

[Final Draft]

NEAT Working Group
on
Institutional Sustainability of NEAT:
Towards the East Asian Community
Final Report

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1. Introduction

The Network of East Asian Think-Thanks (NEAT) has functioned as a pivotal intellectual venue for sharing ideas and promoting mutual understanding towards the East Asian Community since its inception in 2003. Throughout the numerous workshops and meetings organized, NEAT has promoted the academic exchanges and provided intellectual insights for East Asian cooperation. A wide range of issues such as the architecture of community building, enhancement of cultural exchange, energy security cooperation, investment and financial cooperation and so on, has been discussed to yield academic findings and resulted in numerous policy recommendations. Such intellectual outputs by NEAT have been reported to the ASEAN Plus Three (APT) Summit to be materialized into actual policy measures/projects of cooperation. Indeed, NEAT has served as a key route to connect academia to the world of policy making of APT process in fertile ways.

However, NEAT may not be immune from the ups and downs of the regionalism in East Asia. The re-surfacing strategic rivalries between/among the major regional powers, despite the mushrooming regional cooperation, have become more of an hindrance than an asset to build the East Asian community, which NEAT has pursued over the last 20 years. It is evident that East Asia is by no means a hermetically sealed entity but a dynamically transforming creature. Since shaping and sharing norms through socialization and accumulated experience of cooperation is often distorted by strategic differences, NEAT needs to prove its efficiency in coping with regional challenges especially in traditional and non-traditional security issue areas.

NEAT emphasizes that enhancement of the level of institutionalization of NEAT is the key to properly responding to the demands of heightened intellectual contributions toward the building of East Asian Community. Main activities of NEAT, according to its official website, are to "... facilitate the theoretic research on the integration and community building of East Asia". Unfortunately, there are still considerable gaps between the current institutional arrangements and desirable monitoring/implementation of the

recommendations suggested by NEAT. To narrow such gaps, NEAT is supposed to secure institutional capacity to produce outputs that are well-valued, and to function beyond the individual segmented projects so that it can ensure a sustained, useful and valuable contribution to the process of building a regional community. An institution includes rules, procedures and organizations that help shape patterns of behavior, interaction, roles etc. of major actors. Despite the achievements that will be mentioned below, it should be admitted that NEAT has operated at a relatively low level of institutionalization over the last 20 years. Indeed, there remains a lot of work to do for NEAT to evolve as a stable institution with productive and firm roles and functions.

NEAT, as a representative of Track II bodies, needs to review and re-examine its roles and functions within the APT process and East Asian community building. There are increasing demands for regional arrangements for institutional connectivity by facilitating discussions and in-depth inquiries to reach a consensus on feasibility and priorities in a harmonious way. In our view, NEAT is still the best platform to meet such demands.

2. An Overview of NEAT Development and Achievements

There has been a great reap forward towards East Asian regionalism since the first meeting of APT in 1997 amid the East Asian financial/economic crisis. In particular, the mechanism of APT has contributed to enhance cooperation for mutual understanding and actual economic benefits. In addition to the 68 formal mechanisms that compose the APT cooperation framework, the member countries pursue networking of Track 2 and Track 1.5 meetings, too. East Asia Forum (EAF), began in 2003, is the representative of Track 1.5 cooperation mechanism. Likewise, Track 2 cooperation is being pursued through the Network of East Asian Think Tanks (NEAT), which was established by the East Asian Studies Group (EASG) in 2002. In the Vision Group Report, article 69 recommends the establishment of a network of East Asian think tanks to explore long-term policy issues of strategic importance to the region. The APT SOM has restated through its annual meetings

and the APT Cooperation Work Plan (2013-2017) that the Track 2 mechanism such as NEAT should be strengthened.

NEAT processes would not have been possible without a certain level of institutional development. The Second Annual Conference of NEAT held in August 2004 adopted the “Basic Rules and Framework of NEAT”, which has served as a NEAT Charter. The organization of NEAT is consisted of 3 elements; 1) NEAT Country Coordinators Meeting (CCM), 2) NEAT Annual Conference (AC) and 3) NEAT Working Group Meeting. The regular meetings comprising these three elements are held annually, with the CCM and AC rotated among the member countries. Arising from these NEAT meetings is a consolidated recommendation paper or NEAT memorandum to be submitted to the APT Summit through the APT SOM for policy considerations.

Table 1. Topics of NEAT Working Group Meetings

Year	Moderator Country	Topic	Area
2005	China	Financial Cooperation in East Asia	E
	China	Investment Cooperation in East Asia	E
	Japan	East Asia’s Role in Resolving the New Global Imbalances	E
	Japan	Overall Architecture of Community Building in East Asia	PS
	Malaysia	Concepts, Ideas and Empowering Guidelines for East Asia	I
	Singapore	Energy Security Cooperation in East Asia	PS
2006	China	Financial Cooperation in East Asia	E
	China	Investment Cooperation in East Asia	E
	Japan	Overall Architecture of Community Building in East Asia: Regional Architecture for Non-Traditional Security and Environmental Cooperation	PS
	Japan	Trade-FDI-Technology Linkages in East Asia	E
	Japan	Intra-regional Exchange Rate Stability and Prevention of Financial Crisis in East Asia	E
	Singapore	Investment Cooperation in East Asia	E

	Singapore	Energy Security Cooperation in East Asia	PS
2007	China	Financial Cooperation in East Asia	E
	China	Investment Cooperation in East Asia	E
	Japan	Overall Architecture of Community Building in East Asia: Regional Architecture for Non-Traditional Security and Environmental Cooperation	PS
	Malaysia	East Asian Cooperation Framework on Migrant Workers	SC
	Singapore	Energy Security Cooperation in East Asia	PS
2008	China	East Asian Financial Cooperation	E
	China	East Asian Investment Cooperation	E
	Japan/ Singapore	East Asian Environmental Cooperation	PS
	Korea	Enhancement of Cultural Exchange in East Asia	SC
	Thailand	Future Direction of NEAT	I
2009	China	Financial Cooperation in East Asia	E
	China	Investment Cooperation in East Asia	E
	Japan	East Asian Food Security	PS
	Korea	Enhancement of Cultural Exchange in East Asia	SC
	Singapore /Japan	Environment Towards a Livable and Sustainable Urban Environment: Eco-cities in East Asia	PS
2010	China	East Asian Trade and Investment Facilitation	E
	China	Financial Cooperation in Response to Post-Crisis Challenges	E
	Japan	East Asian Food Security	PS
	Korea	Enhancement of Cultural Exchange in East Asia	SC
	Thailand	East Asia's Evolving Regional Architecture	I
	Singapore	Water Resource Management	PS
2011	China	Trade and Investment Facilitation and Connectivity	E
	China	Regional Cooperation on Disaster Management	PS
	Japan	Disaster Management in East Asia	PS
	Korea	Enhancement of Cultural Exchange in East Asia	SC
2012	China	NEAT: The Next 10 Years	I
	Japan	Regional Cooperation on Disaster Management in East Asia	PS
	Korea	Enhancement of Cultural Exchange in East Asia	SC
	Singapore	Inclusive Growth: A New Development Challenge and a New Ground for Regional Cooperation	E

2013	China	Financing Infrastructure Connectivity in East Asia	E
	Japan	Enhancing People to People Connectivity-Education, Tourism and Cultural Exchange	SC
	Indonesia/ Singapore	Inclusive Growth(Phase II) Social Welfare Policies in East Asia: Sharing Experiences for a New Ground of Regional Cooperation	E
2014	China	Accelerating the RCEP Process through Strengthening APT Cooperation	E
	Japan	Enhancing People to People Connectivity-Education, Tourism and Cultural Exchange	SC
	Indonesia Singapore	Governance of Extractive Industries in East Asia A New Wave of Urbanization	E SC
2015	China	East Asian Poverty Reduction	SC
	Japan	Maritime Cooperation in East Asia	PS
	Singapore	Urbanization	SC
	Thailand	Towards Seamless Connectivity	E
2016	China	East Asian Economic Community	E
	Japan	Enhancement of Regional Health in East Asia with Special Reference to the Public Health and Universal Health	PS I
	Korea	Institutional Sustainability of NEAT	E
	Thailand	Toward Seamless Connectivity	

- E: economic community, PS: political-security, SC: socio-cultural, I: Institutionalization

During the last 13 years, NEAT has made meaningful contributions to East Asian community building processes on the firm basis of practical approach. By the end of 2016, NEAT will have held almost 60 working group meetings and produced equivalent number of working group reports, covering regional architecture building, financial cooperation, investment cooperation, trade and economic integration, cultural exchange, non-traditional security, environment cooperation, energy security cooperation, migrant workers, food security, disaster management, trade and investment facilitation and connectivity, urbanization, migration, East Asian Economic community 2020, public health, etc. (see, Table 1). By 2016, NEAT will have conducted 14 ACs and 25 CCMs, and submitted 13 NEAT Memoranda—policy proposal papers—to the APT Summit, winning increasing recognition from Track 1 processes. As it grows, NEAT has successfully established itself

as a leading Track 2 process under APT framework, playing important roles to build East Asian community.

Increasingly recognizing the virtue and the valuable intellectual contributions of the NEAT, the idea of enhanced relationship between NEAT and the track 1 processes has been put forward in various occasions. For example, the APT SOM, held on 18 May 2013 mentioned the necessity to form a closer linkage with the NEAT, to enhance Track 1 officials' participation and interaction with Track 2. The APT SOM, held on 9 October 2015 expressed appreciation to NEAT for coming up with recommendations as outlined in the NEAT Memorandum No.12. and reiterated the importance for this platform to be continued. At the 18th APT Summit in November 2015, the APT Leaders acknowledged the contribution made by Track 1.5 and Track 2 and further welcomed the contribution of NEAT in supporting East Asian community-building and noted with interest NEAT Memorandum No. 12.

Despite these achievements of NEAT, it still remains a loose institutionalized entity which arose as major challenges for its practice which we shall turn to next.

3. The Challenges ahead

3.1 Positioning NEAT in relations with Track 1

It has long been advised for the NEAT CCM and NEAT ACs to strengthen communications with Track 1 in order to efficiently direct NEAT recommendations to the APT SOM and Summit. The 11th NEAT annual conference held in August 2013 in Malaysia noted the participation of Track 1 officials and advised for this platform to be continued in the forthcoming NEAT meetings. The 20th NEAT CCM, held in June 2014 in Cambodia also agreed to invite the representative of ASEAN Secretariat to get supporting information to the meetings such as the progress of APT cooperation and relevant rules, regulations, and procedures in ASEAN. However, this agreed principle to engage Track 1 officials and ASEAN Secretariat in NEAT meetings is still not firmly established. It should

be noted that the involvement of the track I officials tend to rely on individual capacity of the host person rather than on institutionalized procedure. For instance, both of the presences of a SOM leader at the 20th annual conference in Malaysia in 2013 and the ASEAN Secretariat officer at the 22nd CCM in Indonesia in 2015 were realized regardless of the institutional capacity of NEAT.

There has been a great diversity of NEAT's coordinating institutions in terms of its relations with the Track 1. The majority of the institutions are autonomous and independent academic institutions but, in some cases, depending on the varied conditions of each member countries, involvement of Track 1 may be opted. Thus, they may have regular reporting lines to the government or relevant agencies but some others may not have been successful in having such regular communication links.

One of the challenges NEAT encountered is to enhance the implementation of the recommendations submitted to the APT leaders. To do so, on the one hand, recommendations are supposed to further focus on the state of affairs, but, on the other, they should be streamlined and coordinated with the policy makers.

In order to enhance smooth communications with track 1, the regular attendance of the NEAT chairperson to designated Track I or other Track II meetings to report the progresses of the WG and annual meeting recommendations need to be considered. The recent practice is expected to secure a regular communication channel between the two tracks. In addition, NEAT has yet to establish an official coordination with the ASEAN Secretariat even though the APT SOM has requested the ASEAN Secretariat to develop more engagements with NEAT, there is still a loophole in getting connected with a proper agency under the Secretariat.

3.2 Enhancing the level of institutionalization

NEAT internal process and function need to be consolidated with further institutionalization. Although NEAT meetings have convened without a hitch since its inception, NEAT still lacks a consolidated procedural mechanism. Neither a secretariat in

charge of routine administrative work nor an overall blueprint or strategy for long-term development has been established.

NEAT should prioritize the agendas of WG meetings and ACs with the focus on common interests of the APT countries and multilateral cooperation rather than individual or bilateral interests. NEAT should deal with the topics of interest carefully considering its two-pronged effects that may impede the dynamics of NEAT cooperation. There is a shared recognition among NEAT members that it is in need of a kind of administrative supports for smooth functioning and should embrace a long-term vision to increase the relevance of NEAT with the evolving regional architecture. Composed of the WGs and ACs where the issues of common concern are brought up for general discussion, NEAT has enormous potential to be a far better platform to discuss cross-cutting themes and suggest practical measures that will develop strategies and propose recommendations to improve the coordination, implementation and reporting of the wide-ranging measures envisioned in the APT Cooperation Work Plan and EAVG II report, etc.

To optimize NEAT institutionalized process, NEAT may consider the possibility of creating a NEAT secretariat and making use of its function to increase NEAT capacity and public profile. For example, NEAT can expand the scope of activities to cover more APT agendas such as facilitating the research on East Asia integration and community building, promoting collaborative study and research that help shaping the future direction of East Asian regionalism, and providing support for regional development on the priority areas identified by APT Track I meetings.

The decision-making system for chairing CCM and AC, and hosting WG has been based on consensus with voluntary bids. The voluntary consensus bids system has been regarded and functioned as an ideal mechanism as it would not reveal the differences of willingness and capacity of the member countries. However, as the record of 13 years demonstrates, such system has witnessed serious imbalance in hosting WGs and chairing CCM and AC (See table 2). Certain member countries do not seem to have paid appropriate attention to NEAT, appeared inactive, or even been invisible in the process of

NEAT. It is necessary to develop more rational and participatory system to attract increased attentions from the member countries.

Table 2. Host of Working Group and Annual Conference of NEAT by country

Countries	No. of Working	No. of Annual
Brunei	Nil	Nil
Cambodia	Nil	1
China	19	2
Indonesia	3	2
Japan	15	1
Korea	7	1
Laos	Nil	Nil
Malaysia	4	2
Myanmar	Nil	Nil
Philippines	1	1
Singapore	10	1
Thailand	3	1
Vietnam	Nil	1

3.3 Managing Working Groups

The working group mechanism is one of the core elements of NEAT as academic fora to deal with wide spectrum of relevant issues. NEAT CCM may coordinate with other agencies whose areas of expertise are in line with the specific themes of the WG. It is necessary for the WGs to be advocated by the specialists in order to ensure that the recommendations are reliable and practicable in the eyes of the APT leaders. However, there have been some limitations in practice as joint pre-study or follow-up research impaired the quality of the research and the relevance of NEAT policy recommendations. For the WGs, NEAT members have to raise fund on their own from government, businesses, institutions or others to sustain their activities and researches. There is a huge difference in financial capacities of the members. Hosting NEAT meetings seems to be

mainly dependent on the availability of financial support. Hence, without stable financial support, full participation of each member and the sustainable development of NEAT cannot be guaranteed in the future.

NEAT is necessary to maintain publicity to enhance its influence in the future. NEAT has limited contacts with the media and the public. Thus, few studies and findings of NEAT have reached beyond its own circle of academics and Track I process. To enhance the educational function of NEAT and upgrade its influence, more attempts to elevate its public profile is necessary. In this regard, NEAT website should be properly upgraded to be readily reachable and practically usable. The host country is supposed to attract more public participation to this knowledgeable gathering, considering that this open and inclusive process will encourage participants to have extensive discussions and interactions both within and beyond their academic span. Moreover, the positive impacts deriving from the conferences that combine the dual-track participation is foreseen as a good platform for international academic collaboration.

NEAT has a potential to function as an epistemic community where participating scholars may have opportunities to develop common understandings and solutions for various regional issues through exchanges and sharing of vision, information, and knowledge. NEAT need to upgrade itself by employing more pro-active approach in various respects. NEAT's function can be enhanced and upgraded by inviting more academic people and specialists to its organization and activities. It needs to set up a database covering and accumulating a pool of intellectual assets with policy implications. Likewise, the key coordinators of Track 2 should be accommodated by Track 1 to establish communication networks between the two tracks. Networking with the public is also one of the key areas of concern for NEAT to focus on. So NEAT need to engage in developing its networking with general public and media and to increase publicity through various methods including publications, website, lectures, forums, etc.

4. Policy recommendations

Against the backdrop of a series of profound and complex changes of regional and global environments, NEAT is at a crossroad as it has to cope with such a new situation. Fundamentally, NEAT should strengthen its function by enhancing institutional capacity to ensure the sustainability of both its organizational development and contributions to East Asian integration. Through the discussions of the working group on “Institutional Sustainability of NEAT: Towards the East Asian Community”, participants collected and suggested policy recommendations listed below.

First, establish the NEAT secretariat. It is agreed that NEAT need to make some modifications on its operation mode to adapt itself to the evolving regional environment. Along with such line of thinking, participants of the NEAT working group strongly recommend the establishment of the NEAT secretariat that can serve as a coordinator covering communication, documentation, management of official NEAT website, and other related works.

Second, improve the chairmanship system. For those member countries that could not host Working Group meetings for some reasons, it is encouraged to employ the method of co-hosting at present stage upon agreement of the co-hosts. We already have some cases of successful co-hosting of working group meeting and research. The accumulation of experience and know-how will help NEAT’s adoption of new system of hosting WG meetings. In the long run, NEAT may consider shifting the chairmanship system of the meeting from voluntary bids to a rotational system of the whole member states to safeguard stable participation, to enhance legitimacy, and to cover wider variety of regional issues.

Third, enhance institutional connectivity between Track 1 and Track 2. NEAT proposes the regular attendance of a SOM member of hosting country as well as representatives from the ASEAN Secretariat to NEAT AC. Feedback, advice, or guidance to the NEAT recommendations is expected to be delivered by participated Track 1 and ASEAN secretariat. In a similar vein, NEAT need to seek representation at important

Track 1 and Track 2 regional forums, and strengthen close communications with those groups through regular meetings and discussions especially with SOM+3 or DG+3 and the APT unit at the ASEAN Secretariat. Only through institutionalized and close communications with Track 1, policy recommendations will have higher possibility of implementation.

Forth, interact more with other APT Track II initiatives. NEAT is supposed to enhance its horizontal networking by encouraging and facilitating exchanges of personnel with all other parties related to the processes of APT Track II initiatives, in particular, East Asia Forum. NEAT suggests that NEAT chair to be regularly invited to EAF on behalf of academia to share and discuss the ideas and knowledge they collected to contribute to the processes of East Asian community building.

Fifth, diversify funding sources. While continuing to safeguard financial support from their respective national governments, NEAT members are advised to fully utilize available funds from domestic, regional and international sources, and to develop partnership with private sector actively. For instance, APT Cooperation Fund is definitely an ideal source for joint research on strategic issues. In line with the decisions of the APT SOM in 2013, the ASEAN Plus Three Cooperation Fund can be considered for financing the NEAT secretariat, NEAT WGs and for the rotational hosting of NEAT CCMs and ACs too. The long-term goal may be to establish the “NEAT fund.”