAERR. In April 2009, the Chinese government revealed a plan to contribute 300,000 tonnes of earmarked reserve to the EAERR. China's decision to offer the largest quantity of rice reserve served to form a new equilibrium in regional rice reserve, encouraging other countries to follow suit. Soon after China's announcement, South Korea decided to commit to the EAERR, pledging to provide 150,000 tonnes of earmarked reserve. At the ASEAN+3 summit in October 2010, Premier Wen declared that China would work together with other regional countries to promote the establishment of a feasible regional rice reserve system, proposing US\$1 million donation for this aim.¹¹ This donation was a significant step towards resolving financial problems that accompanied the APTERR management. China also sought to make ideational contributions to enhancing food security in East Asia. Its government proposed holding the ASEAN+3 Roundtable on Food Security Cooperation Strategy, and its first meeting was held in Beijing in September 2009. After the second roundtable was held in Tokyo in May 2010, the third roundtable took place in Nanning, the Guangxi Province, in November 2011. The roundtable was critical in sharing the importance of avoiding food insecurity and exploring channels and mechanisms for strengthening strategic cooperation on food security.

China's new commitments to regional food security derived from two factors. First, they were parts of China's renewed interest in international cooperation in the agricultural field. China originally had a 'right to speak' on matters relating to international food security because of its own miraculous achievement in feeding a huge population, and food security became a critical arena for its international cooperation (Morton 2012, 31). As food security emerged as one of the key threats to global stability and prosperity, the Chinese government believed that the expansion of agricultural cooperation contributed to global efforts to fight hunger, which is conducive to increase China's profile as a responsible global player (Zha and Zhang 2013, 473-73). In 2008, the Chinese

government decided to deepen agricultural cooperation by doubling the number of experts and technical personnel sent overseas and offering training programmes to 3,000 people from developing countries. In the same year, Beijing also announced a contribution of US\$30 million to the FAO to support developing countries in improving their agricultural productivity to achieve the Millennium Development Goals (FAO 2011, 7). China's commitments to the rice reserve system in East Asia could be regarded as a part of its renewed strategy to tackle food security in the world.

Second, the food and financial crises in 2007-09 urged China to provide new initiatives to promote cooperation with ASEAN and prop up its members' economic development. When Chinese Foreign Minister Yang Jiechi held a meeting with envoys of ten ASEAN members in April 2009, he stated that 'the overall thought for China-ASEAN cooperation is that the two sides should rise to difficulties in face of the grim global financial crisis, and make efforts to convert unprecedented challenge into opportunity for closer pragmatic cooperation and common development'.¹² The Chinese government revealed a series of plans to sustain economic capabilities of Southeast Asian countries such as the establishment of a China-ASEAN investment cooperation fund totalling the US\$10 billion, the provision of US\$15 billion credits to less-developed ASEAN members, and the offer of special aid of US\$39.7 million to Cambodia, Laos and Myanmar to meet urgent needs (Sutter and Huang 2009). In this overall policy trends, China announced an offer of 300,000 tonnes of rice for emergency rice reserve to strengthen food security. The government also proposed to implement the China-ASEAN grains production capability enhancement action plan, which included the establishment of high-quality, high-yield crop demonstration farms in Southeast Asia.¹³

Reserving Oil as a Way to Enhance Energy Security

The road to the OSRM

In the early 2000s, formal dialogues to advance energy cooperation in East Asia began under the ASEAN+3 framework. In July 2002, the first ASEAN+3 Senior Officials Meeting on Energy (SOME+3) was held in Bali, Indonesia. One year later, the second SOME+3 meeting was organised in Langkawi, Malaysia. At the meeting, senior officials agreed that the SOME+3 Energy Policy Governing Group (EPGG) would be established to provide overall policy directions and programme management for cooperation, and that

common issues and concerns in energy security, natural gas development, oil market studies, oil stockpiling, and renewable energy would be discussed. Based on the agreement, the first SOME+3 EPGG meeting was held in Bangkok the following month. Through discussions at these meetings, the basic framework for ASEAN+3 energy cooperation was consolidated.

In order to undertake concrete cooperative activities, forums were set up under the SOME+3 EPGG in five policy areas: energy security, oil market, oil stockpiling, natural gas, and new and renewable energy and energy efficiency and conservation (NRE and EE&C). The SOME+3 EPGG designated the ASEAN Centre for Energy (ACE) as coordinator for ASEAN and the Japanese Ministry of Economy, Trade and Industry (METI) as coordinator for the +3 countries (Tanabe 2011, 100). The name of 'forum' was adopted in order to stress the voluntary and non-binding nature of this cooperative framework (Tanabe 2004, 231). The first Oil Market Forum and Oil Stockpiling Forum took place in Bangkok in November 2003, and the first Energy Security Forum was organised in Cebu, the Philippines, in February 2004. The first Natural Gas Forum and the NRE and EE&C Forum also took place within 2004.

In June 2004, the first ASEAN+3 Ministers on Energy Meeting (AMEM+3) was held in Manila. At the meeting, the ministers confirmed common goals of greater energy security and energy sustainability in East Asia that would become the largest energy consumption region in the world. They then referred to three general principles: an equal and mutual relationship, taking diversity among countries into account; diversity in sources of primary energy supply; and the importance of the market mechanism.¹⁴ The ministers decided to meet on a regular basis to discuss cooperation on common policy goals and work on further relevant studies and activities at senior official level. The ministerial meeting was institutionalised, and a meeting took place annually thereafter.

Among five policy areas for cooperation, one that had the potential to produce a concrete collective project was oil stockpiling. The development of oil stockpiling facilities is important for increasing insurance against short-term supply shortages and reducing competition among oil consuming countries. Moreover, the holding of oil stockpiles is crucial for oil consuming countries to gain freedom from price control by oil-producing countries and deal with fluctuations in world oil prices. Oil stockpiling had significant implications for East Asian countries largely because they were heavily dependent on oil

imported from the volatile Middle East.¹⁵ If exports of crude oil had been suspended due to a civil war or a terrorist attack, the East Asian countries would have suffered from the disruption of oil supply. The development of oil reserve facilities could reduce the risk accompanying such emergency situations.

The development of oil-stockpiling facilities is generally regarded as a critical pillar of a state's national strategy for energy security. However, it is not easy in reality to find an appropriate site for an oil tank base because the site requires solid ground to endure the weight of oil and a port with sufficient depth for a large-scale tanker (Goto 2004, 167). Moreover, huge initial costs for constructing the facilities become crucial financial burdens especially for developing countries. Accordingly, it is feasible to consider oil reserve collectively and develop stockpiling facilities in a region. The shared oil stockpiling among countries in a given region can generate a larger storage capacity and produce greater benefits than oil stockpiling by a single country. Thus, shared oil reserve through regional cooperation can increase the resiliency of oil stockpiling and produce greater benefits to the countries concerned.

Through policy talks at the Oil Stockpiling Forum, common understanding was fostered among member governments on the need to reinforce energy security in response to the rise in future oil demand and import dependency of East Asia as a whole, as well as on the vital role played by oil stockpiling in meeting such a need. Moreover, consensus was reached on the pursuit of the possibility of establishing an oil stockpiling programme by making use of the experiences gained by Japan and South Korea (Koyama and Koide 2004, 2). Despite such understanding and consensus, it took a long time to convert them into concrete policy actions.

It was at the sixth Oil Stockpiling Forum meeting in January 2008 that the ACE formally proposed commencing the Oil Stockpiling Roadmap (OSRM) programme. The formulation of the OSRM was approved at the fifth AMEM+3 meeting in August 2008. It was confirmed as an important matter that the OSRM would be developed on the basis of four principles: (i) voluntary and non-binding; (ii) mutual benefits; (iii) mutual respect and respect for bilateral and regional cooperation; and (iv) a step-by-step approach with a long-term perspective. The principles clearly derived from the ASEAN Way that stressed voluntarism, informality, gradualism, and non-intervention in domestic affairs, and

reflected ASEAN members' preferences for avoiding likely intervention in their domestic oil stockpiling policies.

In order to advance the formulation of the OSRM, the Working Group on the Development of the OSRM was set up and its first meeting took place in November 2008. The working group organised five rounds of meetings until June 2010 in order to exchange knowledge and experiences on roadmaps and discuss the procedure and template for the OSRM. The final report on the OSRM was submitted to the seventh AMEM+3 meeting in July 2010. The report presented country-based plans for commercial, processing, and national oil stocks in the period of 2010-2025.

Although the OSRM had a critical value as the first attempt to integrate oil stockpiling plans of ASEAN+3 members into the common format, it did not become a substantial roadmap due to its critical flaws as a collective project. While several countries did not submit a report on situations and future plans of oil stockpiling, even the countries that submitted a report did not provide full information about the future plans. Such divergent commitments derived primarily from differences in economic conditions and the need of the OSRM of each country, and the programmes' voluntary nature – no formal obligation – allowed the members to report on the roadmap according to their own convenience. At the subsequent AMEM+3 meetings, energy ministers repeated recommendations on continuing studies and development of the OSRM, collecting annual information on the progress of each country's oil stockpiling activities, and organising workshops to promote the implementation of each ASEAN member's OSRM.

China's passive engagements

In the new millennium, China began to implement concrete policies for oil stockpiling. The Chinese government decided to establish the national oil stockpiling system in the tenth five-year plan (2001-2005), approved at the National People's Congress in 2001. In 2003, the Energy Bureau was created under the National Development and Reform Commission (NDRC), and the National Oil Stockpiling Office was set up by the bureau in order to formulate the strategic oil reserve policy. After intensive consultations with the International Energy Agency and oil companies, the bureau formulated a plan to establish national oil stockpiling bases with a total storage capacity of 14 million tons in Dalian in Liaoning Province, Huangdao in Shandong Province, and Daishan and Zhenhai in

Zhejiang Province (Ehara 2005, 43). With the construction of the oil stockpiling facilities, the National Oil Reserve Centre (NORC) was created in 2007 so as to undertake the management and operation of oil stockpiling.

Given China's accumulated knowhow of domestic oil reserve from its practical experiences, it could provide cooperation for the development of oil stockpiling for ASEAN members through an introduction of examples, experiences and relevant information about existing oil stockpiling systems. However, the Chinese government did not make any meaningful contributions to regional oil stockpiling. A plan for future meetings was presented at the first meeting of the Working Group on the Development of the OSRM in November 2008. The plan was important in advancing cooperation on oil stockpiling in a speedy manner. The Chinese delegate suggested that the proposed timeframe of the future meetings is pressurised and the topics should be decided later as the economic situation changes rapidly.¹⁶ Afterwards, the Chinese government lost interests in the working group's activity, and its delegate did not participate in most of the group's meetings.¹⁷ Although the OSRM was formulated in July 2010, China became one of two members who did not provide any information about situations and future plans of oil stockpiling for the OSRM.

In the process of developing institutions for oil stockpiling, China maintained passive postures. It disturbed the development of institution-building, showing reluctance to accept Japan's initiatives in agenda-setting, and provide information necessary for building a collective institution. China's postures were particularly peculiar in comparison with South Korea. South Korea positively supported ASEAN+3 energy cooperation by assuming a lead-country role in two forums and proposing the expansion of the scope of cooperation. In the oil stockpiling field, South Korea revealed concrete information about domestic oil stock and showing willingness to support ASEAN members to formulate their oil stockpiling programmes.

China's passive postures towards oil stockpiling under the ASEAN+3 forum derived from three factors. The first is relevant to growing energy security to sustain domestic economic growth. China has achieved high economic growth since the early 1990s, and its continuous growth increased the consumption of fossil fuels. As a consequence, China has steadily deepened dependence on overseas sources for energy resources since it became a net oil importer in 1993. While the combined consumption of oil, natural gas and coal

increased from 974 million tonnes of oil equivalent (MTOE) in 2001 to 1,719 MTOE in 2006 to 2,419 MTOE in 2011, imports of crude oil increased from 60.3 million tons in 2001 to 145.2 million tons in 2006 to 252.6 million tons in 2011. Such a trend raised China's sense of crisis for the procurement of stable energy sources in order to sustain long-term economic development and meet drastic changes in the society through the diffusion of home electrical appliances as well as rapid motorisation in major cities and the resultant high use of energy.

Originally, oil is strategic material as the base for crucial segments of the industry and the people's life, and many countries including China have to rely on imports from particular oil producing regions in the world. As growing energy demand for economic development raised the strategic importance of the energy sector further, the Chinese government sought to pursue bilateral engagements for gaining more secure control of overseas oil and gas supplies, particularly with partners who were current energy producers or those with energy production potential (Choo 2006, 97). On the basis of such strategic considerations, China did not find rational interest in committing to multilateral cooperation under the ASEAN+3 forum except for natural gas cooperation.¹⁸

The second was relevant to complicated politics and rivalry with Japan. Tokyo has maintained a high profile in the development of ASEAN+3 energy cooperation by coordinating the forums' operations and providing financial and intellectual resources, and this factor discouraged Beijing from exhibiting positive postures towards the cooperation. China's commitments to energy cooperation became reactive further as its diplomatic relations with Japan deteriorated in the second half of 2010. In September 2010, the Japan Coast Guard arrested the crew of a Chinese fishing boat on suspicion of operating in Japanese territorial waters and obstructing public duties of coast guard personnel by deliberately hitting patrol vessels. The incident occurred in the Senkaku/Diaoyu Islands that have been a source of conflict between Japan and China over the sovereign right on the islands and surrounding waters. The Chinese government reacted to the Japanese actions decisively, summoning Japanese ambassador five times in a week after the incident and deciding on the suspension of ministerial-level exchanges with Tokyo and restrictions on exports of rare-earths elements. Importantly, the Chinese government announced the postponement of talks with Japan over a treaty concerning joint gas field development in the East China Sea.¹⁹ The dispute over the Senkaku/Diaoyu Islands is relevant to the

sovereign right, but the development of energy resources had a long shadow on the dispute. Growing tension with Japan over the territorial dispute surely reduced China's willingness to make positive engagements in regional energy cooperation.

Third, cooperation on oil stockpiling was not expected to intensify China's linkages with ASEAN. Oil stockpiling was a crucial policy issue for most Southeast Asian countries. Despite growing interests in the oil reserve issue, there were significant divisions on the issue between oil consuming countries and oil producing countries in Southeast Asia. While the oil consuming countries such as the Philippines and Thailand positively examined the development of oil stockpiling, the oil producing countries such as Indonesia and Malaysia asserted that the oil buried in the ground implied oil stockpiling to be offered to oil consuming countries in the region, and its exploitation and provision should be given priority (Ehara 2005, 45). As fundamental problems, ASEAN members were apprehensive that the establishment and maintenance of oil stockpiling facilities would require enormous financial burdens and the facilities might become a possible target of terrorist attacks (Shin and Savage, 2011, 2823).

The OSRM report put ASEAN members into two categories: the category A for countries that are able to draw concrete targets and will state their targets on a voluntary basis; and the category B for countries that are unable to state concrete targets but may state their intention towards setting up an oil stockpiling system and/or an expected target with a rough timeframe.²⁰ The countries that selected the category B such as Malaysia and Brunei had a weak understanding of the need for establishing the oil stockpiling programme. In particular, Malaysia who did not provide any information for the OSRM did not subscribe to an idea of a national oil stockpile since production could be easily increased to meet its oil demand (Nicolas 2009, 26).

Given diverse stances on the oil stockpiling issue among ASEAN members, China did not find keen interest in making substantial commitments to this issue. Although Japan offered support for formulating a master plan for the development of oil stockpiling for Thailand, the Philippines, and Vietnam, such efforts have not contributed to forming a common front in ASEAN to harmonise stances on oil reserve in Southeast Asia. Therefore, China could adhere to its domestic-oriented policy stance, not fearing that its passive posture would invite criticisms from ASEAN members.

Reserving Money in Preparation for a Financial Crisis

The road from the CMI to CMIM

At the second ASEAN+3 finance ministers' meeting in May 2000 in Chiang Mai, Thailand, ministers confirmed a set of objectives for regional financial cooperation such as policy dialogues, monitoring of capital flows, and the reform of international financial institutions. The most important outcome of the meeting was the CMI, which aimed to provide liquidity support to member countries that would face short-term balance of payment deficits. The CMI contained two pillars: to strengthen the ASEAN Swap Agreement of 1977 by raising the available amount from US\$200 million to US\$1 billion; and to develop a full series of bilateral swap agreements (BSAs) among the ASEAN+3 involving China, Japan and South Korea. By utilising the BSAs, crisis-hit countries would be able to borrow a predetermined amount of their counterparts' reserves for a period of 90 days (renewable for up to two years) to supplement their own reserves (Grimes 2006, 359). In order to guarantee the CMI, ASEAN+3 members needed to establish a feasible surveillance mechanism. Such a mechanism was necessary both because it would help to establish and strengthen the domestic financial system as a supporting instrument and mechanism for regional financial arrangements and because it would contribute to identifying emerging issues and potential problems that would require countries to take collective actions at the national, or jointly at the regional level (Kim and Yang 2011, 582-83). At the second ministerial meeting, ASEAN+3 finance ministers agreed to establish the ASEAN+3 Economic Review and Policy Dialogue (ERPD) system.

The BSA network under the CMI developed rapidly. The total number of BSAs increased from eight in July 2002 to 16 by April 2005, and the cumulative value grew from US\$17 billion to US\$39.5 billion in the same period. All the agreements until 2005 were directed from the +3 countries to ASEAN members, and Indonesia, Malaysia, Thailand, and the Philippines networked with all their northern partners (Huotari 2012, 21). Despite such developments, the size of BSAs was still small and inadequate in relation to the amount required in the event of a crisis. In addition, the CMI, a mechanism as an assembly of BSAs, had an inherent weakness in making speedy and effective responses in case of financial emergency.

In order to rectify the above shortcomings, finance ministers strove to strengthen a regional liquidity reserve through the CMI system. At the eighth ASEAN+3 finance ministers' meeting in May 2005, ministers exhibited a clear vision towards the establishment of a collective decision-making mechanism of BSAs, or multilateralisation in which the relevant BSAs would be activated collectively and promptly in case of emergency. At the tenth meeting in May 2007, ministers reached an agreement that 'a self-managed reserve pooling arrangement governed by a single contractual agreement is an appropriate form of multilateralisation'.²¹ Despite the rhetoric of commitment, actual progress towards the CMIM was slow. The idea of BSA multilateralisation was first proposed by Chinese Premier Wen Jiabao in 2003. Even five years after this proposal, details of the multilateralisation were not determined. The slow development had much to do with the issue of contribution quotas under the CMIM. While ASEAN members quickly reached an agreement on individual quotas among themselves, the +3 countries took time in finalising coordination on individual quotas.

The year 2009 marked a watershed in the development of financial cooperation in East Asia because finance ministers reached agreement on all the main components of the CMIM at the annual meeting. Japan and China would provide US\$38.4 billion (32 per cent of total US\$120 billion) each, and South Korea a half of this amount. The maximum amount of borrowing for each country follows its contribution multiplied by its respective borrowing multiplier, giving ASEAN members higher multipliers – 5 and 2.5 –, South Korea at parity, and China and Japan half their quotas. The CMIM also enabled ASEAN members who were not previously connected by BSAs – Brunei, Cambodia, Laos, Myanmar, and Vietnam – to become full members of the CMI mechanism. The participation of these countries was significant in that it helped with the consolidation of East Asia as a unified region that accepted the same policy prescriptions in response to potential financial risks.

The CMIM Agreement was signed on December 28, 2009, and came into effect on March 24, 2010. The swap activation process would be coordinated by the two co-chairs of the ASEAN+3 Finance Ministers Process: one from ASEAN members and the other from the +3 members. This coordination method follows co-chair systems that were formally adopted at the tenth finance ministers' meeting in 2007. The agreement contained clauses regarding the majority-based decision-making as the first case of joint decision-making

overcoming the members' adherence to consensus-based decision-making in East Asia.²² The finance ministers endorsed the Operational Guidelines for Enhancing Effectiveness of the CMIM at the fourteenth meeting in May 2011. The IMF representative joined discussions at the CMIM taskforce on this matter, and the guidelines provided for operational procedures for activating the CMIM including those in relation to the existence of an IMF programme (Kurihara 2011, 18). The formulation of the guidelines implied practical preparation for a request for a currency swap under the CMIM.

There was marked development in the regional surveillance system. At the thirteenth ASEAN+3 finance ministers' meeting in May 2010, ministers reached an agreement on the creation of a regional surveillance unit called the ASEAN+3 Macroeconomic Research Office (AMRO), and the office was established in Singapore in April 2011.²³ The AMRO implements tasks to monitor and analyse regional economies, which contributes to the early detection of risks, swift implementation of policy measures, and effective decision-making of the CMIM. The office began the surveillance mission in October 2011, and submitted a consolidated surveillance report with overall macroeconomic and financial assessments of member states and the region during the process of the ERPDP.

China's positive commitments

China played an important role in building regional financial architectures. The first institutional framework among financial authorities in East Asia was established in response to a Chinese proposal. Moreover, the Chinese government began to provide training courses on regional economic and financial cooperation for ASEAN+3 finance and central bank officials in 2000 (Jiang 2010, 612). Such positive engagements resulted from Chinese policymakers' willingness to proceed on financial cooperation, which was revealed in their formal statements. Chinese Premier Zhu Rongji claimed at the fourth ASEAN+3 summit in November 2000 that 'as for the next-step financial co-operation, China is open to all ideas. . . . China stands ready to work with other East Asian countries for the reform of the current international financial regime and the prevention and management of financial crisis'.²⁴ China continuously exhibited positive postures towards the development of regional financial architectures. Chinese Premier Wen Jiabao officially proposed converting the CMI's separate BSAs into a unified multilateral currency swap agreement at the ASEAN+3 summit in October 2003. This proposal aimed to request member states

to contribute from their foreign reserves to a central fund (Dent 2005, 391-92; Nakatsuji 2009, 63).

China's positive engagement in regional financial cooperation derived from two factors. First, regional financial cooperation was necessary for stabilising the domestic society and economy. The Chinese financial market was under heavy government regulation and the Chinese economy had not yet forged close economic linkages with Southeast Asia yet. Accordingly, China did not experience significant negative effects from the Asian financial crisis. However, the crisis became a clue that Chinese policymakers took regional financial affairs seriously. They regarded that the West in general and the United States in particular had taken advantage of the Asian financial crisis to advance particular economic agendas designed to serve self-interests, sharing with its Asian neighbours the sense of common victim *vis-à-vis* the western 'gang' (Sohn 2008, 320; Chey 2009, 462-63). Moreover, Chinese policy elites thought that the IMF-prescribed solutions to the crisis-hit economies dismissed the importance of the non-interference and independence principles that China and other Asian developing countries paid respect to (Sohn 2008, 320).

There was one imperative factor that Chinese policymakers feared in relation to the effects of the Asian financial crisis. They experienced the fear of a financial crisis that could proliferate easily to neighbouring countries. In particular, the collapse of the Suharto regime in Indonesia due to the financial crisis stunned and worried the ruling elites of the Chinese Communist Party (CCP). To Chinese elites who had been concerned about political stability and CCP regime survival, the political transition in Indonesia portrayed the importance of financial and economic security to political security and even regime survival. The CCP Central Committee convened a special session on financial security in May 1998, and organised a training course on finance for senior party and government officials on January 1999 (Sohn 2008, 316-17). Thus, Chinese policymakers were worried about the devastating effects that the financial crisis had on the domestic society, and the possibility that such effects would provoke a political crisis.

Second, Chinese policymakers were motivated by a desire to raise their country's profile as a responsible player through discernible contributions to regional financial affairs. During the Asian financial crisis, China maintained the value of the RMB against the dollar, rather than devaluing it, and committed US\$4.5 billion to the operational budget

of the IMF to support financial packages to Thailand and Indonesia. These policies led to China's enhanced role and status in regional and international affairs (Bowles 2002, 244-70). Beijing hoped to foster an image as a reliable and responsible country especially among Southeast Asian countries. Stable financial and monetary relationships were also important as China attempted to deepen trade relationship with Southeast Asian countries through the ACFTA. The provision of stable monetary conditions was a prerequisite for the expansion of trade in goods and services.

China carefully observed implications of regional financial cooperation in terms of regional balance of influence. China did not support Japan's proposal to establish the AMF during the Asian financial crisis largely because its officials worried that Japan would use a regional institution to leverage its immense reserves for political and economic gains at the expense of China (Ciorciari 2011, 928). However, China soon changed its stance. Chinese policymakers discovered that Japan's influence in East Asia increased as its New Miyazawa Initiative in 1998 was welcomed by Southeast Asian countries (Jiang 2011, 342). On the other hand, the Sino-US relationship worsened because of the bombing of the Chinese Embassy in Belgrade during the US-led North Atlantic Treaty Organisation (NATO) war in Kosovo in 1999, which raised Beijing's perception of Washington as the main security threat (Bowles 2002, 257). China became tolerant of accepting Japan's presence and role in regional financial affairs by attaching higher priority to reducing the US influence in East Asia.

Despite changes in its policy stance on regional financial cooperation, China was still careful about keeping an appropriate distance from both Japan and the United States. Beijing was passive about the idea that regional financial arrangements were independent from the IMF. Amyx (2005) stresses economic rationality and argues that China was afraid of risking its capital under the CMI because the initiative lacked an effective economic surveillance system, which would lead to a moral hazard risk for its borrowers. Equally important were nuanced relationships with both Washington and Tokyo. The indirect inclusion of the United States in East Asian financial affairs through the IMF link was best for China, which feared that regional financial arrangements without the United States meant the dominance of Japan (Hamanaka 2008, 74). Beijing hoped for double-hedging against Washington's direct involvement in financial affairs in East Asia and Japan's dominance of regional financial arrangements.

China and Japan undertook fierce negotiations on individual contribution quotas in the proposed CMIM. The contribution quotas were crucial because they were linked to the voting weight that the countries would have at the new institution. Japan insisted that it should be the largest single contributor to the CMIM because it had the biggest economy in East Asia and its contribution to the CMI was the largest. Japan also considered that it had supported and would support the development of regional financial cooperation due to its experience and expertise in international financial affairs. China claimed that its contribution should be at least equal to that of Japan because it held the world's largest foreign reserves, which reached US\$2.4 trillion in 2009, and that China would become the world's second largest economy, superseding Japan.

Given China's steady high economic growth, its government had willingness to play a more assertive role in regional financial affairs, and positioned its engagement in the CMIM within this overall policy objective. Such willingness was seen in its commitments to the internationalisation of the yuan. In September 2009, the government announced the issuance of 6 billion yuan worth of RMB-denominated treasury bonds in Hong Kong. The subsequent two issuances took place in November 2010 and August 2011 with treasury bonds worth 8 billion and 20 billion yuan, respectively.²⁵ Furthermore, the Chinese government signed currency swaps in RMB with countries within and beyond East Asia that had large trade payments to China.²⁶ The growing convertibility of the yuan with other currencies would surely strengthen China's position in the CMIM (Chan 2012, 204). At the same time, China made rational calculations regarding its relationship with Japan. The Chinese economy has exhibited continuous growth, but its domestic economic conditions still required a high level of financial regulations, which constrained the international use of the yuan. Accordingly, Chinese officials recognised a need to make some compromise with Japan in leading the development of regional financial architectures. The acquisition of a share substantially equal to Japan implied a big political success for China because this was the first time that Beijing was accorded an equal weight to Tokyo in a multilateral body (Rathus 2011, 114).

Equally important was that China pushed forward a new policy stance regarding the IMF linkage. After the members set up the AMRO as the support structure for the CMIM, China exhibited a new position of favouring a break from the IMF by increasing the delinked ratio to 30-40 % (Dixon 2012, 7). Such a policy direction was long favoured by

the majority of Southeast Asian countries that had bitter experiences imposed by the IMF during the Asian financial crisis. The growing de-link to the IMF was desirable to advance East Asian regionalism independent of the US involvement. The main reason why the United States did not oppose the CMIM was the IMF-link, which enabled Washington to exercise indirect veto power on the operation of the new institution. China hoped to reduce the US influence by leading internal cohesion in East Asia and by reducing the IMF link.

Conclusion

Being seen in other parts of the world, East Asia has gradually intensified an aspiration for regional cooperation and the ASEAN+3 forum has been the main locus of regional institution-building. This article traces the development of reserve institutions for food security, energy security, and financial stability with an objective of identifying factors that have qualified institution-building in East Asia. In so doing, it examined China's policy behaviour and underpinning strategic interests.

The three institutions – the CMIM, APTERR, and OSRM – share significant similarities in terms of objective, initiative, and development. The objective is the same: to prepare for a condition of emergency through collective efforts to maintain reserve of resources. Japan played the key role in initiating the institutions as an advanced form of the existing ASEAN institutions. The initiative in developing the institutions began in the early 2000s and reached its objective around 10 years later. Not only did it take long time to establish the institutions, but the design of institutions were also primitive, which was particularly the case in the OSRM.

The development of these reserve institutions was high influenced by China's engagement. In monetary reserve, China became the main advocate of the multilateralisation of the CMI and accepted compromise with its rival state, Japan, to complete the formation of the CMIM. China led other members to achieve desirable policy goals by reaching policy harmonisation with Japan. In rice storage, China was originally reluctant to offer support Japan-initiated rice reserve system but changed its policy, offering the largest quantity of earmarked rice and organising an international roundtable on food security. These commitments created a new impetus to promote regional cooperation on food security. China's provision of material resources and ideational support was the main factor realising the launching of the APTERR. In oil stockpiling, China has maintained

passive postures, which were seen in the occasional absence of meetings and reluctance to reveal information about domestic energy policies. The lack of China's positive commitments hampered the development of cooperation on energy security, making the OSRM a flawed institution.

Importantly, China's diverse engagements in reserve institutions in the three policy fields derived from its strategic calculations on regional balance of influence and impacts on the domestic economy. China wished to create a stable regional financial order that underpins domestic economic stability, and accepted compromise with Japan with a prudent recognition that the domestic financial market still requires considerable regulations for the time being. In rice storage, China was reluctant to make substantial commitments to Japan-initiated rice reserve project. But, its policy stance changed into positive engagement as means to deepen international cooperation in the agricultural field and strengthen political and economic linkages with ASEAN. China did not find sufficient interests in involving regional cooperation in oil stockpiling. China located the energy policy as a vital strategic issue to sustain steady economic growth and hoped to enhance energy security through bilateral, not multilateral, engagement. Moreover, ASEAN members' diverse stances on oil stockpiling discouraged China from making substantial commitments to the oil stockpiling issue.

This study demonstrates that China's policy stance is crucial in developing functional institutions in East Asia and such a policy stance is closely linked to its international strategies and domestic economic considerations. China has continuously exhibited its interests in the ASEAN+3 forum and expressed strong support for it, but its engagements in concrete institution-building were selective even under this forum. This implies that China's commitments are likely to be more difficult in other forums such as the APEC and EAS. This study also shows the importance of ASEAN in drawing China's positive engagements in regional cooperation. China has exhibited its willingness to promote regional institutions as a part of its strategies for closer linkages with ASEAN, and the lack of consensus among ASEAN members dissuaded China from showing its aspiration for promoting regional institutions.

Notes

- ¹ The ASEAN Way is a set of norms that includes the non-interference principle, informal consultation, pragmatic expediency, consensus-building, and flexible incrementalism (Acharya 1997, 329-33; Liu 2003, 20-22).
- ² The political legitimacy implies that the existing government is perceived by the nation as holding legitimate rights to govern the state because their reign and policies contribute to the enhancement of their well-being. The political legitimacy is closely associated with government/ regime vulnerability, which implies the extent to which the governing elite are faced with a serious challenge that could lead them to be removed from political office (Schweller 2006, 49-50).
- ³ 'The Joint Press Statement of the First Meeting of the ASEAN Agriculture and Forestry Ministers and the Ministers of the Peoples Republic of China Japan and Republic of Korea (AMAF+3)'.
- ⁴ ASEAN, 'East Asia Emergency Rice Reserve (EAERR) Pilot Project, Fact Sheet' (2009). Available at <<http://www.asean.org/archive/Fact%20Sheet/AEC/2009-AEC-016.pdf>>.
- ⁵ Japan and Thailand became the coordinator countries of the project, and Japan alone provided US\$5.75 million for the project expenditure in 2004-2011.
- ⁶ The provision of stockpiled rice was mainly implemented as Japan's rice offer to the Philippines (950 tonnes), Cambodia (380 tonnes), Indonesia (180 tonnes), and Laos (350 tonnes).
- ⁷ Interview, Japanese Ministry of Agriculture, Forestry and Fisheries, Tokyo, March 2007.
- ⁸ 'Joint Press Statement of the Fifth Meeting of the ASEAN Agriculture and Forestry Ministers and the Ministers of the People's Republic of China, Japan and Republic of Korea (5th AMAF Plus Three), Tagaytay City, Philippines, September 30, 2005'.
- ⁹ 'The Eleventh Meeting of the ASEAN Ministers on Agriculture and Forestry and the Ministers of Agriculture of the People's Republic of China, Japan and the Republic of Korea (11th AMAF Plus Three) 7 October 2011, Jakarta'. Available at <http://www.asean.org/images/archive/documents/Joint_Press_Statement%2011th%20AMAF3%20_final%2011.pdf>.
- ¹⁰ APTERR Homepage, Current Issues on EAERR, 'April 2005 - 4th Project Steering Committee EAEER Meeting has successfully conducted'. Available at <<http://www.apterr.org/index.php/current-issues/38-year-2005/64-april-2005-4th-project-steering-committee-eaerr-meeting-has-successfully-conducted>> (accessed on August 18, 2013).
- ¹¹ 'Remarks by H.E. Wen Jiabao Premier of the State Council of the People's Republic of China At the 13th ASEAN Plus Three Summit'. Available at <<http://www.fmprc.gov.cn/eng/wjdt/zyjh/t765939.htm>>.
- ¹² *Xinhua News*, April 12, 2009.
- ¹³ *Xinhua News*, April 12, 2009
- ¹⁴ 'Joint Ministerial Statement ASEAN, China, Japan and Korea Energy Ministers Meeting (Manila AMEM+3) Makati City, Metro Manila, Philippines, 9 June 2004 "Forging Closer ASEAN+3 Energy Partnership"'. Available at <<http://www.asean.org/news/item/joint-ministerial-statement-asean-china-japan-and-korea-energy-ministers-meeting-manila-amem3-makati-city-metro-manila-philippines-9-june-2004-forging-closer-asean3-energy-partnership>>.
- ¹⁵ In 2008, the ratio of dependence on the Middle East for Asia was 63.2 %, which was extremely high compared with the United States (18.8 %) and Europe (18.7 %) (BP 2009, 20).
- ¹⁶ 'Report of the First Working Group Meeting on the Development of Oil Stockpiling Roadmap for the ASEAN+3', 28 November 2008, Available at <http://aseanenergy.org/download/reports/energy_organisation/asean+3/FINAL%20Report%20of%20the%201st%20WG%20%20Meeting%20OSRM.pdf>.
- ¹⁷ Interview, Institute of Energy Economics, Japan, Tokyo, June 2013.
- ¹⁸ Among five policy forums, the Natural Gas Forum was the only forum of which China became a lead country. The meetings of the forum and business dialogue were valuable opportunities to exchange information about the natural gas development plan in East Asia and present Chinese national oil companies' business models and plans.

¹⁹ After both governments reached an agreement on the joint development in the East China Sea in June 2008, further talks were not undertaken for two years. In July 2010, the first formal talk to discuss a treaty concerning the joint development had been held at the director-general level.

²⁰ The member countries could choose either the category A or B according to their voluntary will. The countries that belonged to the category A were Indonesia, Thailand, Singapore, the Philippines, and Vietnam, while those in the category B were Brunei, Malaysia, Cambodia, Laos, and Myanmar.

²¹ ‘The Joint Ministerial Statement of the 10th ASEAN+3 Finance Ministers’ Meeting (5 May 2007, Kyoto)’. Available at http://www.mof.go.jp/english/international_policy/convention/asean_plus_3/20070505.htm.

²² While fundamental issues such as the total size of the CMIM and contribution of each party would be determined by consensus at the ministerial level consisting of finance ministers, executive-level matters such as initial execution of drawing, renewal of drawing rights, and events of default would be determined by a two-thirds weighted majority vote at the deputy-level comprised of deputy-representatives from finance ministries and central banks.

²³ For the AMRO, see its homepage, <http://www.amro-asia.org/>.

²⁴ Speech by His Excellency Zhu Rongji Premier of the State Council of The People’s Republic of China At the Fourth Meeting of Heads of State/Government of ASEAN, China, Japan and the Republic of Korea (10+3). Available at <http://www.fmprc.gov.cn/eng/topics/zgcydyhz/dsiczgdm/t25976.htm>.

²⁵ *China Daily*, August 17, 2011.

²⁶ Those swaps included Hong Kong (RMB 200 billion), Indonesia (RMB 100 billion), South Korea (RMB 180 billion), Malaysia (RMB 80 billion), Argentina (RMB 70 billion), and Belarus (RMB 20 billion).

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