

# ASEAN think tanks, policy change and economic cooperation: from the Asian financial crisis to the global financial crisis

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## ABSTRACT

Using discourse institutionalism this article traces how Asian think tanks have provided valuable input for informing and articulating alternative economic narratives in the wake of the 1997 Asian Financial Crisis (AFC) and the Global Financial Crisis (GFC) of 2007–2008. Starting with the AFC, think tanks began to cultivate a move away from dominant western economic policy approaches towards more ‘Asian’-style solutions. These solutions included new policy programmes focused on creating ‘sustainable and balanced’ economic growth and protecting vulnerable populations from the negative impacts of financial downturns. Regulatory and institutional changes reflecting these new narratives helped shelter the Asian financial sector during the GFC a decade later. The GFC also created additional critical junctures permitting think tanks to coordinate new policy solutions concerning financial regulation and foster an emerging regional economic identity.

## KEYWORDS

Think tanks; financial crisis; discourse institutionalism; policy narrative; ASEAN

## Highlights

- Think tanks as discursive agents and norm entrepreneurs
- An analysis of ASEAN and Asian regional economic integration initiatives
- Asian Financial Crisis and Global Financial Crisis as critical junctures

## 1. Introduction

Over the past quarter century, South-east and North-east Asia have developed a rich and varied think tank landscape. The institutional growth and professional maturation of Asian think tanks reflects a combination of increased economic development, expansion of the middle-classes, and higher levels of educational and professional attainment. In addition, solidifying state capacity and often either direct or indirect political and bureaucratic

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patronage has nurtured the Asian think tank industry. There has been a great deal of analysis of, and scholarly consensus around, the influence of Asian think tanks on regional security policy (see Job, 2010; Katsumata, 2003; Kerr, 1994; Kraft, 2000; Nesadurai & Stone, 2000; Soesastro, Joewono, & Hernandez, 2006; Zimmerman, 2016). By contrast, there has been far less questioning of think tank impact in regional economic policy.

Accordingly, this article examines the role of think tanks in crafting and disseminating new economic narratives in the wake of the Asian Financial Crisis (AFC) and the Global Financial Crisis (GFC) up to the end of 2016. Its aims are threefold: first, to determine how ASEAN think tanks informed economic policy narratives during and after each crisis; second, to analyse how ASEAN think tanks' governmental linkages were crucial to their success promoting new narratives; and third, to discern how these narratives contributed to the 'making of a region' by fostering an emerging regional economic identity.

The article adopts a broad geographic scope to capture the diverse nature of the think tank landscape in Asia and the unavoidable institutional overlap across regional organisations such as the Association of South-east Asian Nations (ASEAN) and the Asia-Pacific Economic Cooperation (APEC). Data were generated through several fieldwork trips throughout Asia, a survey of official documents by state governments and international organisations, think tank generated documents, websites, and scholarly publications. Our primary focus is on the regional level and on developments revolving around ASEAN, such as current negotiations concerning the Regional Comprehensive Economic Partnership (RCEP). In the proliferation of regional economic arrangements, ASEAN has sought to claim 'centrality' and a leadership role in Asia due to the Association's structural position in the networks it has helped established. In that sense, former US Secretary of State Hillary Clinton spoke of ASEAN as 'the fulcrum of an evolving regional architecture' (Clinton, quoted in Caballero-Anthony, 2014, p. 564).

This article contributes to this thematic issue by analysing think tank input into the policy debates on regional economic cooperation through the lens of the 1997 Asian Economic Crisis (Lim, 1998) and the 2007–2008 Global Financial Crisis. We frame the AFC as a critical juncture in the so-called 'American Century' (Luce, 1999) and the GFC as a critical juncture during the 'Asian Century' (Sachs, 2004). We provide an 'Asian' perspective of state and regional responses to economic crises, and explore the role of state and non-state actors in economic governance in this thematic issue and the literature in general in four ways. First, we provide an empirical focus on South-east Asia that counterbalances the predominance of European and North American think tanks in the literature. Second, we address regional integration debates, with particular reference to the Association of South-east Asian Nations and thereby appreciate think tanks as transnational actors. Third, where other scholarly analysis has looked primarily at think tank impact on security issues, this paper focuses on the equally significant historical dynamic of think tank engagements within debates on economic cooperation and development. Lastly, using the concepts of critical junctures in conjunction with discourse institutionalism we offer the thematic issue an additional analytical lens to comprehend the strategies used by think tanks to influence policy debates.

This article is structured chronologically. After a brief overview of the development of Asian think tanks we start with the Asian Financial Crisis where we identify think tank involvement in the development of, and transitions between, economic narratives. We then look towards the Global Financial Crisis 10 years later to discern changes in think tank demographics and behaviours, and their continuing involvement in economic policy-making up to the end of 2016.

We conclude with a brief section overviewing the current and potential breadth of think tank involvement in economic narratives in South-east Asia going forward.

## 2. The ASEAN think tank community

To fully understand the unique political situation of ASEAN think tanks and their role in the two crises, a brief introduction to their development is necessary. ASEAN think tanks experienced a different pattern of development than their corollaries in Western Europe and North America. With few exceptions, the first ASEAN think tanks were not established until the 1960s. At the time of the Asian Financial Crisis in 1997, the number of think tanks in ASEAN countries lagged far behind those in Europe or North America (Nesadurai & Stone, 2000).

Compared to Western European and North American organisations, South-east Asian think tanks are generally smaller, state affiliated, and composed of – or linked to – an elite group of policy experts. The think tank community operates in a different fashion than in the competitive and more open systems of North America and Europe, in large part due to the nature of state patronage in the region. In the Western world, think tank development is multifarious, with institutes of all sizes, shapes, funding sources and ideological dispositions. Within ASEAN countries, there is distinctly less diversity in all of these aspects. In most of the countries discussed here state bureaucracies retain a monopoly on providing policy advice (Nesadurai & Stone, 2000), and it was not unusual for think tanks to be created by governments as an extra-bureaucratic arm (Nachiappan, Mendizabal, & Datta, 2010). In sum, ASEAN think tanks have closer relationships to government than is usual in Western liberal democracies (Kraft, 2000). Therefore, for the purposes of the analysis presented here a definition of think tank is used which diverts to some degree from those often applied in studies of Western think tanks. Our definition of think tank includes organisations which can be based within public universities, established by government ministries, or have been established as legally independent institutions with some form of governmental affiliation. These think tanks are party to networks, which can be both formal (such as ASEAN-Institutes of Strategic and International Studies, discussed below) as well as the more unstructured networks that consist of think tanks, academic institutes, businesses and policy stakeholders. What these networks have in common is a vested interest in influencing ASEAN economic policy-making and formal or informal affiliation with a regional governing body. Such close governmental relationships have allowed these think tanks to play ‘key roles in determining the fundamental choices for domestic economic reform and cooperation among Asia-Pacific states’ and to function as ‘norm entrepreneurs for economic cooperation’ (Job, 2010, p. 128).

Think tanks have used their links to governments to project ideas into policy-making spaces and develop an enduring ‘Track Two policy’ presence. If ‘Track One’ consists of formal mechanisms of governance, then ‘Track Two’ represents informal mechanisms that exist alongside formal processes and are composed of ‘blended’ groups of academics, foreign policy and security civil servants, business people and representatives from NGOs (Kerr, 1994). These processes, within which think tanks have often been dominant players (Soesastro et al., 2006; Zimmerman, 2016), are given considerable weight in the region and serve important functions as ‘idea generators and places to propose and discuss, among other things, new norms or standards’ (Harris, 2000, p. 501).

The policy input of think tanks in South-east Asian regional-level policy debates and the so-called ‘habit of dialogue’, that is, regular meetings among think tank directors and senior staff with other policy community elites, is well-documented (Katsumata, 2003; Kerr, 1994; Köllner, 2011). However, less scrutiny has been paid to the harmonisation of policy narratives through research cooperation produced across think tank networks prior to communication in policy communities. Economic think tank networks, much like foreign policy and security networks, share large cross-sections of membership, and it is not uncommon for one individual think tank representative to belong to multiple ‘Track Two’ processes as well as to be actively involved, albeit infrequently, in the formal ‘Track One’ of ASEAN and an individual state’s government (Kerr & Taylor, 2013). The resulting policy communities are small, well-connected and consequently have an enhanced ability to coordinate discourse across individual and organisational networks, potentially giving them greater capacity to influence economic policy issues.

### **2.1. Critical junctures as policy innovation opportunities**

The idea of ‘critical junctures’, in new-institutional theory, is deployed as the analytical frame for our temporal regional comparison. We identify the two crises as ‘critical junctures’ in regional integration and economic cooperation in South-east Asia. The idea derives from institutionalist theory that posits

a dual model of institutional development characterized by relatively long periods of path-dependent institutional stability and reproduction that are punctuated occasionally by brief phases of institutional flux—referred to as critical junctures—during which more dramatic change is possible (Capoccia & Kelemen, 2007, p. 341).

This notion of critical junctures can be used in discursive institutionalism, a theory that focuses on discourse as ‘the interactive process of conveying ideas’ and links control over discourse to expressions of political power (Schmidt, 2008, p. 303). This article argues that each crisis created a critical juncture in which think tanks had opportunities to contribute to policy change as ‘carriers of new discourse’ (Ladi, 2011, p. 208). From this view, critical junctures are opportunities for discursive actors such as think tanks to inject ideas into political processes, thereby influencing policy and ultimately institutional development.

Discourse does not displace but coexists with interests. Discursive institutionalism acknowledges that material conditions and hard economic variables constrain policy possibilities. At the same time it recognises that ‘ideas shape or constitute the situation or context of action’ while also serving to ‘shape or constitute agents themselves, especially their interests, preferences and identities’ (Bell, 2012, p. 666). In other words, ideas and interests can be mutually constitutive (Schmidt, 2008). Therefore, in times of major political upheaval it has been argued that ideas, as well as interests, guide policy responses. For instance, Blyth (2002) demonstrated that when interests were difficult to discern during the economic shocks of the 1970s, it was the dominant economic ideas in a country (in his cases, Sweden and the USA) that determined political responses. Similar arguments apply during the Asian Financial Crisis in particular, as regional economic interests were unclear – or at least not clearly articulated.

We use discursive institutionalism’s three-part framework for our assertion that think tanks provided valuable input into the responses of ASEAN during both financial crises. These responses were multi-pronged: first, developing a regional ‘world view’ (or

'philosophy') about Asia that has also informed thinking about supposedly Asian values and helped define the Asian Century; second, producing 'programmatic' ideas such as regional integration theories and concepts; and third, proposing specific 'policies' including institutional developments such as the ASEAN Economic Community or specific instruments for ASEAN financial integration. We concentrate our analysis on the production of programmatic ideas.

Discourse takes shape through 'policies, programmes and philosophies'; and discursive institutionalism not only provides insight into the substantive content of ideas but also the interactive process by which ideas are spread (Schmidt, 2008). This framework also introduces the distinction between 'coordinative' and 'communicative' discourses.

'Coordinative discourses' involves the creation, elaboration and justification of policy and programmatic ideas among transnational or national policy communities (Schmidt, 2008, p. 310). ASEAN regional integration processes are a mode of coordinative discourse expressed through the Senior Officials Meeting and other Leader's Summits, the meetings of finance, trade and other ministers, and the various think tank networks – at informal, lower levels of policy discussion where policy ideas and frameworks are debated.

By contrast, 'communicative discourses' are concerned with the relationships between policy-makers and their publics. In the ASEAN context, as outlined above, think tanks have been involved *primarily* in the articulation and elaboration of coordinative discourses speaking to constituencies in government rather than the general public. This technocratic distance is compounded by the relative lack of interest of publics in ASEAN nation states in regional affairs (McAdam, McCarthy, & Zald, 1996), though this has changed in recent years and more Asian states have become increasingly democratic (McGann & Weaver, 2002).

Think tanks are carriers of both sets of discourses but do not necessarily undertake both equally or at all times. In order to discern policy influence, we pay particular attention to ASEAN think tanks and their role in coordinative discourse across the two crises. The coordinative discourse occurring between think tanks and policy-makers in policy circles is the base from which to examine the narrative production of discourse concerning economic development and the creation of an ASEAN-style economic platform.

We also posit a scale of think tank coordinative discourse. On one end, think tanks have been passive legitimisers of governmental policy (Boswell, 2009). That is, they can be used by regional policy elites to signal and explain changes in policy direction to other political actors. Programmatic ideas on economic cooperation are developed and disseminated in the regular and day-to-day activities of website development, event organisation, media commentary and publications on issues that might range from maritime security, trans-boundary energy and electricity markets to inclusive growth in global value chains. This is a lesser order of power and policy impact of think tanks, occupying a support role to well-developed governmental policy directions.

On the other end, think tanks can also be policy advocates with an ability to guide economic policy through the provision of spaces for dialogue, policy narratives and expert advice. In reality, ASEAN think tanks often fall somewhere in the middle, and their location on this spectrum changes over time, in tandem with available critical junctures and according to waxing or waning policy issues. Think tank narratives which 'guide' policy have a considerably higher order of power and influence. It is also one that is methodologically difficult to demonstrate as there are multiple actors in policy debates with similar – as well as dissenting – arguments. For example, university researchers, economists and business

leaders interact in the Pacific Economic Cooperation Council (PECC), not only think tankers. Establishing a line of causality from (think tank) narratives to changes in cognition (of ASEAN policy elites and decision-makers) to subsequent policy reforms and adjustments is not amenable to making a (positivist) case of proof of impact and influence. Moreover, in ASEAN affairs ‘words are not deeds’ (Jones, 2016, p. 16) and progress on regional economic cooperation has been slow, fragmented, incremental and prone to setbacks (Higgott, 2016; Jones, 2016).

ASEAN think tanks are adept discursive actors, and approaching think tanks through the lens of discursive institutionalism makes it possible to see how their narratives have been used to inform and signal policy in the wake of both the 1997 and 2009 financial crises. Discourse in this sense is ‘the glue between structure and agency’ (as noted by Ladi, Lazarou and Hauck, [forthcoming](#) this edition). It provides the missing link between macro-level political economy of ‘large actors’ (Higgott, 2016, p. 15) and meso-level policy processes and debates. In the next section, we turn to the meso-level of think tank discourses.

### 3. Think tank responses to the Asian financial crisis (AFC)

In July 1997, the Bank of Thailand floated the value of the Thai baht after it determined that it could no longer support its value in foreign exchange markets (PECC, 1998). This set off a financial crisis that triggered instability in Thailand, Indonesia and the Philippines before spreading to Singapore and South Korea (PECC, 1998). Financial instability resulted in food and fuel shortages, and widespread political unrest that contributed to the weakening, and in some cases fall, of previously secure political regimes. The region’s response, or rather its lack of a response, and its subsequent forced reliance on the economic strategies of the IMF highlighted Asia’s underdeveloped and evidently ineffective financial governing mechanisms (Machetzki, 2002).

At the time of the crisis there were limited numbers of think tanks operating at a regional level, the majority of these think tanks worked within the three dominant networks: (i) the Pacific Economic Cooperation Council (PECC) a non-governmental organisation that maintains a close relationship with the Asia’s foremost economic network, the Asia-Pacific Economic Cooperation (APEC); (ii) the ASEAN-Institutes for Strategic and International Studies (ASEAN-ISIS); and, (iii) the Council for Security and Cooperation in the Asia-Pacific (CSCAP) connected with the ASEAN Regional Forum.

Among these three, only the ASEAN-ISIS would qualify as a traditional think tank network. PECC is more accurately a proto-network because does not have a cohesive network structure but instead styles itself as ‘a unique tripartite partnership of senior high-ranked individuals from business, industry, government, academic and other intellectual circles (Chan, 2000). Likewise, CSCAP is not a ‘pure’ think tank network in that while its members are think tanks it actively pursues participation from academic, business and governmental communities. Regardless of their differing structures, all three organisations have engaged heavily in ASEAN economic policy making and maintain some kind of governmental affiliation, though only the PECC is associated with a regional organisation focusing on economic policy (APEC). Of the other two networks, ASEAN-ISIS maintains formal affiliation with ASEAN and CSCAP with the ASEAN Regional Forum. Both focus more heavily on security policy, and tend to view economic instability through a security-focused lens.



### 3.1. *Think tank policy narratives after the AFC*

Instead of studying the policy recommendations of individual think tanks, this analysis focuses on the development of both philosophical and programmatic narratives, which were established by these networks during and after each crisis. These arcs are developed between and for policy-makers, thus, we examine predominately coordinative types of discourse.

Economic narratives shaping regional financial governance have undergone significant and identifiable evolutions in South-east Asia. We look at programmatic-level narratives first, these narratives encompass the transition from so-called 'Western' economic policies to the more anti-austerity and post-Washington Consensus policies that have come to typify economic approaches in the 'Asian Century'. These narratives are broader than individual policies and comprise 'sets of diagnostics and prescriptions for action' that function as frameworks through which to 'set the scope of possible solutions to problems that policy ideas address' (Schmidt, 2008, p. 306). Second, policy 'philosophies' are evaluated to identify how think tank networks leveraged both the AFC and the GFC to re-visit dominant ideas on the nature of Asian regionalism and to promote the making of an Asian economic region. The most specific level of discourse, policies, is used throughout to provide empirical examples of policy proposals put forth by think tanks in support of the larger programmatic and philosophical narratives identified.

ASEAN governments were caught off-guard by the AFC (PECC, 1998), and programmatic narratives developed immediately after the AFC were largely echoes of neoliberal 'Western' economic principles, emphasising the opening of markets to free trade and increased regionalisation as the solutions to the crisis (PECC, 2000, 2009). Up to this point, ASEAN think tanks had not engaged in any large-scale type of coordinative discourse focusing on economic policy. Thus, ASEAN policy-makers instead adopted economic ideas drawn from Western-centric dialogue processes, such as those advanced through the Asia-Europe Meetings (ASEM), which were at their height in the late 1990s and into the 2000s. These dialogues endorsed a European model of regionalisation, and enjoyed strong symbolic political capital if not substantive institutional adoption in existing ASEAN structures and processes (Beeson & Stone, 2013).

As a consequence, initial policy programmes, such as the Competition Principles Project organised by the PECC, promoted neoliberal economic policies in an attempt to achieve 'free' and better functioning markets, in line with the recommendations put forward by the IMF (PECC, 2000). These principles went on to become (with some modifications) the APEC Principles to Enhance Competition and Regulatory Reforms (Soesastro, 2005). Similar programmes were put forth by other think tank networks, which variously sought to accelerate the growth of an ASEAN Free Trade Area and liberalise the financial services sector (Jones, 2016, p. 15; ASEAN Secretariat, 1999).

These ideas temporarily gained traction, in spite of their lack of adaptation to the economic and political environments of Asia. Despite attempts by Japan to develop an 'Asia-based' solution to the financial volatility caused by the AFC, opposition from the United States ensured that the IMF was the only viable mechanism for regional support (Machetzki, 2002). However, when these policy programmes failed to live up to expectations, individual countries began to pursue their own material interests. For example, Thailand conformed with the recommendations and conditions of the IMF while Malaysia was notable in pursuing its own policy course. Machetzki notes that '[t]he region-wide 'economic dialogue'

that was present at the beginning of the crisis ultimately devolved ‘into a “concerto grosso” of simultaneous monologues’ (2002, p. 185).

As it became clear that the trajectory supported by the IMF was ill-suited to supporting an Asian recovery, think tanks started to capitalise upon the growing belief that ‘the role of the IMF as a support body ... was not optimal and imposed too strict conditionality to ASEAN countries’ (Blizkovsky, 2012, p. 96). From this vantage point think tanks began to endorse programmatic ideas that incorporated reactions to austerity politics by including individual policies aimed at softening the societal impact of the financial crisis and the most ‘detrimental aspects of globalisation’ (PECC, 2001). In 2001, Indonesia established a new think tank, the SMERU Research Institute, with the specific aim of understanding ‘the socio-economic impact of the Asian financial crisis’ (Nachiappan et al., 2010, p. 14; SMERU Research Institute, 2016). Policies promoted by think tanks using their coordinative discourse abilities were not specifically ‘Asian’ in origin, but rather a combination of ideas drawn from the emerging post-Washington Consensus, those put forward by some Asian states at the beginning of the crisis (e.g. Japan’s attempts at establishing a so-called ‘Asian Monetary Fund’), and reactions to the neoliberalism of the West. While these ideas had failed to gain critical mass directly after the AFC, they remained active. Think tanks, using their coordinative discourse abilities were then able to adapt these ideas to local political environments and transmit them to policy-makers.

The transition from one narrative to the other was incremental and included periods of overlap between both policy views. For example, ASEAN-ISIS concurrently promoted the ASEAN Free Trade Agreement, while at the same time endorsing greater economic regulation and calling for strengthening social mechanisms to protect those most impacted by the crisis. Likewise, programmatic policy ideas also highlighted the need to address food security issues, maintain energy and water security in the region, and address long-standing development gaps between ASEAN members (ASEAN Secretariat, 1999).

### **3.2. Regional integration as a developing narrative**

The critical juncture of the AFC provided opportunities for regional think tanks to create, in Schmidt’s terminology of discursive institutionalism, a ‘philosophy-level idea’ of an ‘Asian-style economic growth’ by recasting narratives of regional integration as important aspects of economic prosperity and state stability. Given that the concept of an ‘Asian’ or ‘ASEAN’ style of economic policy is contested, we limit our definition of this concept to the characteristics of increased regional integration and structural reform, focusing on long-term growth, emphasising economic development geared towards larger social goods (Cao et al., 2010), stronger financial regulation, and establishing social safety nets for the most economically vulnerable (Birdsall & Fukuyama, 2011). This section looks specifically at how think tanks in the region were involved in the emergence and development of this narrative.

The most pervasive ‘programmatic-level’ narrative to emerge after the AFC emphasised the necessity of developing stronger and more meaningful forms of regional governance, including institutional reform (Harris, 2000). While the concept of regional integration was not new for policy makers or policy analysts, the instability caused by the AFC and its dramatic domestic consequences, coupled with the region’s failure to respond collectively, meant that it enjoyed renewed political legitimacy after the crisis. The IMF’s contested role in the AFC actually served to give credence to alternative narratives promoting ‘Asian’



solutions in the financial sector post-crisis. This was especially so as since '[w]hen a crisis originates outside the region and the extra-regional response is inadequate or adversarial, regional institution building is a logical response' (Henning, 2011, p. 24).

By developing coordinative discourse and varying policy scenarios, regional think tank networks were able to internally debate and highlight how strict adherence to the ASEAN-way of governance had limited the region's ability to act in its own self-interest (Lin & Rajan, 1999; Machetzki, 2002). For instance, the Economic Surveillance Mechanism instituted in the wake of the crisis was severely limited by the unwillingness of some members of ASEAN to release economic data, because such data were perceived as a strategic rather than a public good (Lin & Rajan, 1999, p. 267). Overall, both ASEAN and APEC were very limited in their responses to the crisis, and 'the lack of formalised institutional structures has meant that Southeast Asia has had to depend heavily on bilateral relations and initiatives to solve problems' (Lin & Rajan, 1999, p. 269).

ASEAN-ISIS, whose network has members in all ASEAN countries, has long-standing programmatic narratives of macroeconomic and financial cooperation (Soesastro et al., 2006). This, along with its endorsement of formalising and deepening regional ties were given an additional political boost by the AFC. The network was, thus, able to use the juncture to provide discussion forums and blueprints for how the region could move forward in the area of economic regionalism. For instance, the ASEAN Economic Forum (part of ASEAN ISIS) regularly engages in coordinative discourse by submitting reports to ASEAN about AFTAs and the ASEAN Economic Community (AEC) (cf. Caballero-Anthony & Jawhar, 1999; Caballero-Anthony, 2000; Hew, 2007).

Think tank networks were able to cultivate and inform new discourses aimed at strengthening regional capacity, either by having ASEAN 'move towards replicating the institutional practices of the EU' (Lin & Rajan, 1999, p. 278) or by other ways of strengthening ASEAN, APEC or the ASEAN + 3 (including China, Japan and South Korea) to 'ensure greater financial stability in the financial sector' (Harris, 2000, p. 495).

In a sense, narrative reactions to the critical juncture of the AFC laid the framework for policy responses that led to Asia's comparatively successful weathering of the GFC a decade later; 'one can argue that ASEAN and ASEAN + 3 policy responses introduced after the Asian crisis of the 1990s served as a basis for the policy framework developed in the post-2008 period' (Blizkovsky, 2012, p. 97). In retrospect, it is clear one of the most enduring ideological legacies of the AFC is the delegitimisation of economic management based upon the Washington Consensus (Birdsall & Fukuyama, 2011). Think tank networks used this change in ideologies to advance new ideas of economic regionalism such as the slowly institutionalising ASEAN Economic Community and, later, the Chinese-led and ASEAN-centric Regional Comprehensive Economic Partnership, flagged in opposition to the US-led and APEC-oriented Trans-Pacific Partnership (TPP) as outlined in the following section.

#### 4. Changing think tanks in a globalising world

The think tank landscape in Asia changed dramatically between the two financial crises. While the above-mentioned networks still existed, they were now sharing political attention with a host of newcomers eager to have their say on both domestic and foreign economic policy. Moreover, research initiatives, policy dialogues and governmental steps aimed at solidifying regional economic cooperation have strengthened and not suffered the setbacks that figured so prominently a decade earlier.

These contextual changes, combined with changes in think tank leadership, and the employment of new cadres of western and East Asian trained researchers, diluted the personal political connections that previously characterised ASEAN think tanks. New forums for coordinative economic discourse also emerged during this time, which further disaggregated sources of economic analysis and commentary. For example, new regional networks include the Economic Research Institute for ASEAN and East Asia and the Network of East Asian Think Tanks (NEAT). These regional networks have become in turn, overlain by higher order international networks such as the BRIC Think Tank Council and Think Tank 20 orbiting the Group of G20 (Stone, 2015; Widharja, 2012). Many of these networks focus, at least in part, on coordinating economic discourse, particularly those of integration.

The Network of East Asian Think-tanks (NEAT) is a Track Two network focusing on the ASEAN + 3 countries (China, Japan and South Korea). NEAT was approved at the ASEAN + 3 Ministerial Meeting held in May 2003 and since then has established working groups on specific issues of regional cooperation (*inter alia* East Asian investment and financial cooperation over a number of years as well as topics like water resource management, urbanisation and RCEP).

NEAT recommendations are made to the ASEAN + 3 Summit on 'key issues in Asian regional integration processes'. Such meetings have been important venues to openly discuss problems and propose mutually acceptable solutions. While the network has access to official or Track One processes, a 10-year self-evaluation recognises the need for member institutes to achieve closer integration and post-meeting engagement (NEAT, 2012).

Another network of note in terms of officially sanctioned coordinative discourse is the Economic Research Institute for ASEAN and East Asia. Established by a formal agreement of 16 heads of government at the Third East Asia Summit in late 2007, ERIA works with the ASEAN Secretariat to provide intellectual and analytical research and policy recommendations. It also draws upon RIN – the Research Institutes Network – now composed of institutes from 18 member states.

On top of existing dialogues and research collaborations developed by PECC, ASEAN-ISIS and others, research and analysis inputs to policy development have become normalised in the region. Or as noted by Li Wei (2015), President of the Development Research Center of the State Council in PRC, pump-priming think tank development with 'Chinese characteristics' is important to 'offering suggestions, promoting innovative thinking, guiding public opinion, offering social service and conducting public diplomacy'. With regard to regional interactions, the public and economic diplomacy of think tank networks is particularly important in laying the ideas and defining the interests that will inform future institutional policies and development.

#### **4.1. Think tank narratives of the global financial crisis**

Policy narratives put forth by think tank communities after the Global Financial Crisis deviated from the dominant think tank policy narratives in Western countries, as well as those put forth in Asia a decade earlier during the AFC. Policy programmes in 1997, emphasised the benefits of 'free and better-functioning markets' and equated an environment of competition with increased market efficiency and economic growth (PECC, 1999; Soesastro, 2005). Narratives emerging in 2009, fully embraced the 'Asian-centric' style of regionalism and economic recovery that was first floated after the AFC. They challenged and to an extent

displaced the neoliberal economic ideas advanced a decade earlier with narratives more centred on the 'Beijing consensus' (Sohn, 2015, p. 15) which focused on a renewed push towards harnessing entrepreneurship, policies dedicated to long-term growth and economic development for social good (Cao et al., 2010). Implicit in these policy programmes were terms for renegotiation of the economic relationship within and among ASEAN countries and an underlying push for sweeping structural reforms. For example, the programmatic idea of 'ASEAN centrality' gained traction, partially in response to perceived threats from non-ASEAN countries:

ASEAN saw the versions of the Asia Pacific Community proposed by Australia's Kevin Rudd and Japan's Yukio Hatoyama as a challenge to its coveted position in the regional landscape. Those proposals compelled ASEAN members to strive to strengthen their collective resilience and commitment to ASEAN centrality (Caballero-Anthony, 2014, pp. 573–574).

While many European think tanks promoted staunch austerity platforms as the way to economic recovery, ASEAN think tanks instead focused on an ideology of inclusive and balanced growth. The differences between these two platforms is that Asian think tanks emphasised development that generated broader welfare gains, with limited environmental impact (Cao et al., 2010; PECC, 2009), and accompanying policies that shielded the weakest demographics from the consequences of economic collapse. For instance, two of the three research pillars of ERIA are to conduct research towards 'Narrowing Development Gaps' and for 'Sustainable Economic Development'. Likewise, the RIN institutes issued a statement on 'Addressing Inequality' through regional economic integration (ERIA, 2016). Policy implementation and effectiveness is, however, another matter.

One increasingly prominent narrative post-GFC, connecting Asia regionally and internationally, concerns 'global value chains'. One of the foundational members of CSCAP – the Center for Strategic and International Studies noted the 'policy gap on value chains' in a report to APEC (Goodman & Miller, 2013, p. 5). The Hong Kong-based Asia Global Institute, established in 2011, has become a nodal point in 'global value chain' analysis. Likewise, RIN reports to ERIA (and constituent member institutes to home governments) of the growing relevance of these chains to future prosperity.

The GFC also further reinforced narratives of integration, with the ASEAN Economic Community being a major milestone. ASEAN think tanks have been central and long-term contributors of policy research on integration efforts through unilateral research initiatives, network activities – the ADB-Asian Think Tank Network and its Asian Century Summit – and inter-regional processes like the EU-ASEAN Dialogue (ADB-Asian Think Tank Network, 2017).

The ERIA also argues the need for fostering economic cooperation and emphasising an Asian-centric economic development strategy. The ERIA's final research pillar is deepening economic integration (ERIA, 2016) and the ERIA was tasked with assessing the feasibility of a Japanese proposal for a Comprehensive Economic Partnership for East Asia. An ambitious Free Trade Area (FTA) proposal that brought together very diverse economies (including India, New Zealand and Australia) met with Chinese resistance. The impasse resulted in a rebranding and downsizing of the proposal to RCEP. This is centred around ASEAN and its existing FTA arrangements with RCEP partners.

In contrast to both the formally connected ERIA and the informally connected NEAT, the Asian Development Bank Institute (ADBI) network of think tanks is a more recent assembly established to help improve analytic capacity but also 'bridge' research and policy.

With a more expansive Asian membership that includes India, Sri Lanka, Kazakhstan and Pakistan, regional integration is but one of its areas of interest, and meetings have ranged across the entire edifice of ADB's development concerns encompassing poverty reduction, inclusive growth and prospects for innovation. However, with its focus on dialogue and little practical output the ADBI is more of a 'talking shop' that echoes narratives developed by the more politically connected networks like NEAT, ERIA and CSCAP. Despite its lack of original output, forums offered by the ADBI do offer opportunities for both coordinative and communicative discourse between and among think tank and nation state participants.

It is important to point out that many of these narratives developed and promoted via think tank coordinative discourse were not 'new' but had, in fact, emerged shortly after the AFC 10 years previously. The GFC provided the right political juncture, and think tank networks the right agency, for these ideas to become accepted and desirable options in regional economic policy. Regional think tank networks had already successfully used the aftermath of the AFC to delegitimise the policies of the IMF, and the GFC further re-enforced the unsuitability of Washington Consensus-based policies for Asian economic development. Some CSCAP members saw the GFC as an exogenous shock that they attributed to the United States' overly permissive monetary policies, ill-conceived housing subsidies, ineffective corporate governance and bad credit rating assessments (Wolf, 2009). Keeping with its security focus, CSCAP scholars argued that the new crisis was a further incentive to seek internal modes of recovery and initiate structural change as financial stability was also a legitimate security issue (Wolf, 2009).

By and large ASEAN states' responses to the GFC were in line with the overarching 'Asian style of economic growth' narrative that had been percolating within think tank forums and circles since the AFC. Programmatic responses included moving away from a reliance on foreign capital, reducing their exposure to foreign financial markets, focusing on domestic policies to protect domestic constituents in times of economic shock, and strong financial regulation (Birdsall & Fukuyama, 2011). The Asian Infrastructure Investment Bank (AIIB), driven by the Chinese, is another Asia-centric as opposed to Pacific-centric regional initiative and in large part 'in response to the absence of reform at the IMF' (Higgott, 2016, p.3).

Think tanks used their coordinative discourse abilities to foster regional consensus on specific policies as well as overarching policy programmes by pointing out that during the GFC Asian economies fared better and persevered with a 'habit of dialogue' on regional economic cooperation. By contrast, the GFC exposed the institutional and economic weaknesses of European and North American economies, spurring the development of the G20 (and down-scaling the role of the G7) in global economic policy coordination. Asia's comparative resilience was leveraged to foster confidence in new economic policies produced by regional governing bodies.

Policy research from ERIA, ADBI and NEAT indirectly filters into other multilateral forums: BRICS leaders met on the fringes of the G20 Leaders Summit in Turkey which immediately preceded the 2014 APEC Summit. Out of ASEAN only Indonesia is in the G20, with Japan, South Korea, India and China other notable Asian members. Yet, the Think Tank 20 meetings represent an informal route for participation of Asian policy actors in the process as this venue is more accessible compared to the exclusive status of the G20 Members States. For instance, during the Australian G20 Presidency regional think tank meetings were held in Singapore, not a G20 member.

In sum, ASEAN (and Asian) think tank networks provide a lens through which not only to view the region, but also how their ideas shape regional policies. RIN and ERIA, ASEAN-ISIS and NEAT, among other networks, are reflective of the overlapping and contested configurations of regional identity. Just as the 'practice of regionalism and regional integration should be seen as perpetual works in progress', likewise think tank analysis and theorisation about regionalism is equally a 'work in progress' (Higgott, 2016, p. 18).

## 5. Conclusions: Think Tank Narratives from the Asian Financial Crisis to the Global Financial Crisis

The AFC and the GFC mark transitions in regional economic policy between the end of the American Century and the start of the Asian Century. As emerging venues for hosting and articulating ideas, the majority of Asian think tanks exited the AFC in a stronger position to provide authoritative expertise for governments of the region. Immediately after the AFC, governmental institutions, such as the ADB Institute (ADBI) and the IMF-Singapore Training Institute, at the behest of the IMF, coordinated with both APEC and the PECC to conduct 'a series of workshops on financial sector development for officials from the larger East Asian Region' (Lin & Rajan, 1999, p. 266). Asian think tank networks dealt with austerity agendas more so during the AFC and in its aftermath built policy capacity and experience to enhance their coordinative functions both within their networks and vis-à-vis decision-makers.

Following the GFC, Asian think tank networks have continued to work closely with regional governments on policy issues. For example, ERIA is heavily bankrolled by the Japanese and other governments, which thereby sponsor a specific narrative of regional integration and FTA policy ideas and analysis. Narratives concerning austerity were largely absent, and were instead replaced by an emphasis on balanced growth, increasing Asian integration and financial cooperation and supporting mechanisms of social protection (Kawai, 2008). Regardless of their unclear direct impacts on regional policy, think tank networks in Asia provide insight into the policy concerns and the political fault lines of integration initiatives.

If think tank analysis and networking is most influential in terms of constructing the narrative pathways and agendas for organisations such as the ASEAN Economic Community in 2015, then they can be accorded an under-appreciated and largely unanalysed coordinative function of building consensus through research and analysis, through conferences and dialogues complemented by publications, websites, blogging and other forms of public communication. In the aftermath of the GFC, discourses surrounding the 'Asian Century' and programmatic ideas about Asian regional integration compete with western conceptions of cooperation and capitalist development. ASEAN and Asian think tanks have been key voices in the articulation of policy to deal with emerging economic and financial issues.

Benefiting from their close governmental relationships, think tanks hold a 'special position in [the] policy process' that allows them, particularly in times of instability, to 'come to the fore and influence public discourse and thus public policy, by framing the arguments of policy-makers and politicians' (Ladi, 2011, p. 206). This means that think tank narratives, and the policy ideas and subsequent solutions based upon those narratives are more likely to gain access to decision-making audiences and lead to policy impact. Both the AFC and the GFC were critical junctures which offered opportunities for ASEAN think tanks to establish



narratives that, in turn, outlined a discrete set of ‘necessary’ policy responses which helped shape future iterations of regional economic governance.

Regional integration is always in the making, with setbacks as well as steps forward. Within the wider policy research community, the ASEAN think tank community will continue to play a role monitoring progress and evaluating new proposals. Think tank input will likely be sought concerning the potential successors of the Trans-Pacific Partnership, and the development of the RCEP in the wake of the new Trump Administration. Think tanks can also be expected to continue evaluating changing US policy towards Asia, the economic competitiveness of China (and its lead role in the Asian Infrastructure Investment Bank), and the relevance of G20, BRIC and other modes of international summitry that overlay and impinge on regional affairs. As discursive actors ‘in the making’ of region, think tanks play a behind-the-scenes role as interlocutors, and sometimes opinion formers, in the financial and economic diplomacy of ASEAN and Asia.

### Disclosure statement

No potential conflict of interest was reported by the authors.

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