

# **Second Track Diplomacy in ASEAN+3: The Case of Indonesia and Network of East Asian Think-Tanks (NEAT)**

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## **Abstract**

This paper examines the role of second track diplomacy, or known as track two, in promoting regional integration in Southeast and East Asia (ASEAN+3 countries), the case of Network of East Asian Think-Tanks (NEAT). In particular, this paper discusses the role of Indonesia represented by the Center for East Asian Cooperation Studies (CEACoS) University of Indonesia as NEAT country coordinator for Indonesia. The findings show that NEAT has been an alternative vehicle of second track diplomacy in ASEAN+3 countries especially in the areas beyond traditional security issues.

**Keywords:** Second track diplomacy, NEAT, Indonesia, ASEAN+3

## **1. Introduction**

Second track diplomacy or also known as track-two diplomacy has been widely discussed in the literatures of international relations studies recently. Caballero-Anthony (2005) elaborates Association of Southeast Asian Nations (ASEAN) track two diplomacy in the context of regional security in the region. Particularly she underlines the role of academic networks, experts and civil society in security issues such as ASEAN Regional Forum (ARF) that has contributed to discussion of security mechanism and conflict management in Southeast Asian countries.

Meanwhile, second track diplomacy has also used in the areas of business, trade, and investment activities. For instance, Evans (2009) shows how Canada has acted in protecting and promoting their universal role in Asia Pacific and what Canada should do in Asia Pacific considering the changing context in the region and the world. He urges that utilising current vehicle such as Asia Pacific Economic Cooperation (APEC) and other track two channels can be appropriate way to build community.

These two examples show that second track diplomacy has increasingly been important in the region especially in Asia. Not only for security issues, but also economic and business issues that has become important lately. In addition, the changing situation in Asia such as economic crisis in the late 1990s has put second track diplomacy more relevant to bring all related parties in coping with the impact of the crisis and in how to mitigate it.

This paper explains nature of Network of East Asian Think-tanks (NEAT) as an example of second track diplomacy in East Asia, what have been achieved by the network and which way forward should be taken. This paper is divided into three main parts: (1) introduction; (2) brief theoretical overview; (3) discussion about NEAT and its achievements; and (4) Concluding remarks.

## **2. Second Track Diplomacy: In Brief**

Track Two diplomacy, as the main focus of this writing, arose from the realization that formal, official, G to G interactions between instructed representatives were not necessarily the most effective methods for securing international cooperation or resolving differences or conflict. The term was first introduced by Joseph Montville in 1982 to describe method of diplomacy that was outside formal governmental system (Diamond and McDonald, 1996).

In Track Two, the actors come from many settings and professional backgrounds, many of whom are

theoreticians and practioners or are mixture of both, who engage in activities to help resolve conflict by encouraging communication, understanding, and collaboration toward shared problem solving (Diamond and McDonald, 1996). They work based on assumption that unofficial discussion provides latitude that is not available in formal settings. Diamond and McDonald (1996) in the same book argued that activities conducted by Track Two had three broad objectives: firstly, to reduce or resolve conflict between groups or nations by improving communication, understanding, and relationship. Secondly, to decrease tension, anger, fear, or misunderstanding by humanizing the face of the enemy and giving people direct personal experience of one another. Thirdly, to affect the thinking and action of Track One by addressing root cause, feelings, and needs, and by exploring diplomatic options without prejudice, thereby laying groundwork for formal negotiation or reframing policies.

In East Asia, Track Two Diplomacy, known as private-citizen diplomacy, has acquired a peculiar and distinct form (Kim, 2001). Paralleling the formal dialogues that are held in the region, Track Two has evolved into a plethora of multilateral exchanges designed to help governments deal with issues ranging from economic cooperation to peacekeeping and conflict prevention. It was either because of governmental uncertainty on how to proceed with sensitive discussions, or because of a lack of professional expertise. In addition to that, Track Two has taken the initiative in building relationships among its own members before enlarging their circle further to include influential decision makers at the top.

Kim (2001) argued that Track Two in East Asia is best describe as Epistemic Community, a phrase coined by Peter Haas, who refered to a network of professionals with recognized expertise and competence in a particular domain and an authoritative claim to policy-relevant knowledge within that domain. According to Haas, it is the high degree of uncertainty arising from the operating environment of governments, in this instance the transition to the post-Cold War order in East Asia that gives rise to the need for an epistemic community such as Track Two.

These epistemic community play a crucial role in promulgating sound policy recommendations to Track One, making the Track One and Track Two relationship even more dynamic and synergistic. As non-adversarial actor, its vision is to foster some semblance of regional identity and cooperation in spite of the existence of different regimes (Kim, 2001). This also explains why members of Track Two can mingle comfortably with members of Track One, such as foreign-policy officials, ambassadors, and even military personnel.

### **3. Nature of Network of East Asian Think-Tanks (NEAT)**

NEAT was established within the framework of ASEAN Plus Three (APT) or “10+3” regional cooperation as a result from the study entitled “Final Report of the East Asia Study Group” in 2002 by East Asian Studies Group (EASG). This report suggested 17 short-term measures to be taken for closer cooperation among East Asian nations and 9 long-term measures for East Asian regional cooperation.

Since its establishment in 2003, NEAT has produced many policy recommendations on various issues to help strengthen APT cooperation. In the light of the adoption of the 2<sup>nd</sup> Joint Statement on East Asia Cooperation and the ASEAN Plus Three Cooperation Work Plan (2007-2017) on the occasion of the 10<sup>th</sup> anniversary of the ASEAN+3 process at the 11<sup>th</sup> ASEAN+3 Summit in Singapore on 20 November 2007, NEAT as the Track II body under the ASEAN+3 process needs to review and re-examine its role in ASEAN+3 cooperation and East Asian community building.

During its past 5 years, NEAT held regularly the annual conferences of NEAT members to promote exchanges among East Asian think tanks and submitted its recommendations to the ASEAN+3 Summit on the basis of the research of the key issues in East Asian integration process.

#### **3.1 Member of NEAT**

Thirteen leading research institutions representing APT countries as member of NEAT as follows:

- a. Brunei Darussalam Institute of Policy and Strategic Studies, Ministry of Foreign Affairs, Brunei;
- b. General Department of ASEAN, Ministry of Foreign Affairs and International Cooperation, Cambodia;
- c. Center for East Asian Studies, China Foreign Affairs University, China;

- d. Center for East Asian Cooperation Studies, University of Indonesia, Indonesia;
- e. The Japan Forum on International Relations, Inc. Japan;
- f. Korean Institute of South East Asian Studies (KISEAS), Korea;
- g. Institute of Foreign Affairs, Ministry of Foreign Affairs, Laos;
- h. Institute of Strategic and International Studies (ISIS), Malaysia;
- i. Myanmar Institute of Strategic and International Studies (MISIS), Myanmar;
- j. Philippine Institute for Development Studies, Philippine;
- k. East Asian Institute, National University of Singapore, Singapore;
- l. Institute of East Asian Studies, Thammasat University, Thailand; and
- m. Institute for International Relations, Ministry of Foreign Affairs, Vietnam.

These are original members of NEAT who work closely with their respective government institutions. Most of them are single institution in terms of research institution however Thailand reorganized and formed new domestic network institution among many research institutions for second track diplomacy purpose, namely East Asia Academic Cooperation Council of Thailand (EACC). This institution, as Thailand domestic network institution, coordinates the entire second track diplomacy for their country. Therefore, it creates more coherent, well-coordinated, and focused diplomacy for Thailand as they held regular meetings to discuss and review the progress of each process and results.

### **3.2 Mechanism of NEAT**

NEAT's rule of the game is written in the Basic Rules of NEAT. These are more common understanding or code of conduct within members rather than rigidly drafted and detailed rules. Among other things, the important points are chairmanship, mechanism, and funding issues.

In general, NEAT have three mechanisms. First, Country coordinator meeting (CCM) is as the only decision making body. Basically, CCM is held twice a year in the beginning and in the end of each year. The first CCM's main tasks are to set up the direction of NEAT in the year to come including research agenda and decide whether particular working group is appropriate or not to be held. Meanwhile the second CCM deals with the appointment of the chairman and co-chair for the next year, to decide whether results of working groups in that year should be adopted, and other crucial issues rose during the meeting. Even though the date is flexible, they should decide during the previous CCM in order to ensure better preparation and to avoid conflicting schedule.

Second, working group meetings (WG). Each country can propose working group on particular theme that interest themselves. They should submit their proposal in the CCM in order to get the green light from the country coordinators. In addition, by sharing ideas on the theme of proposed working group, other country could give comments or create possible collaboration between them. Once CCM achieves the decision, the proposal can be implemented. Country coordinator who proposes the WG should report the results on the next CCM. Progress of each WG is shared through internet (email).

Third, the Annual Conference (AC). This conference usually is held back to back with the second CCM every year. Purpose of AC is to disseminate the findings of every working group to the public openly. Not only the delegation of NEAT attend the AC, but the invitation also sent to broader stakeholders such as decision makers, other academia, press and civil society elements.

### **4. Contribution of Indonesia: Chairmanship 2007-2008**

CEACoS University of Indonesia was specially set up as focal point for Indonesia' second track diplomacy under framework of APT by agreement between Ministry of Foreign Affairs, Republic of Indonesia and Department of International Relations, Faculty of Social and Political Sciences in May 24, 2004. CEACoS acts as NEAT country coordinator for Indonesia and was appointed as chairman of NEAT in August 2007.

Indonesia took a leadership during August 2007 – August 2008. Under the chairmanship of Indonesia, at least two significant steps of NEAT have been taken. First, Special Working Group on The Future Direction

of NEAT is held in June 2008. Second, CCM that proposed institutionalism of NEAT mechanism through the amendment of Basic Rules of NEAT.

The first step is to conduct NEAT Special Working Group on The Future Direction of NEAT. In June 6, 2009 NEAT Thailand hosted this special WG in Bangkok, Thailand. There are two themes discussed on the meeting. Based on the report of this special working group (NEAT, 2008a), first, they focused on the common area of policy priority proposals by participants focused on the East Asian Economic Community with the call on:

1. Deepening economic integration and narrowing the development gaps among East Asian nations should be the top priorities in the East Asia building process;
2. The short-run goal of merging ASEAN-China FTA, ASEAN-Japan FTA and ASEAN-Korea-FTA into an East Asia Free Trade Area (EAFTA) and setting up an East Asian Monetary Fund;
3. The long-term goal of setting up an East Asian Currency and an East Asian Common market;
4. Development of East Asian Financial Community;
5. Proposal for the promotion of infrastructure investment and functional cooperation that East Asia should work on a regional basis as East Asia currently has ample financial resources for investment. The proposed projects involve the following areas such as energy infrastructure; technology for improving environment and meeting the targets of managing climate change; networking of roads, railways and airports; water infrastructure; and investment in ICT (Information Communications Technology);
6. Promotion of East Asian regional identity through East Asian Studies and strengthening and consolidating academic network, such as expanding ASEAN universities network (AUN) to the level of ASEAN+3 Universities Network (APTUN): setting up a program for students, ex. ERASMUS; encourage credit transfers between universities in ASEAN+3 countries.

Second, there was a necessity to reinforce NEAT by reviewing past and current activities of the network. Member of NEAT aware the importance of working together with the newly established the Economic Research Institute for ASEAN and East Asia (ERIA); recommend, discuss, and share NEAT findings with the track 1; concern the existence of big gaps between NEAT members concerning lack of resources and lack of consultation among NEAT members; concern the importance of enhancing roles and structures of NEAT and the role of the country's coordinator; aware of possibility of setting up secretariat in the future; concern of holding academic dialogue with other think-tanks; concern the necessity of reviewing of NEAT Basic Rules and Framework; and consider the proposal from NEAT Indonesia that Indonesia offered as liaison to strengthen cooperation with ASEAN Secretariat in Jakarta

The second significant step is conducting CCM and AC that endorse the idea of NEAT institutionalization. It has been taken by setting up a special task force on the amendment of NEAT Basic Rules and framework. NEAT Indonesia has been assigned to lead this task force in preparing draft to adopt the new mechanism about whether a small permanent secretariat is needed, funding issues and enlargement of the members.

In addition, the CCM has successfully created Editorial Committee of NEAT website under the leadership of China as coordinator, Japan and South Korea representing +3 and Singapore as member from ASEAN countries. It is intended to disseminate NEAT activities, policy recommendation made by NEAT, to educate young generation in APT countries in order to share the similar identity towards building East Asian community.

Other milestone of progress of NEAT can be seen from the Policy Recommendation No. 5 as result of the 9<sup>th</sup> CCM in Bali, August 25, 2008. NEAT submits recommendations from its working groups in the following five areas for the consideration of the ASEAN Plus Three Summit. East Asian Financial Cooperation; East Asian Investment Cooperation; Enhancement of Cultural Exchange in East Asia; East Asian Environmental Cooperation: and the Future Direction of NEAT.

Some of the recommendations are as follows (NEAT, 2008b):

**(A) East Asian Financial Cooperation**

1. Improve the policy dialogue mechanism and establish an executive body for East Asian financial cooperation;

2. Strengthen cooperation between financial authorities and private financial institutions, including stock exchanges, in East Asia;
3. Enhance coordination of major economies, especially that between China and Japan, in East Asian financial cooperation.

**(B) East Asian Investment Cooperation**

1. Promote investment cooperation for East Asian infrastructure development;
2. Establish an East Asian Infrastructure Investment Fund;
3. Promote investment cooperation in energy and environmental protection;
4. Promote investment cooperation in agriculture, especially food production.

**(C) Enhancement of Cultural Exchange in East Asia**

1. Some specific programs were proposed to enhance the mutual understanding of other cultures in the region. For example: the Asian song contest; TV drama, film, documentary and reality show;
2. Networking among Asian Journalists.

**(D) East Asian Environment Cooperation**

1. Various mitigation measures including quantitative national targets for renewable energies and reduction in carbon intensity should be introduced in the East Asian countries, with careful consideration for differences in the development stage of the member states;
2. Notwithstanding the international community to halving the global GHG emission by 2050, relevant APT countries should examine cooperative sectoral approaches and sector specific activities, based upon the agreed principle under UNFCCC of Common and Differentiated Responsibilities;
3. Financial and technical assistance to adaptation capacity development in terms of human resources, institutions and physical infrastructure must be one of the major targets of regional cooperation for enhanced ODA, for example, establishing a regional low carbon technology R&D fund, and creating venture capital funds for commercialized low carbon technologies maybe in place.

**(E) Future Direction of NEAT**

1. NEAT should continue to be a driving force in East Asia community building based on collective wisdoms and common interests;
2. NEAT should be strengthened and pursued with multiple channels, through meetings with Track I, especially in SOM+3 or DG+3, and also through regular discussions with the ASEAN+3 unit at the ASEAN Secretariat in Jakarta;
3. NEAT should consider establishing a permanent secretariat, which could administer its activities and coordinate with NEAT members and other Think-Tanks. Setting up a task force focusing on policy solution should be also considered as a new mechanism of NEAT;
4. The APT governments should give the necessary funding to NEAT and support the establishment of NEAT Fund. Additional funds from external resources, such as private sector and international institutions, should be also explored.

**5. Conclusion: Reflection and Moving Forward**

As part of second track diplomacy, NEAT has been evolving over time blended of both academic network and institutional linkages. Not merely the network of scholars but goes beyond that and it has become more institutionalized (eg. Kim, 2001). Indonesia has contributed to the advancement of NEAT. Under the Indonesian leadership, idea of pushing NEAT institutionalization forward has materialized. It has strategic meaning at least for some points. First, Indonesia as representative of ASEAN member countries that

played significant role as driving seat. It has made “competing regional power—China and Japan—” feel comfortable. Second, the relative success of second track has complemented and increased the leverage of Indonesian diplomacy particularly in Asian region.

Despite of those achievements, some notes should be taken specifically to the necessity of conducting internal consolidation within NEAT Indonesia. As big country, Indonesia needs strong diplomacy utilizing multiple tracks and channels, NEAT is one of them (Mursitama, 2008). Therefore, domestic network of NEAT should be broadening in order to increase the quality of policy recommendation taken by the network, to build strong financial supports from many institutions and to increase the impact of the recommendation to the policy makers and public.

Those are related to relative weakness of NEAT as second track diplomacy tool. NEAT is still lacking of popularity compared to other mechanism such as ASEAN-ISIS. On the other hand, the lack of follow-up on the policy recommendation brings the effectiveness of recommendation into questioned.

In the year 2008 – 2009, Indonesia as outgoing chairman, is co-chairing with NEAT Korea. Therefore, it is a perfect time to consolidate and contribute more to the advancement of building ASEAN community as well as East Asian community that will hopefully bring peace and prosperity to Indonesian people.

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