

East Asian Regionalism

An Unprecedented Window of Opportunity

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Abstract

East Asia deserves much attention today as the world shifts from a U.S.-centric uni-polar system to a new multi-polar system in which China is emerging as a great power. Regional dynamics in East Asia will not only influence the future of Asian nations but also produce global consequences in areas ranging from finance and economic growth to security and environmental sustainability. This paper focuses on regionalism- the intensifying political, economic, and cultural processes of cooperation among states and non-state actors in particular geographic regions. As East Asia becomes increasingly interconnected and interdependent through the process of regionalization, will regionalism strengthen or peter out over time as nationalistic concerns outweigh regional goals? Working from both primary and secondary sources, this paper will evaluate existing theories against empirical data and attempt to understand the current regional dynamics in the unique East Asian context, focusing primarily on China, Japan, Korea, and ASEAN members. Important topics of debate include: the characteristics of East Asian regionalism, the presence of the United States in the Asia-Pacific region, the rise of China, traditional and nontraditional security, and other challenges arising from differences among Asian nations. This paper will argue that regionalism is indeed a credible path for East Asia, where countries have an unprecedented window of opportunity to develop a regional community. The strengthening of regionalism is a worthwhile project that could promote the peace and prosperity of East Asia and the world.

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Chapter 1: Introduction

The research questions I propose to explore in my thesis are the following:

1) Given the level of interdependence and propinquity among the states of East Asia, why do we not see a formal organization of regionalism in this part of the world? Why is there not an EU- or NAFTA- equivalent in the region? East Asia is practically the only major economic area in the world without a formal regional institution overseeing and coordinating activities within the region. Yet we see many preconditions to regional institutionalization, including considerable levels of intraregional trade and intraregional investment. So what accounts for this “organization gap”¹ - the lack of an overarching regional organization given the need for coordination?

2) There are several overlapping regional communities in East Asia that might be precursors to a future East Asian Community, including ASEAN Plus Three, East Asia Summit, ASEAN Regional Forum, and Asia Pacific Economic Cooperation Forum. What kind of regionalism, if any, is developing in East Asia?

In this paper, I propose to work from both primary and secondary sources, comparing rival perspectives and evaluating existing theories against empirical data.

Relevance to international relations

As the world order shifts from a US-centric uni-polar system to a new multi-polar system in which China will play a new leading role, it is of particular interest to see how China approaches regional cooperation with its neighboring Asian states. China has surpassed Japan as the second largest economy of the world and is now the largest Asian economy. It is natural to

¹ Calder, Kent E. and Fukuyama, Francis (Edit). East Asian Multilateralism: Prospects for Regional Stability. The Johns Hopkins University Press, Baltimore, 2008. Page 17.

expect that China will seek strategic cooperation with its neighboring countries to secure a regional order that gives it a leading role.

Another reason this research topic is important is that East Asia will be the largest source of demand growth and investment capital from now on. How regionalism affects the deployment of capital and changes the global pattern of trade will affect everyone. Most of the world's savings lies in East Asia, and after the global economic crisis of 2007-2010, Asian countries see a need to develop a new growth paradigm that shifts away from export demand-driven growth to a domestic and intraregional demand-driven growth.

A third reason is that East Asian economic growth will have a huge impact on global climate change, pollution, and resource depletion. Further regional cooperation could facilitate policy dialogue and allow East Asia to focus on inclusive, sustainable growth.

Defining regionalism

The *Encyclopedia of international relations and global politics* defines regionalism as the “intensifying political and/or economic processes of cooperation among states and other actors in particular geographic regions.”² A region represents a dynamic, spatial concept that is defined by the blend of geographical proximity, depth and frequency of interactions, and shared institutional frameworks. While I adopt a similar definition in this paper, I emphasize that common cultural identities also combine with the above factors to define a region. So I use the term “regionalism” here to refer to not only the growth of economic cooperation but also to the growth of regional identity and consciousness. Such identity and consciousness can result from the increasing flow of ideas, peoples, and goods within a region.

² Griffiths, Martin. *Encyclopedia of international relations and global politics*. 2005. Page 723.

Katzenstein defines regions as having both “material and symbolic dimensions” that are traceable in “patterns of behavioral interdependence and political practice.”³ In other words, regions “reflect the power and purpose of states.”⁴ This emphasizes the importance of political institutionalization as an essential component of regionalism. Indeed, typical institutional responses to regionalism include arrangements like alliances, ententes, common markets, and free trade areas.

In contrast, the *Penguin Dictionary of International Relations* defines regionalism somewhat abstractly as “a complex of attitudes, loyalties and ideas which concentrates the individual and collective minds of people(s) upon what they perceive as ‘their’ region.”⁵ Regionalism implies that political leaders frequently conduct foreign policy and approach their external environment through a ‘regional community’ perspective, which may also reach the mass publics through the way in which mass media reports foreign news. Given the important role of non-state actors in international relations today, regionalism can develop through both top-to-bottom and bottom-to-top processes.

Louis Cantori and Steven Spiegel provide an inclusive definition of regionalism that emphasizes geographic proximity, international interaction, common bonds (ethnic, linguistic, cultural, social, and historical), and a sense of identity that is sometimes affected by states outside of the region.⁶ Bruce Russett identifies the following five key criteria for regionalism: social and cultural homogeneity, political attitudes or external behavior, political institutions, economic interdependence, and geographical proximity.⁷ Similarly, William Thompson lists

³ Katzenstein, Peter J. *A World of Regions*. Cornell University Press, Ithaca and London. 2005. Page 2.

⁴ Katzenstein, 2.

⁵ Evans, Graham and Newnham, Jeffrey. *The Penguin Dictionary of International Relations*. Penguin Books, London, 1998. Page 474.

⁶ Louis J. Cantori and Steven L. Spiegel, eds., *The International Politics of Regions: A Comparative Approach*. 1970. Page 6-7.

⁷ Russett, Bruce. *International Regions and the International System: A Study in Political Ecology*. 1967. Page 11.

twenty-one commonly cited attributes of regionalism, of which three are considered necessary and sufficient conditions for defining a regional system: general geographic proximity, regularity and intensity of interactions, and shared perceptions of the regional subsystem as a distinctive theater of operations.⁸ While these definitions certainly share similar interpretations of regionalism, one sees that the analysis of regionalism is multidimensional and depends heavily on how a scholar defines a region as a unit of analysis and what that region has to have in order to constitute regionalism.

Considering such a variety of definitions, I use the term regionalism here to simply refer to the *intensifying political, economic, and cultural processes of cooperation among states and non-state actors in particular geographic regions*. I incorporate the “mutually overlapping and reacting spheres”⁹ of states, markets, and societies in understanding the region-making process. These three spheres encompass the political, economic, and cultural processes of cooperation and help us reach a holistic understanding of regionalism. While the term “regionalization” refers to the interdependence among neighbor states based more on non-political factors, “regionalism” highlights the notion of *deliberate* efforts to institutionalize the processes of regionalization politically.

Methodology and theory

Based on the above definition of regionalism, I attempt to depict a holistic understanding of East Asia by considering the spheres of states, markets, and societies. Analysis in just one or two of the spheres becomes limited in one way or another and for my purposes incomplete at

⁸ Katzenstein, Peter J. and Shiraishi, Takashi. *Network Power: Japan and Asia*. Cornell University Press, Ithaca and London, 1997. Page 8.

⁹ Shiraishi, Takashi. *The Third Wave: Southeast Asia and Middle-Class Formation in the Making of a Region*. The Dynamics of East Asian Regionalism. Cornell University Press, 2006. Page 238.

best. For this reason, I will tackle the proposed research questions through these three lenses of analysis. While the theories of realism and liberalism will provide the backdrop of my analysis, in terms of power rivalry and state preferences respectively, I will borrow largely from the theory of constructivism to understand East Asian regionalism in the spheres of states and societies. The theory of customs union and economic integration will be useful in analyzing regionalism with respect to markets.

I will also consider the framework of critical junctures outlined by Calder,¹⁰ in order to interpret the unprecedented circumstances of the present, marked by the global financial crisis of 2007-2010 and the recent developments on the Chiang Mai Initiative. Borrowing the approach by Hale,¹¹ I will also consider country-specific perspectives, particularly the positions of the United States, China, Japan, South Korea, and ASEAN members. The framework of *Innenpolitik* and *Aussenpolitik* perspectives adopted by Kuik in *China's Evolving Multilateralism in Asia* will allow me to consider both the influence of domestic politics and external “structural forces” in a state’s foreign policy formation.¹²

In terms of methodology, I propose to work from both primary and secondary sources, comparing rival perspectives and evaluating existing theories with respect to the “facts” of Asian regionalism. Subsequently, I argue regionalism is indeed a credible path for East Asia.

Chapter outline

In the next sections of this chapter I will provide the background information about the record of regionalism in East Asia. I will also cover the main topics and theoretical perspectives

¹⁰ Calder and Fukuyama (Edit). East Asian Multilateralism.

¹¹ Hale, David. The Outlook for Economic Integration in East Asia. East Asian Multilateralism. 2008. Page 58-77.

¹² Kuik, Cheng-Chwee. China’s Evolving Multilateralism in Asia. East Asian Multilateralism. 2008. Page 111.

on East Asian regionalism in the literature review. This section will explain the reasons behind the “organization gap” in the region and introduce key issues of debate among IR scholars.

Chapter 2 will include my analysis of the current situation through the spheres of states, markets, and societies. The sphere of states will concern the political institutionalization of intra-regional relations, while the sphere of markets will be about the growth of economic interdependence and role of multinational corporations and production networks. Analysis of societies will involve constructivist approaches to understanding the development of common regional identities. I will analyze primary and secondary sources and explain what kind of regionalism is developing in East Asia. The chapter will raise the question of whether regionalism is following/will follow regionalization. I will bring up the arguments against regionalism following regionalization in East Asia and compare those with arguments in support of regionalism.

In Chapter 3 I will defend my argument in support of regionalism following regionalization in East Asia, referring to arguments mentioned in Chapter 2 and adding other examples to back my interpretation. I will analyze the positions of key players in the region, including the United States, China, Japan, Korea, and ASEAN members.

The final chapter will conclude the paper by discussing some of the key questions to ask in the long-term for a more peaceful and cooperative region. It will summarize the key points made in the first three chapters and also discuss the growing importance of cooperation in nontraditional security issues. I will discuss some of the conditions required for East Asia to successfully establish a regional community in the future.

The record of regionalism in East Asia

Governments may find regionalism attractive for a variety of reasons, including neighborhood effects, regional economies of scale, intensive trade encouraged by savings in transportation, accelerated economic growth due to improved investment relations, and increased efficiency and competitiveness resulting from international forms of deregulation at the regional level.¹³ Since the 1980s, more than 85 percent of world trade concentrated in Western Europe, North America, and East Asia has been shaped by regional integration: what are today the European Union (EU), the North American Free Trade Agreement (NAFTA), and the Association of Southeast Asian Nations (ASEAN). East Asian regionalism is relatively ‘unimpressive’ in terms of the formal international institutions that scholars of Europe or North America normally consider, but countries in the region are markedly interdependent over a range of different dimensions.¹⁴ The comparative lack of institutionalization does not necessarily suggest that there is less or little regionalism in East Asia.

Amid the continuing conflict in Vietnam during the 1960s, Malaysia, followed by the Philippines and Thailand, initiated the Association of Southeast Asia in 1961. A loose confederation of the Malay peoples called Maphilindo succeeded this initiative in 1963, which was superseded by an even more ambitious organization named the Association of Southeast Asian Nations (ASEAN) in 1967.¹⁵ Including Singapore and Thailand as well as the Maphilindo nations, ASEAN served as “a non-provocative display of solidarity against communist expansion in Vietnam and against insurgency within the borders of its member nations.”¹⁶

¹³ Katzenstein, 23.

¹⁴ Katzenstein and Shiraishi, 12.

¹⁵ Calder and Fukuyama (Edit), 6.

¹⁶ Calder and Fukuyama (Edit), 7.

Alice Ba characterizes the reason for ASEAN's existence within the founding context of destabilizing internal and external forces. A "relatively recent and violent history of domestic division, intraregional conflict, and intervention by outside powers: Western imperial powers, Japan, Cold War protagonists" impressed on ASEAN's founding states the need for unity both nationally and regionally.¹⁷ In contrast with other regional institutions like the EU, ASEAN champions the principles of *non-interference* and *consensus-seeking* decision-making. ASEAN states were "pre-national" (in comparison to "post-national" European states) in terms of national identity, statehood, and government legitimacy. Their recent colonial experiences led ASEAN members to value sovereignty and state autonomy above all. According to Ba, it was the consensus-based cooperation by "the lowest common denominator" that kept diverse states together.¹⁸ Although a common criticism of ASEAN is that it is more process-driven than outcome-driven, Ba suggests that such criticism may not be valid, as ASEAN generally succeeded in gaining important "performance legitimacy" by achieving what it was designed to achieve, that is, promoting greater unity and stability within and surrounding the Southeast Asian region.

Indeed one could argue that Northeast Asia has been riding on Southeast Asian regional institutions since the 1990s. The Malaysian Prime Minister Mohamad Mahathir proposed in 1990 the idea of an East Asian Economic Grouping (EAEG) that would have created an East Asian free trade area among China, Japan, Hong Kong, South Korea, Taiwan, and ASEAN members. While this idea did not materialize into a formal institution, mainly due to opposition from the United States and cool response from Japan and South Korea,¹⁹ Mahathir's EAEG was incorporated into APEC in 1993 in the form of an East Asian Economic Caucus. Since such

¹⁷ Ba, Alice D. (Re)negotiating East and Southeast Asia. Stanford University Press, Stanford, 2009. Page 31.

¹⁸ Lecture at Pomona College. November 23, 2010.

¹⁹ Lee, Sook-Jong. Korean Perspectives on East Asian Regionalism. East Asian Multilateralism. 2008. Page 201.

cooperation represented a consolidation of Southeast and Northeast Asian regionalism, ASEAN began to be taken more seriously by Northeast Asian states.²⁰ This was followed by the establishment of the ASEAN Regional Forum (ARF) in 1994, marking the first regional forum to discuss the possibility of security cooperation in the Asia-Pacific region. Ba describes the gathering to have been informal and dialogue-based, as the “format of the discussion was loose, focused more on spontaneous and organic discussion rather than a strict agenda or ‘rigid road map’.”²¹ So the ARF did not provide a sophisticated multilateral security arrangement, although it may have stimulated Northeast Asian nations to view ASEAN as a more important player in Asian diplomacy.

ASEAN states first met with China, Japan, and Korea on the sidelines of the first meeting of the ARF in 1994. During the following year, the ASEAN Plus Three (China, Japan, and South Korea) (APT) framework was established as a by-product of preparations for the first Asia-Europe Meeting in Bangkok in 1996. This informal meeting became institutionalized as an annual event after the Kuala Lumpur ASEAN Summit in 1997 following the Asian financial crisis. Since the three Northeast Asian countries accounted for about 90 percent of East Asia’s GDP, their participation represented much promise for a strong regional institution.²² In such manner, ASEAN succeeded in bringing together three Northeast Asian nations that otherwise could not form their own subregional body.

The Asian financial crisis of 1997 allowed an opportunity for APT member states to consolidate their coordination amidst a common desire to limit the influence of the United States and international institutions controlled by the United States. During the crisis Japan initially proposed the establishment of a U.S.\$100 billion Asian Monetary Fund (AMF) to deal with

²⁰ Lee, 201.

²¹ Ba, 180.

²² Ba, 198.

currency crises until the initiative was derailed by the United States. Later APT finance ministers gathered in Chiang Mai, Thailand, in 2000 to create a network of currency-swap agreements to prevent future currency crises. In fact ASEAN Plus Three has in March 2010 officially signed a multilateral U.S.\$120-billion currency swap deal, moving forward the Chiang Mai Initiative.

Literature Review

Here I will provide a review of the literature that identifies the prevalent interpretations and counter-interpretations of regionalism in East Asia. Much of the literature views the postwar East Asian system of economics, politics, and security as *unorganized*, especially when compared to the European system. While Europe achieved regional stability after WWII through the Franco-German accord and regional institutions like the North Atlantic Treaty Organization (NATO), the European Union, and the Council of Europe, Asia has no legally binding, region-wide multilateral institutions despite (or because of) the potential for power rivalry given deep historical antagonisms, conflicting economic systems, and disputed territories.

In *A New Order in East Asia?*, Ikenberry describes the postwar political order that did emerge, “partly by accident and partly by design,” in East Asia.²³ He argues that the relatively stable and peaceful order in East Asia today is a result of “hard” bilateralism and “soft” multilateralism, centered in the U.S.-Japan alliance and the wider system of bilateral alliances that connect the United States to Korea, Taiwan, and other Asian nations. This system of “hub-and-spokes” is supplemented by various “soft regional dialogues,” which include APEC, ASEAN Regional Forum, ASEAN Plus Three, and the Asian Summit.²⁴ Ikenberry defines East Asia’s security order around the American alliance system and the economic order around a

²³ Ikenberry, John G. *A New Order in East Asia? East Asian Multilateralism*. 2008. Page 219.

²⁴ Ikenberry, Page 219.

trans-Pacific trade and investment system that includes the United States as a major market destination and China as the low-cost workshop. Against this framework, the important question is how the old order, characterized by bilateral security underpinnings and the hegemonic presence of the United States, will accommodate the rise of China and the normalization of Japan.

Similarly, Cumings identifies American unilateralism in East Asia as the creator of a “hub-and-spokes” system in which the capitalist countries of the region communicated with each other *through the United States*.²⁵ Accepting American military bases on their territory, at times acquiescing military control to the United States, and creating defense dependencies, countries like Japan, the Philippines, South Korea, and Taiwan became “semi-sovereign” states “incapable of anything resembling independent foreign policy or defense initiatives.”²⁶ Cumings conclude that because of this dependency on the United States, East Asia remains more divided than united, and that to a great degree, the United States remains the key enabler or obstacle of either multilateralism or unilateralism in East Asia.

While Calder and Fukuyama acknowledge both the dominant presence of the United States in East Asia and the “multilateral organization gap” as prominent characteristics of East Asian political economy, they give more credit to the formal institutional attempts by East Asian nations to regionalize after WWII and argue that from a comparative perspective, the region is “by no means devoid of regional architecture.”²⁷ In *Critical Junctures and Northeast Asian Regionalism*, Calder argues that political crises, in particular the Korean War and the Asian financial crisis, heavily influenced regionalism in East Asia. Calder defines a critical juncture as a “historical decision point in which there are clear alternative paths to the future,” often

²⁵ Cumings, Bruce. *History and Practice of Unilateralism in East Asia*. East Asian Multilateralism. 2008. Page 45.

²⁶ Cumings, 45.

²⁷ Calder and Fukuyama (edit). Introduction. Page 2.

following a *crisis* that challenges the legitimacy of the current arrangements.²⁸ Such a crisis breeds *stimulus for change* and generates a need for *collective action* to address a common problem under intense *time pressure* on the parties involved.

East Asia, argues Calder, experienced such critical junctures following the Korean War and the Asian financial crisis. The Korean War introduced the Pentagon as a central policy actor in the region as American military leaders wanted to secure unrestricted U.S. access to bases in Japan and thus prioritized a bilateral relationship with Japan. A multilateral regional security pact no longer seemed necessary or sufficient, despite how Japan, the United States, and other important American allies in Asia looked favorably upon the idea of a multilateral Pacific Pact prior to the Chinese intervention in the Korean War late in 1950. This resulted in the U.S.-centric San Francisco System, which created a bilateralist “hub-and-spokes” framework discussed earlier. In such manner, the critical juncture of the Korean War explains why the fledgling multilateralism of the Pacific Pact initiative did not succeed and how the “organization gap” remains to this day.

The Asian financial crisis of the late 1990s provided a similarly important turning point for East Asia. Although less directly harmed by the crisis than their neighbors, both Japan and China suffered economically from the macro-economic downturn, and China in particular began to make a gradual move toward multilateralism in the region. Calder argues that before the crisis, China had “tended to pursue a narrow, mercantilist definition of national economic interest that was destabilizing to the broader region (as manifested in the 1994 devaluation of the renminbi).”²⁹ The Asian financial crisis prompted China to reconsider its own vulnerability to international monetary developments, its deepening intraregional networks in international

²⁸ Calder, Kent E. *Critical Junctures and the Contours of Northeast Asian Regionalism*. East Asian Multilateralism. 2008. Page 16.

²⁹ Calder, 31.

finance with Japan and Korea, and its economic and diplomatic potential in the region given the regional competitive dynamics. China moved toward intra-Asian financial cooperation during 1998, and also signed the Southeast Asia Nuclear Weapon Free Zone treaty and the Treaty of Amity and Cooperation with Southeast Asia on July 27, 1999. Through such initiatives, the crisis instigated new forms of economic multilateralism like the Chiang Mai currency-swap arrangements and the Asian Bond Fund (ABF). These marked the first postwar movement “away from a Washington-centric bilateralist hub-and-spokes framework and *toward* increased intra-Asian political economic integration, with multiple leading players in finance.”³⁰ In discussing the current situation in East Asia, Calder and Fukuyama suggest that the “calculus has arguably changed,” given the volatility of global finance, Asia’s role as the dominant global creditor, and the clear dangers for financial stability under Washington-centric hub-and-spokes structure that does not necessarily reflect the interests of the region itself.³¹

In *The Outlook for Economic Integration in East Asia*, Hale provides several useful insights into the character of Asian intraregional trade and the attempts at economic integration. He provides the following six factors to explain the new enthusiasm for bilateral and regional free trade agreements (FTAs) in East Asia since year 2000:

- 1) The Asian financial crisis of 1997-1998 has encouraged Asian countries to explore new forms of economic cooperation.
- 2) There is great concern about whether the WTO Doha Round of global trade negotiations will be able to produce a successful outcome.
- 3) The rise of China as a great economic power is producing major changes in both regional and global trade flows.

³⁰ Calder, Page 35.

³¹ Calder and Fukuyama (edit), Page 9.

- 4) Japan is trying to use trade diplomacy to enhance its relationship with other countries in the region as China takes over its position as the leading regional economic power.
- 5) Small countries like Singapore are attempting to promote both trade and investment in the region through the FTAs.
- 6) There is natural support for promoting further economic integration in Asia given the lack of FTAs in the region despite a high level of trade integration.³²

Hale also explains the increasingly important role of the private sector and the policy goals of China in East Asia. He expects business leaders and corporate executives to be the ones to control government officials and prevent them from allowing political conflicts to disrupt the benefits of East Asia's economic integration and progress. In fact, Hale suggests that the "overwhelming role of the private sector" is the critical difference between integrationist trends in East Asia today and those observed in Europe during the 1950s.³³ Although politicians and government officials do play a critical role in enforcing the rule of law for international trade and investment, their contribution to market integration in East Asia would be obsolete if not for the excitement from businesses about the opportunities offered by economic interaction in the Pacific region.

Hale claims comparing regionalism in Asia with that of Europe or North America is not very helpful because of profound historical differences. After all, only three nation-states in East Asia- China, Japan, and Thailand- enjoyed independence at the beginning of WWII, compared to European nation-states that have been independent for many centuries. Rather than dwelling extensively on such comparisons, Hale attempts to offer region- and country-specific perspectives and focuses especially on China's role in East Asian regionalism. Studying China's

³² Hale, David. *The Outlook for Economic Integration in East Asia*. East Asian Multilateralism. 2008. Page 59.

³³ Hale, 77.

perspective in East Asia is crucial in understanding the region, as the rise of China will play a decisive role in shaping both regional and global trade policy. According to Hale's analysis, China will pursue a "two-track policy," encouraging an open global trading system while also pursuing regional FTAs for both economic and geopolitical reasons.³⁴ China will advocate for openness in the global trading system because it *depends* on the world economy. China has attracted well over U.S.\$600 billion of foreign direct investment in the past dozen years, displaced the United States to become the world's leading consumer of most industrial raw materials, and accounted for nearly 40 percent of the growth in global oil consumption during 2004.³⁵ In 2009, China exported \$1.2 trillion worth of goods in the global market, second only to the combined exports of all member states in the European Union.³⁶ From China's perspective, the argument for an open multilateral trading system, rather than a system characterized by regional trade agreements, holds strong. But at the same time, since China cannot control the outcomes of the Doha Round, it has an incentive to secure regional markets. Two-thirds of China's foreign investment comes from other Asian countries, mainly from Japan, Korea, Singapore, and Taiwan, and China's trade relations with East Asia have been increasing steadily since the 1980s.³⁷ Combined with China's great potential for regional leadership, such factors may persuade China to simultaneously promote strong regionalism in East Asia.

Given the drastic increase in the number of PTAs and FTAs in East Asia over the past ten years, the important question becomes the following: what are the implications of the new bilateral agreements in East Asia for existing multilateral groupings that could serve as precursors to stronger East Asian regionalism? In *The New Bilateralism in East Asia*, Ravenhill

³⁴ Hale, 62.

³⁵ Hale, 60 and 61.

³⁶ CIA The World Factbook. Retrieved October 29, 2010. <<https://www.cia.gov/library/publications/the-world-factbook/rankorder/2078rank.html>>

³⁷ Hale, 61.

evaluates the three potential effects of new bilateralism on the prospects for multilateralism in East Asia: 1) it could obstruct multilateralism, 2) it could have no significant effect on multilateralism, or 3) it could play a positive role in laying the foundation for future collaboration on a broader geographical scale.³⁸ PTAs involving East Asian economies- ranging from China-ASEAN agreements to Singapore-U.S. agreements- could influence regionalism significantly. Ravenhill suggests that the new bilateralism in East Asia provides a foundation for building an economic community that stretches *beyond the region*, especially because of its overwhelming dependence on extra-regional markets for its exports (the United States in particular) and the trade triangles between China, other East Asian countries, and the U.S. (East Asian countries supplying components to China and China exporting assembled products to the U.S.).³⁹ A variety of factors, including the failure of ASEAN Plus Three to make progress toward an East Asian free trade area, lead Ravenhill to conclude that “the current wave of trade bilateralism rather than a truly East Asian trade regionalism is likely to continue.”⁴⁰ Such pulls between globalization and regionalization, along with U.S. market dependency of many Asian countries, lead scholars to point out the infeasibility of a closed system of East Asian regionalism.

Rosen in *China and the Impracticality of Closed Regionalism* argues China cannot manage its economic interests within Asia-centric alternatives to multilateralism in the near or the medium term.⁴¹ He does not, however, dismiss the possibility of “Asianism” in the long-term. If arguing for such a possibility, Calder would point to the Chiang Mai initiative, which in his words, “clearly represents an *intensification* of regionalism in Asia, with a multilateralist cast

³⁸ Ravenhill, John. *The New Trade Bilateralism in East Asia*. East Asian Multilateralism. 2008. Page 86.

³⁹ Ravenhill, 96.

⁴⁰ Ravenhill, 96.

⁴¹ Rosen, Daniel H. *China and the Impracticality of Closed Regionalism*. East Asian Multilateralism. 2008. Page 145.

despite the bilateral machinery involved.”⁴² The members of the currency-swap initiative are exclusively Asian nations and the basic configuration of the agreements was decided multilaterally at Chiang Mai, independent of the United States and U.S.-influenced organizations like the IMF. According to Calder, at least in the area of finance if not in trade, there is “*real and expected*” prospect for a regionalist institution in East Asia.⁴³ If business firms and economic forces truly “drive the dynamics of the region,”⁴⁴ we might expect East Asian regionalism to strengthen in terms of economic cooperation.

In *A World of Regions: Asia and Europe in the American Imperium*, Katzenstein argues that any region-wide security order was undermined by the legacy of the Chinese Revolution, as well as the Korean and Vietnam wars. He characterizes Asia’s regional security order to be substantially organized by the logic of power-balancing, bandwagoning, and threats, with states continuing to favor the “traditional mixture of self-help, bilateral security arrangements, and a U.S.-centered alliance system.”⁴⁵ The only regional institution in Asia that attracted strong political support is ASEAN. Unlike Europe, however, the political heterogeneity of Asian regimes has prevented either ASEAN or the ASEAN Regional Forum (ARF) to make democratic governance a key requirement for institutional membership. In fact, ASEAN developed a distinctive style of conflict management called “the ASEAN way” that avoids legal agreements and blurs the distinction between official (track one) and semiofficial (track two) dialogue.⁴⁶ In 1994 the ARF explicitly endorsed the principle of *non-interference*. Despite being the only multilateral security institution in Asia, the ARF lacks a secretariat and its twenty-one members

⁴² Calder, 32.

⁴³ Calder, 32.

⁴⁴ Cumings, 48.

⁴⁵ Katzenstein, 141.

⁴⁶ Katzenstein, 141.

are called mere “participants.”⁴⁷ Due to the experiences of postcolonial states of Southeast Asia, the norm of non-interference in domestic affairs has been firmly held and sovereignty strongly defended, to the point where ASEAN has resisted international pressures directed against the military regime in Burma. Given such tendencies, Katzenstein concludes that Asian states remain “deeply ambivalent about the regionalization of their security policies” and still cooperate through marginal adjustments, insistence on state sovereignty, and a preference for bilateralism.⁴⁸

Katzenstein also argues that Asian regionalism is informal and operates predominantly through market institutions. Given that between two-thirds and four-fifths of total world trade and investment flows occur both within and between the economies of North America, Europe, and East Asia,⁴⁹ regions play a critical role in global markets. At the turn of the new century, China, Japan, Korea, and Taiwan were the only countries among the world’s large economies that have not negotiated a preferential trading agreement (PTA); East Asia in general significantly lagged behind in the “rush to regionalism” by other regions including the Euro-Mediterranean, Americas, and Eastern Europe and Central Asia.⁵⁰ Yet after 2000, more than 60 PTAs involving East Asian economies were negotiated and a couple of dozen more potential PTAs are the subject of semiofficial study groups, making East Asia the *world’s most active region* for the negotiation of PTAs.⁵¹

Katzenstein argues that regardless of the possibility of building a European-style regional political organization in East Asia, regional production networks already connect producers,

⁴⁷ Katzenstein, 141.

⁴⁸ Katzenstein, 148.

⁴⁹ Katzenstein, 25.

⁵⁰ Ravenhill, 80. Figure 4.1

⁵¹ Ravenhill, 79.

subcontractors, and distributors across sectors and national borders.⁵² He suggests that since the 1970s, informal ethnic networks, for example Japanese and Korean corporate networks and Chinese firms organized along family or clan groups, formed new regional links and changed the patterns of Asian trade and investment.⁵³ Yet such networks do not function by themselves, as their dependence on the U.S. markets creates a structural predisposition for *openness* in Asia's political economies. The Asian financial crisis of 1997 revealed how closely Asia is linked to a U.S.- and IMF-centered approach rather than an Asia-centered approach to regional financial order. Katzenstein concludes that because of this dependence on the United States and the preference for flexible and informal political arrangements, Asian regionalism will most likely continue to follow the path of *openness* to global markets and will not adopt institutional features of the European-style monetary integration.

Cultural identities constitute an important argument in Katzenstein's view. He sees cultural identities as consequences of "collective memories, primarily intensely experienced national memories, which link the present to the past" and in the case of East Asia, they are "embedded in an American imperium that provides both a common regional foil of anti-Americanism and a common experience of Americanization."⁵⁴ He argues that collective memory has been consequential, citing the example of how the memory of Japanese atrocities in Asia is largely silenced or subject to continuing controversy. The unwillingness of Japanese leaders to apologize publicly has "undermined greatly the trust Japan enjoys in Asia and hampered the emergence of a regional collective identity in Asia."⁵⁵ Such factors could arguably influence regional cooperation not only in cultural terms but also in political and economic terms

⁵² Katzenstein, 125.

⁵³ Katzenstein, 146.

⁵⁴ Katzenstein, 86.

⁵⁵ Katzenstein, 87.

if Asian states cannot trust Japan or if conflicting nationalism prevents the formation of a greater regional identity.

On a lighter note, Katzenstein also discusses the regional spread of Japanese popular culture:

*“Japanese family television dramas, not Western soaps; Japanese horror movies, not Western versions with blond and blue-eyed characters; the familiar cuteness of Pokémon characters, not Mickey Mouse; and Japanese pop songs easily adapted to karaoke, not choreographed American bands- all of these cultural products sell in Asia because they resonate more fully with existing cultural repertoires.”*⁵⁶

Between 1990 and 2002, foreign royalties from Japan’s popular culture industries increased by threefold to \$12.5 billion. Exporting mass culture has been a successful endeavor for Japanese firms, and one consequence resulting from that success can be described as “a new sense of sameness between Japan and other parts of Asia and beyond.”⁵⁷ South Korea, for example, initially imposed a total ban on the import of Japanese cultural products (similar to Thailand and the Philippines, which have resisted the appeal of Japanese manga and other potentials of Japanese “cultural imperialism”). But even prior to the official opening of the South Korean market to Japanese cultural imports, South Korea was already affected by Japanese manga and anime, which controlled 70 percent of the Korean market.⁵⁸ Now with the spread of Korean popular culture in Asia, the merging of Japanese and Korean popular cultures continues at great speed despite “unresolved issues stemming from contested historical memories.”⁵⁹ Such

⁵⁶ Katzenstein, 167.

⁵⁷ Katzenstein, 163.

⁵⁸ Chung, Daekyun. 1997. Nationalization and Naturalization: Practice and Process of the Korean Incorporation of Japanese Culture. *Journal of Pacific Asia* 4: 47-64. Page 58-59.

⁵⁹ Katzenstein, 166.

processes can arguably construct cultural similarity among Asian nations and contribute to a stronger regional identity.

In *How Ideas Spread: Whose Norms Matter? Norm Localization and Institutional Change in Asian Regionalism*, Acharya focuses on a dynamic process called *localization*. He defines the concept as the “active construction (through discourse, framing, grafting, and cultural selection) of foreign ideas by local actors” (in this study ASEAN and the ARF) that results in the foreign ideas developing significant similarity with local beliefs and practices.⁶⁰ Localization is facilitated by the norm-takers’ sense of identity, particularly if they think of themselves as being unique in terms of their values and interactions. Since the “ASEAN Way” is regarded as a unique set of norms and practices characterizing regionalism in Southeast Asia, we can expect ASEAN to have developed a habit of *localizing* foreign ideas and not simply adopting them as they come. Acharya’s study finds that the localization of European-style cooperative security and humanitarian intervention had several effects on ASEAN, including the acceptance of security dialogues and security cooperation as a formal task for ASEAN itself and the adoption by the newly-formed ARF of new policy instruments like confidence-building measures (CBMs). Yet ASEAN continues to exclude human rights and democratic assistance tasks, to prize the target norm of non-interference, and to maintain new policy instruments weak and limited. In such manner, Acharya argues that “local actors do not remain passive targets and learners” but rather actively borrow and modify transnational norms “in accordance with their pre-constructed normative beliefs and practices.”⁶¹ The dynamic theory of localization offered by Acharya helps us understand why any given region may accept a particular norm while rejecting another. This implies that scholars of regionalism in East Asia should not expect the development of identical

⁶⁰ Acharya, Amitav. *How Ideas Spread: Whose Norms Matter? Norm Localization and Institutional Change in Asian Regionalism*, 2004. *International Organization*, Vol. 58, No.2, pp.239-275. Page 245.

⁶¹ Acharya, 269.

legalistic attributes of European regionalism, but rather pay attention to the localization of international multilateral concepts given East Asia-specific regional identity norms and processes.

In the above literature review I have attempted to cover the main topics and theoretical perspectives regarding regionalism in East Asia by discussing the scholars' perspectives in their terms. Much of the review has explained the reasons behind the "organization gap" in the region and why Asian regionalism cannot be strictly compared with European regionalism. It becomes important to ask whether low levels of institutionalization are not necessarily an indicator of weak regionalism and whether regionalism is in fact following regionalization in East Asia. The next chapter will discuss this issue in further detail. I will offer my analysis of the current situation and rivaling interpretations through an analytical framework of states, markets, and society.

Chapter 2: Regionalization and regionalism in East Asia

In this chapter I will provide an analysis of the current situation in East Asia through the analytical spheres of markets, societies, and states. Over the past three decades East Asia has moved toward regional integration with increasing rapidity, a movement that may be characterized by the two processes of regionalism and regionalization. Regionalism refers to the process of political institutionalization in which nation-states convene through top-down activities, while regionalization involves societal-driven processes in which factors like markets, investment flows, and private companies develop regional tendencies. The spheres of markets and societies will describe the regionalization in East Asia, while the sphere of states will show the extent to which regionalism follows regionalization in East Asia. The last section of this chapter will raise the main topics of debate regarding this question, to which I will provide my own argument in Chapter 3.

Unique regional dynamics in East Asia

David Kang in his *China Rising: Peace, Power, and Order in East Asia* identifies three important drivers for the increased regionalism in East Asia: 1) favorable conditions for regionalism after the end of the Cold War, 2) realization of the interconnectedness of the region after the 1997 Asian financial crisis, and 3) increasing confidence among Asian states after the rapid economic growth in the region over the past several decades.⁶² The divisions created within the region during the Cold War as the Soviets and Americans competed for influence no longer existed as a hindrance to regionalism. The Asian financial crisis showed Asian nations how interconnected they were with one another and how the United States was not as willing to aid

⁶² Kang, David C. *China Rising: Peace, Power, and Order in East Asia*. Columbia University Press, New York, 2007. Page 71.

East Asia as had been expected. Given the overall success of the “developmental state” model in which Asian governments actively supported the export-driven development strategies, neighboring states were more prepared to increase their interaction on economic matters.

Evidence of regionalism in East Asia includes the growth of intra-regional institutionalization and cooperation since the 1980s. ASEAN, which originally consisted of only six countries, expanded to ten countries by granting membership to Vietnam, Laos, Cambodia, and Burma during the 1990s. Other organizations branching out of ASEAN includes ACFTA (ASEAN-China Free Trade Area, 2005), ARF (ASEAN Regional Forum, 1994), ASEAN +1 (ASEAN and China), and ASEAN + 3 (ASEAN and China, Japan, and South Korea, 1997). One could argue that East Asia is far more integrated than many observers think because many of the multilateral institutions include China as a regular member. For example, China signed the Treaty of Amity and Cooperation in Southeast Asia in 2003, pledging to avoid disputes and resolve any disputes that do occur through peaceful means.⁶³ China also signed the Declaration of the Conduct of Parties in the South China Sea in late 2002 that prohibits the use of force to settle disputed claims over the oil-rich Spratly Islands.⁶⁴ Another prominent area of cooperation is in the financial sector, as China and other East Asian countries, along with the Asian Development Bank, attempt to create a regional bond market and a currency swap arrangement among Asian states in order to enhance Asia’s financial resilience toward external shocks.

While the observations above reveal signs of regionalism in East Asia, many scholars question why greater levels of political institutionalization have yet to materialize in the region given the high levels of regionalization. It is apt to assume that in East Asia, regionalism is following regionalization, and not the other way around, because political leaders use both

⁶³ Kang, 73.

⁶⁴ Kang, 73.

material and cultural capital to argue for domestic coalition building and enhanced regional integration. In other words, increased commercial and human transactions (regionalization) provide the rationale for the creation of institutions that express a common sense of identity and shape collective action (regionalism). Kang characterizes regionalization in modern East Asia into three major strands of relations: 1) the “flying geese” model built around Japanese capital and technology that incorporated the economies of other Asian nations into the Japanese corporate model, 2) the Chinese diasporas throughout Southeast Asia that increasingly ties China into the region, and 3) other East Asian business conglomerates that have increasingly invested not only in the United States and Europe but also extensively in East Asia.⁶⁵ Another important aspect of regionalization is the cultural flows of people and ideas. Intra-regional tourism and travel, along with common television dramas and other shared pop culture experiences, continue to strengthen regionalization.

Although political leaders express awareness for such regional developments and frequently show support for more regional cooperation, the prevailing opinion is that regionalism is “more talked about than acted upon.”⁶⁶ Skeptics argue that regionalism in East Asia lacks a clear objective, a shared vision, and strong political support. The main dilemma for advocates of regionalism is how to create strong intergovernmental regional organizations in a context of notable diversity in which states are fully committed to the protection of sovereignty and individual state autonomy. So far this conundrum has been dealt with through the “ASEAN Way” or the “Asia-Pacific Way” characterized by step-by-step incremental progress, the lowest common denominator, consensus, and peer pressure.⁶⁷ As opposed to other regional institutions

⁶⁵ Kang, 73-74.

⁶⁶ Evans, Paul. *Between Regionalism and Regionalization: Policy Networks and the Nascent East Asian Institutional Identity*. Remapping East Asia. Cornell University Press, Ithaca and London, 2005. Page 196.

⁶⁷ Evans, 196.

relying on independent staffs and special expertise, rules, and enforcement mechanisms, the “ASEAN Way” asserts that high levels of cooperation is possible with low levels of institutionalization. Out of the tension between aspirations for building multilateral cooperation and political realities constraining such developments emerges the peculiar regionalism in East Asia that sometimes blurs the distinction between governmental and non-governmental activities. As Sung-Joo Han observed, “Although it is underdeveloped, regionalism in Asia is complicated enough.”⁶⁸

Following the above discussion on the basic debates regarding the dynamics of East Asian regionalization and regionalism, the next section of this chapter will consider in further detail the spheres of markets and societies in which “regionalization” takes place. It will discuss the extent to which regionalization has taken hold of East Asia by raising evidences of increased commercial and human transactions in the specified geographic region. Then I will provide an analysis of the sphere of states, focusing on the political institutionalization of intra-regional relations. This latter section will raise the main topics of debate regarding the extent to which regionalism is following regionalization.

Regionalization- markets and societies

In order to evaluate regionalization through the lens of markets, the first section will focus on the growth of economic interdependence and role of multinational corporations and production networks. Generally speaking, intraregional flows of trade and investment have increased steadily in East Asia, and many multinational corporations (MNCs) now use foreign direct investment (FDI) to extend their global reach to various parts of the region in an effort to

⁶⁸ Han, Sung-Joo. “East Asian Regional Cooperation.” Notes for a presentation to the Carnegie Council. January 30, 2002.

exploit their competitive advantages.⁶⁹ Regional production networks of these MNCs have expanded and diversified, largely spurred by China's rapid economic rise.⁷⁰ These market developments involving the pursuit of corporate self-interest play an unintentional bottom-up role in integrating or "regionalizing" East Asia.

Increased economic interdependence over the past decade serves as a key driver of regional integration in East Asia. Over half of all East Asian trade now occurs within the region, representing a level of intraregional trade higher than that of any region except the European Union.⁷¹ Although East Asia continues to maintain strong trade relations with the global economy, the intensity of intraregional trade outpaces growth in gross domestic product and growth in trade with the world.⁷² This is especially significant in the context of China's rapid trade growth and East Asia's growing participation in worldwide trade. Regional production networks drive this increase in trade integration, as MNCs relocate products and services to overseas production bases within the region. It is important to note that the share of intraregional trade in imports has experienced a greater increase than the share of intraregional exports, mainly due to the fact that the finished consumer goods at the end of the production chain continue to be exported at high levels to the United States, Europe, and other global markets.⁷³ In such manner, countries in East Asia increasingly trade with one another, while simultaneously trading more with the entire world as their economies grow. Because regional production networks initiated by the MNCs require coordination of relevant business functions (procurement, personnel, sales, etc.) across national borders, they serve as a force in the regionalization of East Asia by

⁶⁹ Tachiki, Dennis. *Between Foreign Direct Investment and Regionalism: The Role of Japanese Production Networks. Remapping East Asia.* Cornell University Press, Ithaca and London, 2005. Page 149.

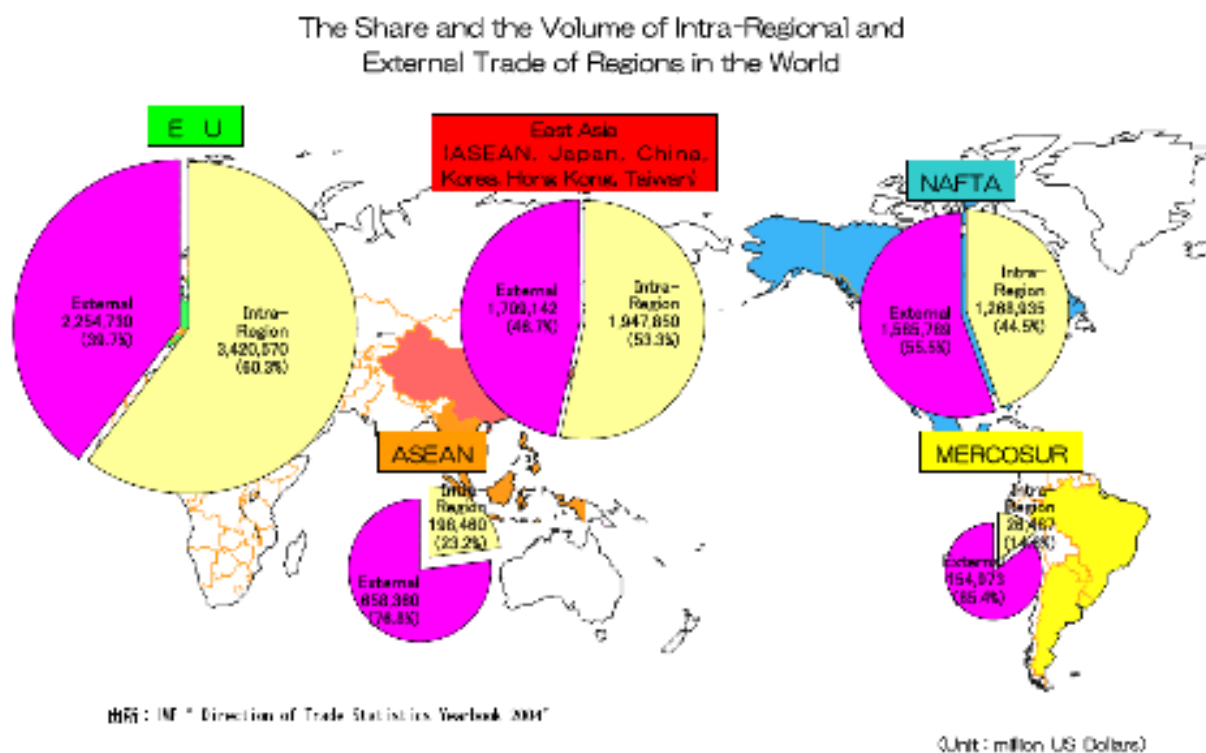
⁷⁰ Searight, Amy. *Emerging Economic Architecture in Asia: Opening or Insulating the Region? Asia's New Multilateralism.* Columbia University Press, New York, 2009. Page 194.

⁷¹ Ministry of Foreign Affairs, Japan, "Growth of the Share of the Intra-Regional Trade among East Asian Countries," <http://www.mofa.go.jp/region/asia-paci/growth.pdf>. 2004.

⁷² Searight, 194.

⁷³ Searight, 195.

prompting collective actions of individual economic actors.⁷⁴ Such coordination inevitably leads to regional integration from the bottom up.



Source: Ministry of Foreign Affairs, Japan.

To illustrate the deepening economic ties within East Asian economies, Dennis Tachiki uses the example of Japanese production networks in East Asia. According to Tachiki, FDI statistics do not reveal a clear picture of higher involvement by Japanese companies in East Asia because they are based on bilateral transactions that fail to represent the multilateral transactions and interactions that constitute Japanese production networks. In particular, segmentation strategies- either segmentation by product or segmentation by function- adopted by Japanese MNCs created the need to coordinate internationally dispersed segments of a regional production network for getting a product to the market. This placed great importance on the efficient

⁷⁴ Tachiki, 150.

governance structure for coordinating the product and business function segments, including the need to minimize the costs related to logistics and warehousing (which consist much of the total cost of a product).⁷⁵ In order to minimize such costs and to spread the risks of moving its products across borders, MNCs are willing to take less than 100 percent ownership of a subsidiary. In fact, wholly owned subsidiaries account for only one-third of the Japanese FDI cases, and half of the remaining two-thirds are minority ownership.⁷⁶ Such observations lead Tachiki to conclude that Japan is deepening its economic ties to the East Asia region to a greater degree than suggested by traditional FDI statistics, which ignore the broader regional and subregional production networks throughout the region.

By the 1990s, newly industrialized countries of Northeast Asia other than Japan and investors from lower-income but high-growth economies in Southeast Asia began to make significant contribution toward regional direct investment flows.⁷⁷ Ethnic Chinese investors carried out most of such transnational business involving Southeast Asian, Taiwanese, and Hong Kong firms. A large part of the private business sector in Southeast Asia, for example, consists of ethnic Chinese locals, which may be a result of earlier migration patterns from China that disbursed family members, contacts, and know-how across the Pacific and particularly in Southeast Asia.⁷⁸ Relationships with other ethnic Chinese actors served as an important foundation around which transnational, regionally-focused operations were built.

Although much of the above processes of economic regionalization are largely informal and private, it does not rule out formal intergovernmental regional cooperation. In fact, East

⁷⁵ Tachiki, 157.

⁷⁶ Tachiki, 158.

⁷⁷ Hamilton-Hart, Natasha. *The Regionalization of Southeast Asian Business: Transnational Networks in National Contexts. Remapping East Asia*. Cornell University Press, Ithaca and London, 2005. Page 175.

⁷⁸ McKeown, Adam. "Conceptualizing Chinese Diaspora, 1842-1949." *Journal of Asian Studies* (1999) 58, 2: 306-37.

Asian governments sometimes cooperate with one another in encouraging FDI in order to promote their own economic development.⁷⁹ In the case of early Japanese FDI in Southeast Asia, for example, ties between Japanese firms and Japanese governmental/quasi-governmental agencies provided coordination, infrastructural support, and access to capital that enabled relatively small firms to participate in the larger regional production networks.⁸⁰ Such Japanese business practices did not clash with the local conditions in Southeast Asia, given the widespread acceptance of government involvement in business in the region.

So what insights do the above observations- the growth of economic interdependence and the important role of MNCs and their production networks- contribute to the discussion of regionalization and regionalism in East Asia? It is clear that in analyzing the sphere of markets we find a concentration of activities, largely informal and private, organized on a regional basis. Factors like geographical proximity, low costs, and pro-business governments, in addition to compatible business practices in host-country nations, allowed MNCs to develop an elaborate chain of regional production. As Asian economies grow more interdependent, such economic forces play an unintentional bottom-up role of “regionalizing” East Asia. This does not necessarily imply, however, that there exists a uniform set of “Asian” business practices that is characteristic of the entire region, as outward investment from Southeast Asia, for example, does not parallel the circumstances within which Japanese FDI took place.⁸¹ It is also important to note that regionalization does not necessarily prevent the development of broader trade and investment links, as some American and European investors have made significant purchases

⁷⁹ Ravenhill, John. *APEC and the Construction of Pacific Rim Regionalism*. Cambridge University Press, Cambridge. 2001.

⁸⁰ Hamilton-Hart, 174.

⁸¹ Southeast Asian outward investment tend to be more sectorally diversified and less institutionally coordinated. It also receives less support from home government initiatives than does Japanese FDI. Hamilton, 189.

and loans in the region especially after 1997.⁸² The economic forces discussed above could also influence the direction, scope, and depth of regionalism in East Asia.⁸³ Given the “ongoing interplay between global business strategies and national policies,” the nature of trade and investment corridors could influence the *direction* of political institutionalization, the segmentation of production networks could affect its *scope*, and changes in business environments could alter its *depth*.

While the above discussion dealt with forces that are largely commercial in nature, regionalization also involves the increase of human cultural and social interactions within a specified geographic region. In analyzing the sphere of societies, this section will highlight some of the flows of people, culture, and ideas within East Asia. Some examples that immediately come to mind are tourism and migration, Korean dramas, Japanese anime, pop music, and fashion. Not only business executives but also millions of tourists, students, and other non-business travelers create air traffic in Asia like never before.⁸⁴ At least 700 flights connect China and Japan every week, and on average, around 10,000 people travel between the two countries every day.⁸⁵ Passenger traffic, not to mention cargo transport, is growing so rapidly that airports sometimes have trouble keeping up with it. While well-known Asian airlines advertise quality flights with efficient personal service, low-cost and no-frills carriers are beginning to compete by offering budget flights throughout Asia with mottoes like “Now Everyone Can Fly”.⁸⁶ Such

⁸² Hamilton-Hart, Natasha. *Capital Flows and Financial Markets in Asia: National, Regional or Global?* Beyond Bilateralism: The U.S.-Japan Relationship in the New Asia-Pacific. Stanford: Stanford University Press. 2004.

⁸³ Tachiki, 168.

⁸⁴ For example, over 4.4 million Chinese tourists visited Southeast Asia in 2004, in addition to almost 3.5 million Japanese tourists. Frost, Ellen L. and Kang, David C. *Security in Northeast Asia: Time for New Architecture? Northeast Asia: Ripe for Integration?* Springer, Berlin. 2008. Page 230.

⁸⁵ Frost, Ellen L. *Asia's New Regionalism*. Lynne Rienner Publishers, London. 2008. Page 68.

⁸⁶ Corporate Profile. <http://www.airasia.com>. Retrieved February 16, 2011. In 2005, for example, AirAsia offered one-way flights between Singapore and Jakarta for U.S.\$19.99. Frost, 69.

trends seem to suggest greater “connectivity” in East Asia, naturally resulting in greater levels of international exchange within the region. Such interactions also contribute to the bottom-up process of regionalization, which some might argue help develop common regional identities.

According to the Asia Barometer, quite high percentages of Southeast Asians self-identified as being “Asian”, ranging from nearly 60 percent in Laos to over 90 percent in Cambodia and Myanmar.⁸⁷ Regional identity seems to be much weaker in other countries like Japan, South Korea, and China than in Southeast Asia, as only 42 percent of respondents in Japan and 6 percent in China chose “Asian”. It is probably safe to state that neither in Japan nor in China are there serious efforts to cultivate regional identity in public speeches or in schools, and even if there were such efforts, changes in self-perception usually happen over a long period of time. Yet there have been attempts to profess the importance of “Asian values” by political elites particularly from Southeast Asia. In the words of Lee Kuan Yew, Singapore’s remarkable economic development was attributable to “thrift, hard work, filial piety and loyalty in the extended family, and, most of all, the respect for scholarship and learning.”⁸⁸ Such language came to form the idea of Asian values, an “Asian way”, or “Asian ethic”. Mark Beeson summarizes the implicit and explicit features of Asian values as follows:

- A number of core civilizational values broadly associated with Confucianism;
- A belief in, and pursuit of, social harmony as consequence of such underlying values;
- The family, rather than the state or the individual ought to be the focal point of social organization;

⁸⁷ Except for Indonesians (39 percent). They were asked the question, “Do you identify with any transnational group?” 2005. Asia Barometer. Frost, 241.

⁸⁸ Beeson, Mark. Regionalism & Globalization in East Asia: Politics, Security & Economic Development. Palgrave MacMillan, New York. 2007. Page135.

- Political decision-making through consensus rather than confrontation and competitive politics;
- A preparedness to sacrifice individual interests in favor of the collective good;
- Respect for age, authority and hierarchy;
- An emphasis on personal relationships, especially in business;
- A rejection of ‘Western’ preoccupations with individualism and human rights⁸⁹

Given the high level of generalization and stereotypical notions of cultural difference, one could argue that the entire Asian values discourse is almost meaningless. There is also no denying that such language was most frequently used in the mid-1990s when East Asia was in the midst of seemingly unstoppable economic development and became much less used after the financial crisis of 1997. Yet the idea of Asian values is worth revisiting today with regards to human rights and the declining American “soft power” in the region. Now that some degree of economic development has been achieved in many parts of East Asia, a salient question for many of its political elite is whether “political development” (toward “freedom” and “democracy”) needs to be a priority on their agenda. Examples of non-compliance with international standards of political practice- e.g. human rights policies of ASEAN groupings in general and of Myanmar in particular- seem to suggest that differences of opinion about the importance of human rights issues will continue to complicate relations at inter-regional summits such as the Asia-Europe Meeting (ASEM). It is important to note here that the United States’ influence in shaping East Asia’s strategy may be declining at the level of “soft-power” because America’s moral authority has been seriously undermined by its own actions.⁹⁰ Cases like Abu Ghraib and Guantanamo Bay, along with the perception of self-serving American unilateralism, may hinder the promotion

⁸⁹ Beeson, 136.

⁹⁰ Beeson, 138.

of democracy by the West in some parts of East Asia and possibly encourage supporters of “Asia’s different standard” and promoters of alternative political visions. Could such discourse for the “Asianization of Asia” gain ground and help create a common political identity in the region? Such a question may prove to be important for East Asian regionalism in the long-term.

To continue the discussion on bottom-up societal forces contributing to the regionalization of East Asia, the Korean Wave of popular culture, especially music, TV drama, movies, and fashion styles in East Asia serves as a strong evidence of increased cultural interaction in the region. *Hanryu* (the Korean wave) began in the late 1990s and became a widely visible phenomenon in East Asia by the early twenty-first century, following the rise in popularity of Hong Kong films in the 1980s and the success of Japanese TV dramas and music in the 1990s.⁹¹ The Japanese pop cultural industry supported by the government and the business sector successfully responded to the Asian audiences’ demand for “some fresh alternatives to the already too-familiar and too-dominant Western pop culture.”⁹² In this sense, one could argue that Japanese cultural product effectively competed against Western cultural hegemony. According to Jung-Sun Park, *hanryu* becomes especially significant for East Asia because it not only joined such regionally based transnational circulation of pop culture but also further “diversified the directions and routes of cultural flows and influence.”⁹³ Park argues that the Korean wave challenged the “existing binary division between dominant and dominated cultures, center and periphery, and unidirectional flows of cultural influence” and showed how a country “in-between” can exert its cultural influence amidst the increasing acceptance of cultural exchange among

⁹¹ Park, Jung-Sun. *The Korean Wave: Transnational Cultural Flows in East Asia. Korea at the Center: Dynamics of Regionalism in Northeast Asia*. M.E. Sharpe, New York, 2006. Page 244.

⁹² Park, 246.

⁹³ Park, 246.

Asian nations.⁹⁴ At a more personal level, many neighboring Asians who did not know much about Korea began to develop some understanding of Korean culture and a desire to become friends with Koreans. In the media industry, an increasing number of co-productions are carried out among Korean, Japanese, Taiwanese, and Chinese companies. Such trends undoubtedly contribute to the regionalization from the bottom-up and possibly help shape a common regional identity.

As the above discussion reveals, there is ample evidence showing the high level of regionalization taking place in East Asia today. Most scholars accept that regionalization, to one degree or another, already characterizes East Asia. The following section of the chapter will analyze East Asia in the sphere of states, in order to introduce the important topics of debate regarding the extent to which top-down political institutionalization, or regionalism, has taken hold of East Asia.

Regionalism- states

Regionalism refers to the top-down political institutionalization implemented deliberately by states within a particular geographic region. Based on a commitment to a region-wide agenda of some sort, governments coordinate policies and act collectively. Because regionalism is essentially a political movement stemming from the actions of political authorities, it is appropriate to analyze regionalism through the analytical sphere of states. The recent upsurge of free trade agreements may be the most visible expression of Asian regionalism, including both bilateral agreements and more wide-ranging agreements between ASEAN and China, South Korea, and Japan. Perhaps the most unique feature of Asian regionalism is this link between Southeast Asia and China, Korea, and Japan- three nations considered culturally and historically

⁹⁴ Park, 257.

separate. There are numerous multinational bodies in East Asia, including ASEAN, ASEAN Plus Three (APT), the East Asia Summit (EAS), and the Asia-Pacific Economic Cooperation (APEC) forum. While it is important to ask which of these institutions are the most relevant to regionalism in East Asia, the following section will first raise the important topics of debate regarding the question: will regionalism follow regionalization in East Asia?

One of the first concerns raised by skeptics of East Asian regionalism is the strong presence of the United States in the region. Asian countries to a large extent seem to still prefer dealing with the United States bilaterally, and East Asia as a region seems to be too dependent on the United States to deviate too far from American interests. Advocates of regionalism would argue that Asian nations realize that the hub-and-spokes system with the United States at the center is no longer an adequate structure for Asia and that they perceive the need for institution-building to move away from a system that does not directly serve Asian interests. The aftermath of 9-11 showed that America's strategic attention is focused elsewhere and that East Asia should be concerned with the possibility of unilateral American actions in the region. Another argument could be that given the rise of China, the United States may no longer exert so much influence over the region, especially because America's most loyal allies such as Japan is simply not as economically important anymore and because the growth model based on American consumerism is increasingly environmentally damaging and economically unsustainable.⁹⁵

Another important topic of debate is the inevitable rise of China. Will China continue its "peaceful rise" and benevolent interactions with neighboring states? Skeptics argue that Chinese motives are still unclear and that there persists rivalry and tension among Asian states. China would not discuss the problem of Taiwan in regional forums, and the leadership at the top still seems secretive and unpredictable in the end. On the other hand, supporters of regional

⁹⁵ Beeson, 252.

institutionalization would argue that China has been mostly constructive in the recent past and there are valid reasons for optimism. As China's growth continues to raise living standards for the Chinese population and generate an ever-expanding market for the neighboring economies, greater participation in inter-governmental institutions is a possibility. What looks relatively uncontroversial is the prediction that China will most likely exert the greatest influence over the course of East Asian development given its growing economic and demographic weight.

Traditional security concerns present yet another issue regarding regionalism in East Asia. China's economic development allows it to purchase new weapons systems and many Chinese leaders may consider that "a strong military is a prerequisite of independence in the contemporary international system."⁹⁶ Besides China, North Korea raises a major security dilemma not because it has an enormous army but because it has nuclear weapons. Optimists might argue that policies toward North Korea, such as South Korea's "sunshine policy", are slowly producing results, but recent events like the bombardment of Yeonpyeong in November 2010 suggest otherwise. Skeptics would argue that Six Parties members differ in their opinions, maritime disputes that involve China are not yet solved, and Asian countries simply do not get along in terms of security because of past historical tensions, particularly tensions behind Sino-Japanese relations.

Another common criticism against the development of regionalism in East Asia points to the lack of political motivation. While advocates of regionalism assert that there is common purpose and motivation behind regional institutionalization because all nations want to avoid nuclear annihilation and instead promote regional stability and prosperity, critics would argue that there is no sufficient degree of such a common purpose. If there is, rationales tend to be negative in nature, that is, governments merely want to avoid something or prevent some

⁹⁶ Beeson, 98.

negative event from happening rather than actively promoting institution-building for the sake of cooperation and solidarity.

Besides traditional concerns over security and economic issues, non-conventional threats play an increasingly important role in East Asia. Some of these threats, facilitated by ease of transport and communication and often perpetuated by non-state actors, include “terrorist attacks, money laundering, high-technology piracy, and illegal trafficking in narcotics, weaponry, endangered resources, and people.”⁹⁷ In addition, religious and ethnic violence, health and environmental disasters, refugee movements, and humanitarian crises pose threats that cannot be dealt with military resources alone. Proponents of regionalism argue that the rise of nontraditional threats will require Asian nations to cooperate with one another, as they will have no choice but to work together to cope with trans-national threats. For example, some Asian police and coast guard officials meet regularly and exchange information as a result of rising terrorist attacks and piracy at sea.⁹⁸ Opponents of regionalism, on the other hand, do not see the rise of non-conventional threats as an opportunity for cooperation, but rather as a dilemma that will lead Asian nations to compete for resources. In their view, China has its own interest in mind and maritime territorial disputes will escalate as the search for energy under the ocean floor intensifies. Non-conventional threats are difficult to deal with and cooperation will not work.

Among the numerous non-conventional threats, energy and the environment perhaps deserve the most attention. Environmental constraints and the implications of climate change will inevitably affect the course of regional integration in East Asia. Problems include declines in soil fertility, rapid rates of deforestation, loss of biodiversity and ecological stability, water usage,

⁹⁷ Frost and Kang, 227.

⁹⁸ Frost and Kang, 227.

and rising population pressures on limited resources.⁹⁹ ASEAN Plus Three, along with other organizations like APEC's Energy Working Group, have discussed energy issues but produced few tangible results.¹⁰⁰ Some supporters of regional integration use this idea of the "fundamental carrying capacity of the planet" to argue that in the area of energy and the environment is where regional institutions and intergovernmental cooperation have the greatest potential.¹⁰¹ The chances of resolving tensions over energy security and environmental sustainability are slim without increased regional cooperation, convincing proponents that the project of East Asian regionalism is an investment that ought to be made. Skeptics of regionalism, generally less optimistic and more inclined to rely on historical indicators, argue that conflict over diminishing energy supplies is inevitable and no realistic solution exists other than competition. In this line of thinking, a very difficult transition period will result from a combination of demographic pressures, limitations of energy supplies, and the need to drastically reduce per capita energy consumption.¹⁰² Relentless population growth that continues across most of East Asia put additional pressure to the already complex problem of environmental sustainability. Demands on the natural environment seem to only intensify, especially as millions of people move into cities and pursue a Western, consumerist lifestyle.

Careful attention to demographical and migratory developments also becomes important in this regard. It would be difficult to imagine a truly integrated East Asia without a region-wide system to regulate and monitor the migration of labor. Advocates of regional institutionalization encourage labor-receiving countries to consider international labor more pragmatically and more in economic terms, believing that Asian nations can find a mutually beneficial system of

⁹⁹ Beeson, 243-244.

¹⁰⁰ Frost, 237.

¹⁰¹ Beeson, 253.

¹⁰² Beeson, 248.

migration. For example, the Filipino government includes remittances into its economic plans and has taken steps to protect Filipino workers abroad, while the Singaporean government incorporated the demand for foreign labor into its overall economic plan and adjusted its immigration policies accordingly.¹⁰³ Critics, on the other hand, point to the fact that there is no region-wide system for the movement of people and that there is no shared vision in this regard. Japan is a case in point, as the country makes it highly difficult to obtain citizenship and suppresses immigration despite its aging population and shortage of manual laborers.¹⁰⁴

Besides the diversity of approaches and attitudes toward migration, Asian countries differ significantly in other economic and cultural aspects. Skeptics dismiss the idea of further regional institutionalization because Asian countries are simply too diverse, mentioning, for example, the different attitudes toward human rights issue and the wide range of levels of economic development. Countries like Japan, South Korea, and Singapore cannot be compared in a very meaningful way with countries like Cambodia, Laos, and Myanmar. Advocates of regionalism may not see the diversity of Asian countries as an all-negating stumbling block, as Asian countries have thus far dealt with the issue of diversity through the “ASEAN way” that focuses on the lowest common denominators and builds on areas of agreement rather than disagreement. Yet it is undeniable that for regionalism to truly take hold, Asian countries must narrow the economic gap and build a cohesive regional identity.

Last but not least, already existing agreements present another topic of debate regarding whether regionalism will follow regionalization. This is especially true with regards to the steady rise in free trade agreements, both bilateral and plurilateral, among Asian nations. Partial liberalization achieved through bilateral agreements differ from nondiscriminatory

¹⁰³ Frost, 236.

¹⁰⁴ Frost, 236.

multilateralism, leading to the discussion of whether FTAs can serve as “building blocks” for regional agreement or rather create an “Asian noodle bowl” of overlapping agreements with ad hoc and mutually inconsistent rules and procedures.¹⁰⁵ Optimists think that FTAs can be negotiated sequentially, gradually adding new partners and new areas of agreement, while skeptics think that FTAs divert the momentum away from multilateral negotiations and create a messy proliferation of agreements. The same lines of debate apply not just to trade agreements but also to bilateral and plurilateral cooperation in other areas that may or may not promote a multilateral movement toward regionalism.

The topics of debate discussed above raise important questions regarding the future of East Asian regionalism. In the following chapter I will present my own argument mainly in support of regionalism strengthening in East Asia, dealing with these questions in light of the most recent developments in the region.

¹⁰⁵ Searight, 197.

Chapter 3: Regionalism as a credible path for East Asia

In this chapter I argue that regionalism is following regionalization in East Asia and that it will continue to strengthen in the future. Although it will still take time and deliberate effort by Asian nations for regionalism to develop, there are promising indicators and credible reasons to believe that regionalism will increasingly characterize East Asia. This chapter will address the important topics raised in the previous chapter by considering the positions of key players, or the national strategies for regionalism, of the United States, China, Japan, Korea, and ASEAN members. Analyzing the positions of these nations individually and collectively reveals conditions favorable for regionalism to develop in East Asia.

Positions of key actors in East Asia

United States

This section begins with the perspective of the United States not because the United States plays or needs to play the most influential role in the development or non-development of East Asian regionalism, but rather because it is practical and helpful to first address the issues involving the United States before discussing the obviously and necessarily important roles to be played by Asian nations. American views towards Asia and involvements in the region will undoubtedly affect its future direction, given the strong military and economic presence of the United States. Many scholars claim that the United States is “the single most important external factor affecting Asian integration.”¹⁰⁶ This section will recapitulate the presence of the United States in the region and argue that current conditions can be seen as a time of opportunity for Asia when we consider the foreign policies of the Obama administration. Furthermore, I will

¹⁰⁶ Xinbo, Wu. *Chinese Perspectives on Building an East Asian Community in the Twenty-first Century. Asia's New Multilateralism*. Columbia University Press, New York. 2009. Page 64.

suggest that it may also be in the interest of the United States to allow, if not promote, the development of East Asian regionalism.

As described in the previous chapters, the United States has played a key role in the overall recent development of East Asia, demonstrating significant interests and influence in the region despite being located outside of Asia geographically. Some would argue that as the center of the hub-and-spokes system, the United States has been a mentor and a lead partner for Asian nations. Economically, American consumption of Asian products backed much of the region's export-driven growth and industrialization. The fact that the dollar accounts for 61.4% of the roughly \$5.12 trillion of global currency reserves¹⁰⁷ shows how not only Asia but the world has lived under the influences of U.S. hegemony. Now given the rise of China and the relative decline of U.S. power, the strategic relationship between the United States and China appears to be the one of the most important factors in shaping the future of regionalism in East Asia.

With the growing stature of the G20, which includes China, Japan, South Korea, Indonesia, as well as India and Australia, Asian nations are seriously considering global questions such as the alternatives to the U.S. dollar and the general character of Asian regionalism to take shape beyond the status quo. In fact, G20 leaders have moved towards agreeing that China's currency should have a wider role in global finance at the G20 summit in Nanjing held on March 31, 2011.¹⁰⁸ The overall consensus was that currencies of large economies heavily used in international trade and financial transactions should have a wider presence in global finance, possibly including currencies like the Chinese yuan within the basket of currencies that make up the IMF's Special Drawing Right (SDR), a quasi currency used within the IMF by its member countries. As some economists believe the SDR could one day

¹⁰⁷ "World reserves hit 9.3 \$trillion; U.S. dollar share up" <http://www.reuters.com/article/2011/03/31/us-imf-economy-reserves-idUSTRE72U7QM20110331> (March 31, 2011).

¹⁰⁸ "G20 considers wider role for China's yuan" <http://www.bbc.co.uk/news/business-12905205> (March 31, 2011).

become a global reserve currency alongside the US dollar, its inclusion of the Chinese yuan could bring meaningful change to the current system of dollar-dominated global finance.

Facing such recent developments, the United States must consider a number of serious debates regarding the future direction of regionalism in East Asia. Ralph A. Cossa in *Evolving U.S. Views on Asia's Future Institutional Architecture* argues that the American views towards Asian regionalism are still evolving and depend upon the outcome of three important debates: 1) Should there be an Asia-Pacific/trans-Pacific regionalism or a more exclusive Asian regionalism? How can the two coexist? 2) What is the role of Washington's traditional alliance-oriented strategy in Asia, and does it coincide or conflict with Asian regionalism? 3) Should Asian regionalism become more highly institutionalized or be based on ad hoc multilateralism?¹⁰⁹ The answers to these questions pose important policy implications for not only the United States but also for Asian nations, who must clarify the still uncertain nature of the organizing principles and objectives of East Asian regionalism so that they can communicate the desired or anticipated U.S. role in the process of community-building.

With regards to the first question, the United States seems to prefer the more inclusive trans-Pacific format over the more exclusive Asian regionalism. By expanding the area of cooperation, the United States can maintain its role as an active player in the region while diluting other efforts toward a smaller but more concentrated community for Asian cooperation. The United States may be more inclined to endorse broad-based institutions like the ASEAN Regional Forum (ARF) and the Trans-Pacific Strategic Economic Partnership (TPP) rather than more exclusively Asian community-building organizations such as the ASEAN Plus Three (APT). The White House's statement on November 13, 2010 makes this stance quite clear,

¹⁰⁹ Cossa, Ralph A. *Evolving U.S. Views on Asia's Future Institutional Architecture*. Asia's New Multilateralism. Columbia University Press, New York. 2009. Page 33.

saying that the United States sees TPP as “the most advanced pathway to Asia-Pacific regional economic integration” and reiterates the goal of “expanding the initial group of countries out in stages to other countries across the region, which represents more than half of global output and over 40 percent of world trade.”¹¹⁰ The United States currently pursues a wide-spread area of cooperation. But as Cossa argues, Washington’s preferences today are tentative and subject to change or revision, and U.S. preoccupation with developments in the Middle East, Iraq, and Afghanistan distracts its attention from Asia.

In considering the second and third questions, I argue that the current conditions, in light of the Obama administration’s tendency to emphasize the importance of multilateral cooperation, give rise to an opportunity for U.S. allies in Asia to strengthen areas of cooperation independent of but in harmony with the existing alliance relationships. As Yoshihide Soeya points out, the Obama administration tends to “emphasize the role of international cooperation through multilateral institutions and processes,” calling for Asian nations to contribute to the “stability and prosperity of the international community under the enhanced norm of multilateral cooperation”.¹¹¹ Because the Obama administration appears relatively open to multilateral initiatives by its friends and allies, the present situation provides a strategic opportunity for Asian countries- particularly China, Japan, Korea, and ASEAN- to solidify a multilateral framework for East Asian regionalism. By recognizing the limits to the unilateral use of American power, the Obama administration encourages regional cooperation in Asia that involves the United States itself. Given the evident support of the United States toward initiatives like the East Asian

¹¹⁰ Trans-Pacific Partnership: Progress Towards a Regional Agreement. The White House, Office of the Press Secretary. November 13, 2010.

¹¹¹ Soeya, Yoshihide. US and East Asian Security under the Obama Presidency: A Japanese Perspective. *Asia Economic Policy Review*, (2009) 4, 292-307. Page 293.

Summit (EAS)¹¹² and the TPP, Asian nations must respond either by bandwagoning with such American efforts or pushing for an alternative direction toward a more exclusively Asian multilateralism through institutions like the APT.

Before moving on to a discussion of U.S.-China relations, I would like to state my arguments against the Trans-Pacific Strategic Economic Partnership (TPP) as a viable option for meaningful regional cooperation. The Obama administration identified the Trans-Pacific Partnership as the way forward on a new American engagement with Asia and wrote a joint declaration with other Asia-Pacific leaders in November 2010, pledging to rectify global economic imbalances and to move toward creating a regional-free trade zone.¹¹³ President Obama stated that the TPP has the goal of “shaping a regional agreement that will have broad-based membership and the high standards worthy of a 21st century trade agreement.”¹¹⁴ Despite such rhetoric, the TPP framework will not work because 1) it would mean a U.S.-dominated environment for negotiation, 2) it becomes a question of siding with either the U.S. or China, and 3) there is very little, if at all, sense of regional or common identity.

The list of countries involved makes the first point clear. Brunei, Chile, New Zealand, and Singapore are the original countries to sign the agreement, and the United States, Australia, Malaysia, Peru, and Vietnam are currently negotiating to join the group. Japan, the Philippines, South Korea, Canada, and Taiwan have expressed interest in TPP membership.¹¹⁵ Of these

¹¹² Soeya. “Anonymous source of the US congressional staff indicated to the author in May 2009 that the Obama administration has already made up its mind to commit itself to the East Asian Summit process including the signing of the Treaty of Amity and Cooperation in Southeast Asia, a prerequisite to becoming a member of the ASEAN-driven institutions.” Page 303.

¹¹³ “Obama and Asia-Pacific Leaders Vow to Work Toward Freer Trade”.

<http://www.nytimes.com/2010/11/15/world/asia/15diplo.html> (November 14, 2010).

¹¹⁴ “Announcement by President Barack Obama”. <http://www.ustr.gov/about-us/press-office/fact-sheets/2009/december/tpp-statements-and-actions-date> (November 14, 2009).

¹¹⁵ “Policy speech by prime minister Naoto Kan at the 176th extraordinary session of the Diet”. http://www.kantei.go.jp/foreign/kan/statement/201010/01syosin_e.html (October 1 2010).

countries, the United States clearly holds the dominant economic and political position. There will not be much negotiation about the nature of trade liberalization, as liberalization would only materialize if it aligns with U.S. economic interests. Asian countries cannot expect regional and global interests to be the priority nor the topic of discussion at the TPP negotiation table. The following statement by U.S. Ambassador Ron Kirk is suggestive of this U.S.-centric approach: “As the Office of the United States Trade Representative approaches this effort, we recognize that *American* workers, farmers, ranchers, manufacturers, and service providers face different challenges today than they have in the past... A high-standard regional trade agreement under the TPP could help bring home *to the American people* the jobs and economic prosperity that are the promise of trade” (emphasis added).¹¹⁶ We cannot expect the TPP to result in much meaningful regional cooperation as long as the United States dominates the group without other challenging powers. As analyst Peter Drysdale comments, “There will be little liberalization of sensitive markets, and certainly no give by the United States on its cosseted agricultural sectors.”¹¹⁷ Countries such as Japan, which joined as an observer in the TPP discussions in November 2010, would face significant resistance from domestic interest groups, including those in the agricultural industry, and would refuse to open its markets as observed in previous negotiations such as the Doha round. In this regard, Asian nations might view other regional frameworks such as APT to be more effective in addressing East Asian-specific interests.

“Speech of President Aquino at the Council on Foreign Relations, New York City”

<http://www.gov.ph/2010/09/24/speech-of-president-aquino-at-the-council-on-foreign-relations-new-york-city/> (September 23, 2010).

“South Korea mulling U.S.-led TPP trade initiative: report” <http://www.reuters.com/article/2010/11/14/us-apec-korea-idUSTRE6AD05L20101114> (November 13, 2010).

“Tories consider joining Trans-Pacific trade group” <http://www.cbc.ca/news/business/story/2010/11/16/asia-pacific-trade.html> (November 16, 2010).

“Taiwan aims to join Trans-Pacific Partnership: minister”

http://focustaiwan.tw/ShowNews/WebNews_Detail.aspx?Type=aALL&ID=201011100039 (November 10, 2010).

¹¹⁶ “Statement by Ambassador Ron Kirk”. <http://www.ustr.gov/about-us/press-office/fact-sheets/2009/december/tpp-statements-and-actions-date> (November 14, 2009).

¹¹⁷ “Are there real dangers in the Trans Pacific Partnership Idea?” <http://www.eastasiaforum.org/2011/04/18/are-there-real-dangers-in-the-trans-pacific-partnership-idea/#more-18634> (April 18, 2011).

Secondly, TPP will not be a viable option for deepening regional integration because it forces Asian nations to side with the United States at the cost of distancing themselves from China. When Asian leaders think 20 years ahead in the future, it makes little sense to side with the declining United States and move away from the emerging China. Given that China, India, and Brazil remain outside the group, TPP does not concern most of the growth in Asian and world trade. Without an easy expansion of the agreement to include China and India, TPP is not an appealing option for East Asian nations. Even if they sign up for it, there are crucial political and economic constraints to the depth of negotiations.

Finally, TPP will not result in very meaningful regional cooperation because there is no real sense of regional community. The grouping is geographically, economically, and normatively too diverse, involving countries in North America, South America, Southeast Asia, and potentially Northeast Asia (Japan and South Korea). If the criticism citing the lack or weakness of regional identity in East Asia holds, then the lack of common identity (and thereby weakened potential for deep integration) presents itself much more conspicuously in the TPP grouping.

In any case, the strategic relationship between the United States and China will be a key determining factor for meaningful regionalism to develop in East Asia. In her trip to China in February 2009, Secretary Clinton emphasized that the United States and China could help lead a global economic recovery by working together.¹¹⁸ She referred to a broad range of regional and global issues including not only the economic crisis, but also global climate change and regional security issues, while being criticized by organizations like Amnesty International and Human Rights Watch for not prioritizing “human rights, Tibet, religious freedom, and freedom of

¹¹⁸ “Clinton seeks consensus with China on tackling global economic woes”. <http://www.guardian.co.uk/world/2009/feb/21/hillary-clinton-china-economy-human-rights> (February 21, 2009).

expression.”¹¹⁹* This points to the Obama administration’s recognition of the ever increasing importance of the strategic coexistence with China, which will be the basis for its policies toward Asia in general.

Considering the U.S. approach toward security concerns over North Korea and weapons of mass destruction (WMD) may be helpful at this time. Prior to her visit to China, Secretary Clinton said she hoped Beijing would take a more active role in convincing North Korea to return to stalled disarmament talks and cool rising tensions with South Korea.¹²⁰ Again, the Obama diplomacy toward North Korea places an explicit emphasis on the importance of international cooperation, clearly shifting away from the almost exclusive reliance on predominant American power (neo-conservative diplomacy) to multilateral cooperation. Given that terrorism and the proliferation of WMD still continue to be the main threats to the United States under President Obama and to the stability of a global order, it becomes increasingly important for the nation to prioritize its strategic coexistence with China and win China’s support for nuclear reduction. By calling for a nuclear free world in the long-term, the Obama administration elevates the North Korean nuclear problem as a genuinely global issue and depends on strong international pressures against any country with a nuclear ambition. But given that China’s People’s Liberation Army (PLA) does not consider it ready to start negotiations with the United States for nuclear reduction, the Obama initiative for a nuclear-free world may have to take a backseat in order to sustain the strategic coexistence between the U.S. and China. Soeya suggests that Japan and South Korea should play an important role in supporting the

¹¹⁹ Soeya, 298.

*To be sure, the United States does speak out against China’s human rights record at times, as seen in the recent article “U.S. criticizes China’s ‘worsening’ human rights record” (<http://www.bbc.co.uk/news/13017141>) (April 8, 2011), but it does so in a manner that does not jeopardize the overall strategic coexistence of the two great powers. Same goes for China, as it speaks out against the U.S. for “preaching” but does so understanding the priority to coexist strategically. “China tells US: Stop preaching on human rights”. (<http://www.bbc.co.uk/news/world-asia-pacific-13027427>) (April 9, 2011).

¹²⁰ “Clinton seeks consensus with China on tackling global economic woes”. (February 21, 2009).

Obama initiative and helping to create “an environment in which the Chinese military leaders should feel multinational pressures to move toward nuclear reduction as part of the internationally concerted efforts.”¹²¹ In this sense, it would be in the interest of the Obama administration to solicit the cooperation among Asian nations like Japan and South Korea, enhancing regional cooperation to pressure North Korea toward disarmament and thereby discouraging arms race in the region.

As the above example suggests, in light of the Obama administration’s foreign policy that emphasizes multilateralism, it may be in the interest of the United States itself to promote the development of Asian regionalism. While the United States prefers to promote a type of broad, open regionalism as opposed to a more exclusively Asian regionalism, its current policies point toward regional cooperation and strategic coexistence in one form or another. This creates a window of opportunity for Asian nations- such as China, Japan, South Korea, and ASEAN- to enhance regionalism while strategically remaining in harmony with the United States. This opportunity arises from the combination of several factors, including the explicitly multilateral approach taken by the Obama administration, the increasing Asian share of global power as occasioned by the G20, the declining power of the United States, and the U.S. preoccupation in the Middle East. Due to such factors regarding the United States, I argue that regionalism has a good chance of following regionalization in East Asia. The United States has an interest in promoting multilateral cooperation in the region, and it can do so in a way that would make Asian regionalism more cognizant of global concerns. The crucial element in the development of East Asian regionalism, however, is the manner in which China decides to interact with its neighbors as it ascends to power, the topic to which we now turn.

¹²¹ Soeya, 300.

China

As a major power with growing political and economic influence in the region, China will play a significant role in the development of regionalism. I argue that China's intentions toward regionalism are positive and constructive, and that China has been promoting a regional image of itself as a pacifist multilateral player. Given its undeniable importance in the region, China has the greatest potential to lead other Asian nations toward regionalism. Furthermore, it is in the interest of China to secure stability and promote cooperation in the region in order to meet its own economic needs and gain a favorable position as the rising regional power.

To begin, let us consider the Chinese position on some of the major questions regarding regionalism. Since the late 1990s and early 2000s, China's diplomatic efforts began to pay increasing attention to ties with neighboring countries rather than solely major powers such as the United States, expanding the traditional *mu lin you hao* (good neighbor and friendliness) approach to the *you lin, an lin, fu lin* (amicable, peaceful, and prosperous neighborhood) approach.¹²² Wu Xinbo identifies two causes for such a shift in Chinese diplomacy: 1) China needed to devote more attention to relations with its neighbors in order to ensure security and stability on its periphery, and 2) there was growing Chinese interest in multilateralism after winning appreciation from the international community for China's constructive role in talks on the Korean Peninsula issues.¹²³ As Beijing's new diplomatic thinking evolved over time, China began to see regional multilateralism as a useful instrument to enhance its own economic, political, and security interests. Regional integration makes sense to China economically as it seeks to benefit from creating a larger economic platform for neighboring countries, as observed in the North America Free Trade Agreement and the European Union. Politically, China can

¹²² Xinbo, 57.

¹²³ Xinbo, 58.

demonstrate progressiveness and responsibility in its diplomacy by supporting multilateralism in East Asia, winning political legitimacy in the era of globalization in which multilateral cooperation is regarded as the new norm of international politics. In terms of security, China can use multilateral cooperation to pacify concerns for the rise of an aggressive China and address many nontraditional security challenges in the region, including terrorism, drug trafficking, and environmental problems. In this manner, regionalism presents an appealing option for the emerging powerhouse, which wants to play an active part in the trend toward greater multilateral cooperation in order to shape a more desirable regional order. The type of language used by State Councilor of the PRC Dai Bingguo on December 16, 2010 makes clear China seeks to dissuade fears about its emergence and call for multilateral cooperation: "We do not seek hegemony and will never compete with other countries for leadership in our region, seek so-called "joint hegemony" or follow so-called "Monroe Doctrine". What we pursue is a policy of friendship, security and prosperity with our neighbors. The purpose of our Asia-Pacific strategy is to create a good, stable neighboring environment for our own development and achieve common progress with all countries."¹²⁴

While China sees the overall benefit of promoting regionalism in East Asia, Beijing has to clarify answers to a range of questions concerning its diplomatic strategy toward regionalism. Some of these questions concern 1) the kind of regional cooperation China wants to pursue, 2) the specific institution Asian nations should use to promote regionalism, 3) the role of China in regionalism as the regional power, 4) the understanding of the U.S. role and influence in the process, and 5) the norms and principles that guide Asian regionalism.

¹²⁴ Bingguo, Dai. We Must Stick to the Path of Peaceful Development. Ministry of Foreign Affairs of the People's Republic of China. December 6, 2010.

According to Xinbo, the mainstream opinion in China is that an East Asian community, if at all realized, would start with an economic community, expand to political, security, social, and cultural areas, and ultimately end up with a regional community that covers cooperation among regional members on all dimensions.¹²⁵ Economic cooperation does seem to provide the starting point for East Asian regionalism. In December 2009, China agreed to establish the U.S.\$120 billion Asian Foreign Exchange Reserve Pool along with ASEAN, Japan, and South Korea. According to the APT members in a joint statement, the \$120 billion fund, known as the Chiang Mai Initiative, is designed to “strengthen the region’s capacity to safeguard against increased risks and challenges in the global economy.”¹²⁶ China and Hong Kong will together contribute \$38.4 billion to the pool to match Japan’s \$38.4 billion contribution.¹²⁷ In his keynote speech at a conference held in Singapore on September 24, 2010, former Chinese State Councilor Tang Jiaxuan cites China’s promotion of the Chiang Mai Initiative as an example of how “China’s development has brought about great development opportunities for Asia.”¹²⁸ Supporters of the idea that economic cooperation will expand to other areas of cooperation point to the deepening interdependence among East Asian nations, the growing sense of a shared future, and emerging common norms in the region as important catalysts. Given the potential complications and obstructions to the process described in the previous chapter, China must clearly articulate its desire to pursue such a path together and persuade its neighbors to promote regionalism.

¹²⁵ Xinbo, 59.

¹²⁶ Joint Press Release: the Establishment of the Chiang Mai Initiative Multilateralization. The Embassy of Indonesia. <http://embassyofindonesia.it/joint-press-release-the-establishment-of-the-chiang-mai-initiative-multilateralization/> (January 2, 2010).

¹²⁷ South Korea will contribute \$19.2 billion and ASEAN ~\$20 billion (20% of the pool). “ASEAN, Japan, China Form \$120 Billion Reserve Pool”. <http://www.bloomberg.com/apps/news?pid=newsarchive&sid=ayyiso8ssyb8> (December 28, 2009).

¹²⁸ “Tang Jiaxuan Says China Will Stick to the Path of Peaceful Development”. <http://www.mfa.gov.cn/eng/topics/cpop/t755949.htm> (September 24, 2010).

In order to concentrate such efforts toward building an East Asian community, China seeks to clarify which specific institution will be the main venue for cooperation, demonstrating its preference to leave out non-East Asian countries such as Australia, India, New Zealand, and especially the United States. There was a widespread suspicion in China that the United States encouraged the inclusion of non-East Asian members to the East Asia Summit (EAS) in 2005 to dilute a predominant Chinese influence within the regional mechanism.¹²⁹ Scholars like Kun-Chin Lin would argue that such power dynamics between the United States and China is precisely what motivates China's efforts to shape the regional architecture. Lin argues that all Chinese efforts to promote regionalism in East Asia are based on the "long-term goal of overcoming U.S.-based obstacles to China's rise to regional hegemony."¹³⁰ Describing a pattern of "PRC opportunism in exploiting U.S. weaknesses" especially those revealed by American unilateral actions in East Asia and the world, Lin sees China ultimately seeking regional hegemony, and once it gains overwhelming regional power, undercutting its current efforts at multilateralism and discontinuing the current positive-sum game in the region.¹³¹ In this sense, China attempts to disarm regional fears of its rise to power, while simultaneously creating a new regional dynamic that is accommodative of China's great power aspirations. Leaving aside such long-term predictions, China sees pragmatism and viability in a more exclusively East Asian institution rather than another APEC-like group not tailored to the particular needs for community-building in East Asia.

Given this situation, I argue that China wants to use ASEAN Plus Three (APT) as the main institution for promoting regionalism. APT, which includes 13 East Asian countries,

¹²⁹ Xinbo, 60.

¹³⁰ Lin, Kun-Chin. *Rhetoric or Vision? Chinese Responses to U.S. Unilateralism. Northeast Asia: Ripe for Integration?* Springer, Berlin, 2008. Page 64.

¹³¹ Lin, 64.

already provides a framework for regional economic cooperation, while enabling China, Japan, and South Korea to explore possibilities of cooperation among themselves that would otherwise be difficult to attempt. In terms of political relations, APT serves as a platform for dialogue and interaction, providing the opportunity to enhance mutual understanding and improve bilateral relations. Although developing regionalism that encompasses 13 East Asian countries will require much effort and time, the APT grouping is small enough for substantive work to be achieved collectively. As former Chinese State Councilor Tang Jiaxuan stated, China regards ASEAN and the ASEAN countries as “good brothers, good partners and good neighbors China can trust” and China “supports ASEAN to play a more active role in regional and international affairs.”¹³²

From China’s perspective, APT allows China to maximize its influence and leadership as the regional power, at least more so than in a broader grouping such as the EAS that includes non-East Asian members. In order to shape regionalism into a form accommodating to China’s own interests, whether they reflect a benevolent or hegemonic China in the end, the regional power seeks a proactive and creative role in the whole process.

China’s desire to play an active role in the APT framework is currently evidenced by China’s active cooperation with ASEAN members. In January 2010, a new free trade area came into effect incorporating China and the six founding members of ASEAN- Brunei, Indonesia, Malaysia, the Philippines, Singapore, and Thailand.¹³³ The agreement eliminates tariffs on 90% of imported goods and is expected to expand cross border commerce between the participating countries. The ASEAN-China Free Trade Area is the largest free trade area in terms of

¹³² “Tang Jiaxuan Says China Will Stick to the Path of Peaceful Development”. (September 24, 2010).

¹³³ “China and Asean free trade deal begins”. <http://news.bbc.co.uk/2/hi/business/8436772.stm> (January 1, 2010).

population, accounting for nearly 1.9 billion people,¹³⁴ and it is the third largest in terms of nominal GDP.¹³⁵ More recently, Southeast Asia's foreign ministers took a transnational trip toward China in January 2011 to push ambitious plans to fully connect the region's frontier markets with Asia's biggest economic power.¹³⁶ ASEAN organized this trip showcasing an infrastructure plan to increase trade, investment, and tourism in order to underscore the strengthening ties between the ASEAN member states and China- 11 countries with a combined GDP of nearly \$6 trillion.

Aiming to link rail, road, and sea routes within the participating countries, the “connectivity masterplan” not only points to the huge trade potential between ASEAN and China but also urge powers like Japan and South Korea to not fall behind in such regional efforts. Japan “insists” on not being left out and the deputy director-general of Asian and Oceanian affairs at the Japanese foreign ministry said that it was in “Japan's interest to have better connections and uniform customs, visa and cargo procedures in all the countries” since the region is a “favored destination of investment for Japan.”¹³⁷ This is a clear example of regionalization prompting regionalism, and at the center of this movement we find China moving toward ASEAN in order to stimulate other regional players such as Japan and South Korea to also step up their game. State Councilor Dai Bingguo plainly states the persuasion/pressure approach China pursues in promoting regionalism, “Take China's development as an opportunity and seize it, and one stands to benefit. Doubt China's regional and international strategic intentions and focus on finding fault and making trouble, and one will lose the good opportunity to cooperate with

¹³⁴ “China and Asean free trade deal begins”. (January 1, 2010).

¹³⁵ “Asia Free-Trade Zone Raises Hopes, and Some Fears About China”.

http://www.nytimes.com/2010/01/01/business/global/01trade.html?_r=1 (December 31, 2009).

¹³⁶ “ASEAN ‘road trip’ highlights China trade potential.” <http://in.reuters.com/article/2011/01/24/idINIndia-54359520110124> (January 24, 2011).

¹³⁷ “ASEAN ‘road trip’ highlights China trade potential”. (January 24, 2011).

China.”¹³⁸ By spearheading and financing projects such as the linking of a system of high-speed rail lines across Asian nations, China seeks a proactive and creative role in the movement toward regionalism and pressures other Asian nations to get on board.

In order to play such a role, China must clearly understand its relationship with the United States and furthermore communicate that understanding effectively to the United States. Unlike Japan, China is a truly independent strategic player that contends with other great powers in the world. Many scholars hold the view that in the foreseeable future, China and the United States will maintain a relationship that is essentially competitive, but also *cooperative* out of the necessity to coexist. The current state of strategic coexistence is likely to continue and be strengthened under the Obama presidency,¹³⁹ giving rise to the importance of effective communication between the two great powers. As long as both China and the United States maintain their strategic preferences clear, long-term, and non-confrontational, then the two powers will avoid conflict and build cooperation.

China does not have the interest to replace the United States in running the world economy any time soon despite its growing economic weight, mainly because China above all wants to ensure the spectacular economic growth and the overall stability that it has enjoyed under U.S. hegemony and not risk changing the trajectory in fear of inflicting massive political damage at home. Analogous to the United States that allowed Britain to continue to assume global economic leadership for decades after the American rise to power, China also sees the benefit in free-riding on U.S. leadership that establishes the rules and norms in running the global economy, at least until it feels ready to take over the leadership position. Analyst Peter Drysdale comments that “China’s deliberative behavior and policy strategies have worked to

¹³⁸ Bingguo, Dai. December 6, 2010.

¹³⁹ Soeya, 297.

support the status quo in managing the global economic order, not to undermine it” and he refers to the presence of international organizations such as the G20 in which China is “playing a constructive role.”¹⁴⁰ Likewise for the United States, labeling China as a long-term adversary would be counter-productive. For both the United States and China, common interests are met by strengthening multilateral institutions in ways that include China. East Asian regionalism, perhaps through the APT framework, fits this general scheme of strategic coexistence by allowing China to be an active player and boosting the Obama administration’s shift toward multilateralism. But as analyst Wendy Dobson notes, we should keep in mind that “a more assertive China creates a new, more complicated, norm, replacing the relative simplicity of America’s unipolar moment.”¹⁴¹ Under these circumstances, China has an unprecedented opportunity to achieve concrete results toward regionalism, and given its track record thus far, China is a promising advocate of East Asian regionalism.

From China’s position, what kind of norms and principles should guide Asian regionalism? For reasons discussed earlier, China sees the APT process as the main vehicle for East Asian cooperation. Within the APT framework, China encourages ASEAN leadership because the complicated nature of East Asian relations makes unrealistic either China’s or Japan’s lead in strengthening regionalism. While each of the 13 nations involved can play an important role in different areas, it is undeniably helpful to have the well-established ASEAN presence facilitate negotiations between the three Northeast Asian nations that normally suffer from historical and political tensions.

¹⁴⁰ Drysdale, Peter. China’s role in running the world economy. East Asia Forum. <http://www.eastasiaforum.org/2011/02/14/chinas-role-in-running-the-world-economy/> (February 14, 2011).

¹⁴¹ Dobson, Wendy. China and global economic governance: History matters. East Asia Forum. <http://www.eastasiaforum.org/2011/02/13/china-and-global-economic-governance-history-matters/> (February 13, 2011).

Another important principle for developing regionalism from China's perspective involves the accommodation for diversity. The particular social, political, economic, and security conditions in East Asia clearly reveal a diverse group of nations and an uneven development across the region. As an emerging economic power sometimes challenged for its unique political and social systems, China would like to see a kind of regionalism that accommodates for diversity. This principle goes hand in hand with the emphasis on participating countries' sovereignty. As already discussed in the first chapter, most East Asian countries including China have remained conservative on the issue of sovereignty, hailing the "ASEAN way" of non-interference with member states' domestic affairs. While Asian regionalism does not necessarily have to follow the European experience of regional integration in which member states' sovereignty has been slowly transferred to the regional institution, the obvious challenge here becomes how to promote cooperation and mutual security without going too far in compromising sovereignty.

China has also expressed the belief that the process of East Asian community-building hinges on common development goals. At the second East Asia Summit held in January 2007, Premier Wen Jiabao stressed that "We should ensure that East Asia cooperation grows in a balanced way and brings benefits to all, so that we can, through practical cooperation at bilateral and multilateral levels, build strong economic and trade linkages and put in place a cooperation framework based on mutual benefit and drawing on mutual strength."¹⁴² Such language coming from China is particularly appealing to developing economies in the APT grouping, as it calls more attention to developing economies and gives priority to areas with extensive common economic interest. The appeal is strengthened when one argues that broad-based groups such as

¹⁴² Wen Jiabao, "Work in Partnership to Promote Win-Win Cooperation," address to the second East Asia Summit, Cebu, Philippines, January 15, 2007, <http://www.fmprc.gov.cn/eng/wjdt/zyjh/t290183.htm>.

APEC and TPP are primarily motivated to push a trade liberalization agenda that serves the interest of the United States and other developed economies rather than the interest of the entire East Asian community.

Besides accommodating diversity, respecting state sovereignty, and promoting common development goals, the kind of regionalism China calls for also stresses openness. Recognizing the interconnectedness between Asia and other parts of the world, China welcomes the principle of non-exclusivity when it comes to cooperation with countries outside the APT. State Councilor Dai Bingguo emphasizes that the “bilateral and multilateral agreements we (China) have signed with Asian countries do not have a single article that is exclusive. We are open to regional cooperation and our intentions are transparent and good.”¹⁴³ As long as member states remain loyal to agreements among East Asian nations, they are free to enter agreements with outside countries. By taking this approach, China can simultaneously promote regionalism and allay fears from Washington that the United States is being marginalized in the regional integration process.

Finally, China also prioritizes cooperation on nontraditional security issues. In his speech at the Security Council Meeting at the Summit Level on March 17, 2011, Premier Wen Jiabao noted that “Terrorism, transnational crimes, cyber security, proliferation of weapons of mass destruction and other non-traditional security issues are becoming more pronounced.”¹⁴⁴ Collaboration on such nontraditional security issues will probably take on a much looser format compared to more formal agreements on traditional alliance and other traditional security ties. But under the circumstances of the globalized world today, this does not in any way imply that nontraditional security issues are unimportant. China, for example, proposed at the fifth APT

¹⁴³ Bingguo, Dai. December 6, 2010.

¹⁴⁴ Jiabao, Wen. Building Common Security and Enduring Peace for All. New York. September 23, 2010.

Summit that greater cooperation be initiated on nontraditional security issues.¹⁴⁵ China itself will have no choice but to pay more attention to issues like environmental degradation and energy concerns. Chinese Environment Minister Zhou Shengxian stated in February 2011 that the conflict between development and nature has “never been as serious as it is today.”¹⁴⁶ Speaking on behalf of the Chinese government, the minister wrote that the “depletion, deterioration, and exhaustion of resources and the deterioration of the environment have become serious bottlenecks constraining economic and social development” and that “China would suffer” unless issues of air and water pollution were prioritized.¹⁴⁷ Even the Chinese Premier Wen Jiabao stated that “We absolutely must not any longer sacrifice the environment for sake of rapid growth and reckless roll-outs. That will lead to production capacity gluts and deepening pressure on the environment and resources so that economic development will be unsustainable.”¹⁴⁸ Perhaps partly in response to the idea that pollution and the demand for resources threaten to choke China’s economic growth, Premier Wen Jiabao said China will lower its annual economic growth target from 7.5% to 7%.¹⁴⁹ While China still enjoys its position as the world’s fastest-expanding major economy with a growth rate of 10.3% in 2010, the recent emphasis on environmental concerns and the focus on nontraditional security issues reveal highly important areas of cooperation for any future regional institution in East Asia. Moreover, improved links between ASEAN and China could also give rise to more transnational crime, illegal migration, and drug smuggling.¹⁵⁰

¹⁴⁵ Xinbo, 69.

¹⁴⁶ “China Pollution ‘threatens growth’”. <http://www.bbc.co.uk/news/world-asia-pacific-12595872> (February 28, 2011).

¹⁴⁷ “China pollution ‘threatens growth’”. (February 28, 2011).

¹⁴⁸ “China lowers growth rate target in sustainability drive”. <http://www.bbc.co.uk/news/world-asia-pacific-12589757> (February 27, 2011).

¹⁴⁹ “China lowers growth rate target in sustainability drive”. (February 27, 2011).

¹⁵⁰ “ASEAN ‘road trip’ highlights China trade potential”. (January 24, 2011)

The next important question then becomes whether the guiding norms and principles discussed above are agreeable to APT members other than China, a topic that will be covered in the following sections of this chapter. To recapitulate, Beijing sees regionalism as a useful instrument to enhance China's interest, taking on a proactive and creative role in the process and demonstrating preference for the APT grouping as a viable option with fewer members and more substantive cooperation. China's intentions, at least in the current stage toward integration, are both positive and constructive. Several obstacles still need to be overcome, including maritime disputes and management of limited natural resources. China's current diplomacy gives us reasonable hope that some level of regionalism would indeed follow regionalization in East Asia. The extent to which regionalism strengthens also depends on the actions of other key players in the region, such as Japan and South Korea.

Before moving on to discuss Japan's position on regionalism, I recognize here the difficulty of analyzing civil-military relations in China and the challenge posed by People's Liberation Army's (PLA) recent aggression in maritime disputes that seems contradictory to the overall diplomatic strategy of the Chinese government. Michael Kiselycznyk and Phillip C. Saunders from the Institute for National Strategic Studies comment, "Although China is a much more open society today, lack of reliable information continues to make the study of civil-military relations in China difficult, forcing analysts to rely on indirect evidence and dubious sources to speculate about the military's influence on elite politics and about the relationships between top civilian and military leaders."¹⁵¹ Indeed, lack of detailed data about the precise nature of civil-military interactions (especially at the senior level) complicates the analysis of

¹⁵¹ Kiselycznyk, Michael and Saunders, Philip C. *Civil-Military Relations in China: Assessing the PLA's Role in Elite Politics*. Institute for National Strategic Studies- China Strategic Perspectives, No. 2. Washington, D.C. August 2010. Page 10.

Chinese foreign policy, especially if we assume a bifurcation between civilian and military leadership.

The PLA has taken a hard line in recent maritime territorial issues and has been jeopardizing Chinese relations with its neighbors and the United States. The PLA was the first to warn against the joint military exercises planned by the U.S. and South Korean navies in the Yellow Sea, where the sinking of a South Korean corvette took place in March 2010.¹⁵² Explicitly declaring that the South China Sea is one its national “core interests”- placing the maritime territorial issue on the same level with Taiwan and Tibet- for the first time in March 2010, the Chinese government suggests that China will no longer tolerate activity deemed unfriendly or hostile in the South China Sea since no country would compromise on any issue concerning its core national interests.¹⁵³ This poses obvious diplomatic problems, and Secretary Clinton challenged Chinese Foreign Minister Yang Jiechi over Beijing’s ownership claim of the Spratly Islands in the South China Sea as a “core interest” at the 2010 ARF meeting in Hanoi, proposing that the United States help establish an international mechanism to mediate the overlapping claims of sovereignty between Asian nations.¹⁵⁴ These developments take place as the People’s Liberation Army Navy (PLAN) breaks away from the past practice of keeping military activities secret and publicizes exercises against perceived harmful U.S.-South Korea joint operations.¹⁵⁵

Relations are further jeopardized by numerous incidents such as the collision between a South Korean coast guard vessel and a Chinese fishing boat in December 2010 during a routine

¹⁵² “PLA takes hard line in East China Sea”. <http://www.thailandoutlook.tv/tan/ViewData.aspx?DataID=1038611> (December 17, 2010).

¹⁵³ Junbo, Jian. “China takes new tack in maritime diplomacy.” Asia Times. July 14, 2010.

¹⁵⁴ “Offering to Aid Talks, U.S. Challenges China on Disputed Islands”. <http://www.nytimes.com/2010/07/24/world/asia/24diplo.html> (July 23, 2010).

¹⁵⁵ Junbo, Jian. July 14, 2010.

inspection to curb illegal fishing activities.¹⁵⁶ The situation recalled the collision in September 2010 between two Japanese coastguard vessels and a Chinese trawler, worsening relations between Beijing and Tokyo significantly.¹⁵⁷ At the 2010 ARF meeting, Chinese Foreign Minister Yang Jiechi responded to Secretary Clinton's suggestion that the U.S. could act as a mediator in the South China Sea by arguing that the proposal was an "attack on China" and angrily telling his Singaporean counterpart that "China is a big country and other countries are small countries and that is just a fact."¹⁵⁸ Such events represent part of China's recent diplomatic missteps in the region over maritime disputes, instigated largely by the PLA's less than subtle messages about China's claim to the territorial waters, and undermine Beijing's effort to portray the "peaceful rise" of China. This in turn, contrary to the Chinese government's aspiration to deepen regionalism, could lead to a renewed appreciation of America's diplomatic role and military presence in Asia.

Although there might have been a "markedly reduced role of the PLA in Chinese elite politics" during the past couple of decades¹⁵⁹, PLA's influence on Chinese foreign policy deserves much attention. The Chinese civilian government clearly seeks to reassure its neighbors and other major powers about its economic rise and military modernization, but the PLA's views on issues such as Taiwan and maritime sovereignty claims may complicate Chinese foreign policy and potentially stimulate negative reactions from other countries. The crucial challenge for the Chinese government is to control the PLA's aggressiveness with regards to such issues and maintain a civil-military relationship that is conducive (and not counterproductive) to

¹⁵⁶ For more details and a video of the incident go to: "Chinese trawler in Yellow Sea clash". <http://english.aljazeera.net/video/asia-pacific/2010/12/20101218175020549693.html> (December 18, 2010). "Coast Guard shoots violent Chinese sailors".

http://www.koreatimes.co.kr/www/news/nation/2011/03/113_82503.html (March 4, 2011).

¹⁵⁷ "China-Japan islands row". <http://www.bbc.co.uk/news/world-asia-pacific-11341139> (September 24, 2010).

¹⁵⁸ Dyer, Geoff. "Beijing's elevated aspirations" Financial Times. <http://www.ft.com/cms/s/0/1cfa57c4-ed03-11df-9912-00144feab49a.html#axzz1KK0NFSt8> (November 10, 2010).

¹⁵⁹ Kiselycznyk and Saunders, 1.

deepening regional cooperation. Analogous to the Obama administration's relationship with the Pentagon, the Chinese government's relationship with the PLA will remain a decisive factor in the future of regionalism. Leaders such as Hu Jintao, who has no military background, needed to cater to the demands of the military through generous increases in the defense budget and more frequent officer promotions.¹⁶⁰ In the years ahead, the Chinese civilian leadership will have to find a way to accommodate the PLA into the regional integration effort and persuade the PLA away from militaristic and nationalistic actions that jeopardize positive relations with Asian nations. I suggest that the Chinese government at least has a valid argument to back its position, given that the PLA is mainly concerned with the control of territories within the first island chain¹⁶¹, while East Asian regionalism concerns the long-term relations between countries within the entire region.

It is important to note that diplomatic efforts are not completely undermined by territorial disputes. For example, Seoul and Beijing have decided to act "calmly" in settling the dispute over the collision in December 2010, agreeing through diplomatic consultations that the latest incident should not damage relations.¹⁶² South Korean spokesman Kim Young-Sun told a briefing that, "Both governments shared the stance that the situation should be managed calmly and quickly with appropriate and fair measures", agreeing to deal with the problem "cautiously so as not to incite emotional public reactions in their own country."¹⁶³ Some observers think that the transition of leadership from Hu Jintao to Xi Jinping expected in 2012 will help improve civil-military relations in Chinese foreign policy. Unlike former General Secretary Jiang Zemin

¹⁶⁰ "PLA takes hard line in East China Sea". (December 17, 2010).

¹⁶¹ The first island chain is usually described as a line through the Kurile Islands, Japan, the Ryukyu Islands, Taiwan, the Philippines, and Indonesia (Borneo to Natuna Besar). <http://www.globalsecurity.org/military/world/china/plan-doctrine-offshore.htm>.

¹⁶² "S.Korea, China to act calmly over boat sinking".

http://www.channelnewsasia.com/stories/afp_asiapacific/view/1100832/1/html (December 23, 2010).

¹⁶³ "S.Korea, China to act calmly over boat sinking". (December 23, 2010).

or President Hu Jintao, Xi Jinping spent three years in the army's highest echelons and maintained PLA connections by volunteering in military-related positions such as the vice director of the Committee on National Defense Mobilization, director of the National Defense Mobilization of Fujian Province and the first military commissar of the Fujian Artillery Reserves Corp.¹⁶⁴ With a reputation as a conciliator, Xi Jinping is expected by some observers to be more assertive on diplomatic and security policies as a member of the incoming fifth generation of leaders.¹⁶⁵ Perhaps the renewed leadership will maintain a functional civil-military relationship conducive to deepening diplomatic ties with China's neighbors. In any case, observers of East Asian regional dynamics cannot ignore the vital relation between the Chinese civil leadership and military influence in foreign policy.

Japan

After the Cold War, Tokyo rediscovered its interest for multilateral diplomacy and began to pursue a foreign policy based on multilateralism as a necessary complement for its bilateral alliance with the United States. Dispatching the Self-Defense Forces (SDF) for peacekeeping operations abroad in 1992 and campaigning for a permanent United Nations Security Council (UNSC) seat in 1994, Japan at times appeared to practice an "independent" foreign policy in search for multilateral environments in which it can voice its own position. Not only that, Japan has recently turned its focus to regionalism in East Asia, perhaps discouraged by the limited reforms of the United Nations and motivated by other Asian nations' shared desire for regional integration. The obvious challenge for Japan in promoting East Asian regionalism is reconciling

¹⁶⁴ China Military News. The Military Maneuvers of Xi Jinping. (January 26, 2011).

¹⁶⁵ "Xi Jinping: The man who'll lead China into a new age". <http://www.guardian.co.uk/theobserver/2010/nov/07/xi-jinping-china-david-cameron> (November 7, 2010).

such efforts with its bilateral relationship and dependence on the United States, and doing so given the inconsistency in Japan's political leadership during the past decade.

In line with Calder's analysis of critical junctures in the development of East Asian regionalism, Katada and Solis in *Under Pressure: Japan's Institutional Response to Regional Uncertainty* identifies the "triple shocks"- namely the end of the Cold War, the Asian financial crisis, and 9/11- as major catalysts for initiatives by the Japanese government to promote regional institution-building. Most recently 9/11 and the subsequent unilateral actions by the Bush administration changed the international security landscape with its emphasis on the War on Terrorism and significantly degraded U.S. legitimacy in many parts of the world. Katada and Solis argue that because so much focus was placed "almost exclusively on security and the anti-terrorism campaign," the Bush administration downplayed potential economic friction with its allies. In such context, the Japanese government "gained bargaining leverage in other issue areas such as bilateral trade."¹⁶⁶ This development, along with previous "shocks" in the 1990s, encouraged Japan to reorient its foreign policy by explicitly campaigning to build regional institutions in trade and finance.

Scholars mostly agree that Japan's record on regionalism has been mixed, constrained particularly by its historic bilateral relationship with the United States. The lingering and painful legacy of its history in the region also puts to question Japan's ability to lead regionalism in Asia. However, in the field of economic cooperation, especially in trade and finance, Japan has shown "unprecedented activism" in regional negotiations.¹⁶⁷ For example, starting with Singapore in the

¹⁶⁶ This bargaining leverage is demonstrated, for example, by muted U.S. reaction to the ban of U.S. beef exports. U.S. negotiators were unable to push Japan to lift its 5-year ban on U.S. beef imports strongly, for fear of losing Japanese support on its war in Iraq. Katada, Saori N. and Solis, Mireya. *Under Pressure: Japan's Institutional Response to Regional Uncertainty. Northeast Asia: Ripe for Integration?* Springer, Berlin. 2008. Page 116.

¹⁶⁷ Katada and Solis, 128.

fall of 2002, Japan has signed FTAs and trade agreements with Malaysia, Mexico, Philippines, Thailand, Chile, India, and Indonesia, and now is engaged in FTA negotiations with ASEAN, Vietnam, Switzerland, Australia, and the nations from the Gulf Cooperation Council.¹⁶⁸ Perhaps feeling the need to catch up with the wave of regionalism in East Asia, Japan's initiative to embark on FTA talks demonstrates Japan's capacity for new leadership in this arena. It is important to note that Japan selected developing nations as partners and enlarged the scope to include other economic cooperation topics as well.¹⁶⁹ Similar observations can be made in the area of finance, as Japan once announced its commitment to establish the Asian Monetary Fund (AMF), agreed to contribute U.S.\$38.4 billion to the Chiang Mai Initiative Multilateralization, and continues to be active in the debate over new financial institutions in Asia.¹⁷⁰

From Japan's position, economic interdependence and interests come first and foremost in East Asian regionalism. There is broad consensus that East Asian nations should pursue economic integration. In his policy speech at the 177th Session of the Diet on January 24, 2011, Prime Minister Naoto Kan spoke about "the 21st-century opening of Japan" and the aim to "bring the increasingly vigorous growth of Asia into Japan, seeking out a new formula by which we partake in prosperity along with the international community."¹⁷¹ The focus of regional cooperation is largely economic, calling for the strengthening of the "means of attracting global enterprises, so as to make Japan a hub for Asian economies."¹⁷² The debate now hinges on the extent and nature of such economic integration. Prioritizing functional cooperation, Japan sees East Asian community-building to be an important goal, however farfetched and slow its

¹⁶⁸ Katada and Solis, 118.

"India inks economic partnership accord- Japan pact to cut tariffs, open market of 1 billion". <http://search.japantimes.co.jp/mail/nb20110217a1.html> (February 17, 2011).

¹⁶⁹ Katada and Solis, 121.

¹⁷⁰ Katada and Solis, 130-131.

¹⁷¹ Policy Speech by the Prime Minister Naoto Kan at the 177th Session of the Diet. January 24, 2011.

¹⁷² Policy Speech by the Prime Minister Naoto Kan at the 177th Session of the Diet. January 24, 2011.

development may seem.¹⁷³ As discussed earlier, the Obama administration's insistence on multilateral cooperation opens up a "window of opportunity for East Asian countries to take their own initiatives,"¹⁷⁴ and Japan has begun to see the advantages of the improved strategic environment. Japan is now better understood as a "middle power" operating between the great powers of China and the United States (and also Russia). Japan supports regionalism but is conditioned by several factors, including 1) domestic politics, 2) complicated international relations in East Asia, and 3) a spirit of competition than cooperation as the former regional power forced to relinquish its status.¹⁷⁵

Although the Obama administration's emphasis on multilateralism provides greater opportunity for regionalism, it is important to note that the Pentagon will be an obstacle to Japan fully siding with East Asia. Simply put, the U.S. military cannot justify having bases in Japan if there are no perceived enemies for Japan in the region. On April 14, 2011, Admiral Robert F. Willard stated before the House Appropriations Committee on the issue of the U.S. Asia-Pacific command posture that "The vastness of the region makes permanent and rotational U.S. force presence essential to enabling security and strategic deterrence throughout the region while protecting and defending the homeland."¹⁷⁶ The U.S. military clearly sees itself having a *permanent* presence in Asia and especially in key geopolitical areas such as Japan. In order to justify its continued presence, the Pentagon would rather have Japan perceiving threats from its neighbors than cooperating effectively with its neighbors.

How Japan manages this traditional alliance structure with the United States will be a crucial factor in the development of regionalism. Japan may not be a leading actor in East Asian

¹⁷³ Fukushima, 114 and 121.

¹⁷⁴ Soeya, 304.

¹⁷⁵ Katada and Solis, 129-130.

¹⁷⁶ Statement of Admiral Robert F. Willard, U.S. Navy Commander, U.S. Pacific Command Before the House Appropriations Subcommittee on Defense on U.S. Pacific Command Posture. April 14, 2011.

regionalism, but it is clearly *a decisive actor*. If Japan does not join the effort to build an East Asian community, a strong form of regionalism will not materialize, regardless of how hard China, Korea, and ASEAN strive toward the goal. Domestic politics becomes an influential factor in this regard as well. Do the Japanese voters, even if they wanted to support deepened levels of cooperation with Japan's neighbors, have a choice to elect politicians who would provide consistent leadership? Despite the bureaucrats and corporations losing authority and influence over the past decade as the Japanese economy floundered, no new generation of strong political leadership has replaced them. With four prime ministers coming and going in less than four years, and now with most political analysts dismissing Mr. Kan as prime minister even before the earthquake in March¹⁷⁷, Japanese voters face little prospect for consistent leadership. This could disable Japan from making deliberate efforts to strengthen ties with its neighbors and potentially stall the process of regional integration. Will post-earthquake Japan find renewed leadership during this time of recovery and reconstruction? The answer to this question could have a decisive impact on the future of regionalism.

Furthermore, many would agree that the biggest obstacle for Japan and East Asian regionalism in general is the tensions between China and Japan. Ranging from controversial Yasukuni Shrine visits to China's aggressive efforts to block Japan's bid for a permanent UNSC seat, Sino-Japanese problems often trump constructive debate over community-building. In terms of rhetoric, Prime Minister Naoto Kan repeatedly states that Japan seeks a "mutually beneficial relationship based on common strategic interests" with China as part of Japan's overall efforts to strengthen "relations with the countries of Asia and the Pacific."¹⁷⁸ While there are so many

¹⁷⁷ "Dearth of Candor From Japan's Leadership".

http://www.nytimes.com/2011/03/17/world/asia/17tokyo.html?pagewanted=1&_r=1&hp (March 16, 2011).

¹⁷⁸ Policy Speech by the Prime Minister Naoto Kan at the 177th Session of the Diet. January 24, 2011.

Press Conference by Prime Minister Naoto Kan Following the ASEAN Summit in Vietnam. October 30, 2010.

opportunities to demonstrate smart and strategic diplomacy, it is ultimately up to the leadership in both the Chinese and Japanese governments to improve or damage the Sino-Japanese relationship.

One such opportunity is present now, as Japan begins to recover from a disastrous earthquake and tsunami that hit the archipelago on March 11, 2011. Both China and South Korea almost immediately sent rescue teams to Japan upon request, an unprecedented event in the history of Northeast Asia.¹⁷⁹ China has already donated at least 30 million yuan (U.S.\$4.56 million) of relief supplies to Japan, and the Chinese government has officially expressed support for its neighbor. Premier Wen Jiabao stated, “China is also a country prone to earthquake disasters, and we fully empathize with how they feel now. When China was hit with the massive Wenchuan earthquake, the Japanese government sent a rescue team and also offered rescue supplies.”¹⁸⁰ Adding that China is ready to give more aid as Japan needs it, the Chinese Premier’s statement at the annual news conference in Beijing, in addition to an official message sent to the Japanese emperor Akihito expressing sympathy for the victims and the Chinese government’s willingness to provide all “necessary assistance,” marks a huge step by China to set aside acrimony in favor of the long-term values of cooperation and humane treatment of its neighbors. There is no reason why Japan and China should not take full advantage of such an opportunity to promote improvements in Sino-Japanese relations. On another note, this experience highlights the importance of cooperation in non-traditional security issues, a topic that will appear again in the concluding chapter.

¹⁷⁹ Buruma, Ian. Japan’s Shattered Mirror.

http://online.wsj.com/article/SB10001424052748703818204576206550636826640.html?mod=WSJ_article_MoreInLife%26Culture (March 19, 2011).

¹⁸⁰ “Why China’s help to Japan carries weight”.

<http://www.cnn.com/2011/WORLD/asiapcf/03/17/china.japan.quake/index.html> (March 18, 2011).

Korea

Similar to Japan, South Korea seeks a way to maintain a strong U.S.-South Korea alliance while building regionalism in East Asia for the benefits it would bring to the Korean peninsula. Scott Snyder in his *Lee Myung-bak's Foreign Policy: A 250-Day Assessment* summarizes the two core objectives of South Korean foreign policy as 1) maintenance and promotion of peace and stability, and 2) desire to be recognized as having the international stature commensurate with those accomplishments.¹⁸¹ As another middle power surrounded by the great powers of China, United States, and Russia, South Korea wants to promote regionalism primarily for security concerns, both traditional and non-traditional, including North Korea's nuclear problem and regional stability in Northeast Asia. South Korea also finds itself in the unique position to potentially contain the Sino-Japanese rivalry and work closely with ASEAN to promote the APT framework.

Besides using East Asian regionalism as a way to secure peace both on the Korean peninsula and the broader region in general, South Korea sees a new leadership opportunity in the process. South Korea under Kim Dae-jung initiated the APT process following the 1997 Asian financial crisis and played a pivotal role in establishing and operating the East Asia Vision Group (EAVG) and the East Asia Study Group (EASG) during the 1999 APT summit.¹⁸² The following Roh Moo-hyun government proposed an ambitious regional plan called the Northeast Asian Cooperation Initiative (NEACI) that focused specifically on the Northeast Asian region.¹⁸³ South Korea now under President Lee Myung-bak appears to expand its diplomatic focus from Northeast Asia to Southeast Asia, enhancing its relationship with ASEAN and extending

¹⁸¹ Snyder, Scott. *Lee Myung-bak's Foreign Policy: A 250-Day Assessment*. Korean Journal of Defense Analysis. Volume 21 Issue 1, March 2009.

¹⁸² Lee, Seungjoo and Moon, Chung-in. *South Korea's Regional Economic Cooperation Policy: The Evolution of an Adaptive Strategy*. Northeast Asia: Ripe for Integration? Springer, Berlin. 2008. Page 38 and 44.

¹⁸³ Lee and Moon, 48.

political concerns from traditional security issues to nontraditional issues such as culture, development, and the environment. The “New Asia Initiative” proclaimed by President Lee Myung-bak attempts to establish South Korea as the “hub” of Asia’s network of free trade agreements and assert Korea’s leadership in addressing regional problems by deepening its cooperation with ASEAN.¹⁸⁴ While the “New Asia Initiative” still needs to be further defined and explained, South Korea is clearly demonstrating enthusiasm and optimism for developments toward East Asian regionalism.

Several developments point to the strengthening ties between South Korea and ASEAN. In June 2009, South Korea and the ten ASEAN members reached an agreement to boost investment, giving investors from South Korea easier access to a market with a population of some 600 million people and a combined GDP of some \$13 trillion.¹⁸⁵ This agreement follows the South Korea-ASEAN free trade agreement on goods in August 2006 and a separate one on services in November 2007. Also pledging to increase aid and transfer more development know-how to Southeast Asia, President Lee Myung-bak said Seoul aims to boost the amount of trade between South Korea and ASEAN to \$150 billion by 2015, compared to \$90 billion in 2008.¹⁸⁶ ASEAN is now South Korea’s second biggest destination for investment and the third largest export market.¹⁸⁷ Dialogue between the two sides extends to the North Korean issue, including its recent nuclear and missile activities, as well as cooperation in energy development.¹⁸⁸

Why is it that South Korea takes deliberate initiatives to deepen its ties with ASEAN?

For one, resource-deficient South Korea desperately needs to power its factories making

¹⁸⁴ Cossa, Ralph A. “With ‘new Asia initiative’ Korea comes of age”.

<http://www.koreaherald.com/specialreport/Detail.jsp?newsMLId=20090318000044> (March 30, 2010).

¹⁸⁵ “South Korea, ASEAN sign investment agreement”. <http://www.reuters.com/article/2009/06/02/korea-asean-investment-idUSSEO18139720090602> (June 2, 2009).

¹⁸⁶ “South Korea, ASEAN sign investment agreement”. (June 2, 2009).

¹⁸⁷ “South Korea, ASEAN sign investment agreement”. (June 2, 2009).

¹⁸⁸ <http://www.reuters.com/news/video?videoId=105475> (June 1, 2009).
<http://www.reuters.com/news/video?videoId=108458> (July 23, 2009).

products from chips to autos and televisions, and it obviously helps to maintain good relations with ASEAN countries that are rich in energy and minerals. As David Arase points out, South Korea and ASEAN enjoy a “robust economic relationship that grows naturally out of their geographical proximity, complementary economic characteristics, and peaceful regional environment.”¹⁸⁹

Perhaps more importantly for the interest of regionalism, South Korea values its deepening ties with ASEAN because it sees the APT process as a viable venue in which East Asian regionalism could further develop. The first APT forum organized by ASEAN proved to be an effective way of securing “an equal standing for Northeast Asian countries” and enabling South Korea to play a significant “balancing role” in the process.¹⁹⁰ With few enough members to achieve substantive cooperation, APT appeals to South Korea looking for a new role to play in the region as one of the three Northeast Asian countries relatively less impeded by past rivalries and political tensions. It may be important to mention here Yoshihide Soeya’s argument that the current situation of strategic coexistence between China and the United States may lead to naturally cooperative relations between Korea and Japan, both “middle power” nations operating under “great powers.”¹⁹¹ Such “middle-power cooperation” between South Korea and Japan may indeed play an important role in furthering regionalism in East Asia.

Given the above reasons, South Korea is in a position to promote, if not lead, the development of regionalism. While South Korea still needs to find the best way to maintain positive relations with the United States and somehow include the North Korean issue into the integration process, the country has demonstrated a proactive stance toward regionalism and a

¹⁸⁹ Arase, David. Korea, ASEAN, and East Asian Regionalism. KEI’s 21st Academic Symposium. September 2010.

¹⁹⁰ Wonhyuk, Lim. Regional Multilateralism in Asia and the Korean Question. Asia’s New Multilateralism. Columbia University Press, New York. 2009. Page 88 and 94.

¹⁹¹ Soeya, 2.

level of enthusiasm that gives us reason to believe South Korea will be an advocate of building an East Asian community. To be sure, its relations with the North greatly distract South Korea from devoting its resources to further regional integration. This undermines South Korea's ability to provide leadership in the process, but South Korea's position provides encouragement (and not an obstacle) to the development of regionalism. Also, South Korea's participation will most likely point toward the importance of nontraditional security in the years to come. Similar to China's initiatives with ASEAN, South Korea has been pushing for the "construction of energy and transportation networks in the region" that would facilitate economic development not only in the Korean peninsula but also in the rest of East Asia.¹⁹² Such efforts necessarily bring to the forefront the importance of nontraditional security issues such as terrorism, pandemics, illegal immigration, and environmental problems. South Korea has been particularly proactive in the area of environmental cooperation, competing with Japan to initiate and engage in bilateral and multilateral efforts to address common environmental issues in East Asia.¹⁹³

ASEAN

Continuing the discussion of ASEAN's role in East Asian regionalism, this section will further analyze the collective position of the ten ASEAN members- Brunei, Myanmar, Cambodia, Indonesia, Laos, Malaysia, the Philippines, Singapore, Thailand, and Vietnam. While ASEAN has clearly succeeded in integrating the region of Southeast Asia, its value is now most appreciated for its "deft diplomacy" that made ASEAN "central to pan-Asian regionalism."¹⁹⁴ ASEAN has indeed helped Southeast Asia punch above its weight, serving as a common

¹⁹² Wonhyuk, 85.

¹⁹³ Lee, Shin-wa. *Environmental Regime-Building in Northeast Asia: Korea's Pursuit of Leadership*. Korea at the Center: Dynamics of Regionalism in Northeast Asia. M.E. Sharpe, New York, 2006. Page 244.

¹⁹⁴ "Loose stalks posing as a sheaf: As two of its members square up, ASEAN tries to do more than just hold the coats". <http://www.economist.com/node/18114235> (February 10, 2011).

denominator for nearly all regional cooperation processes in East Asia. As small states facing larger and more powerful neighbors, ASEAN members view regionalism in East Asia as a crucial element to their survival.

From an international relations theories perspective, ASEAN is an interesting phenomenon of its own. Without the direct sponsorship or the active backing of great powers, ASEAN has somehow managed to provide regional solutions to Southeast Asia and succeeded thus far in playing a leadership role in promoting regionalism. The unique power dynamics in East Asia enable ASEAN to lead institutional development in the region, where, in Amitav Acharya's words, "great-power claimants" to institutional leadership "cancel each other out because of their mutual rivalry."¹⁹⁵ In this sense, ASEAN leads "by default", acquiring enough bargaining clout through collective action to command the attention of more powerful nations and creating a favorable international image for itself by sticking together and avoiding intramural problems. Although ASEAN members sometimes do engage in conflict, as recently observed between Thailand and Cambodia over their disputed border at the Preah Vihear temple¹⁹⁶, none of them question the basic legitimacy of ASEAN or hesitate to participate in it. Member states have built enough trust and clarified fundamental norms of the group over the years to make ASEAN a reliable and long-term advocate for East Asian regionalism.

But there are still important issues to be debated, including possible reform or redirection of ASEAN and the particular role that ASEAN should play in the building of a broader region-wide institution. According to Acharya, there are two main perspectives in ASEAN regarding the

¹⁹⁵ Acharya, Amitav. *The Strong in the World of the Weak: Southeast Asia in Asia's Regional Architecture*. Asia's New Multilateralism. Columbia University Press, New York, 2009. Page 173.

¹⁹⁶ "Loose stalks posing as a sheaf: As two of its members square up, ASEAN tries to do more than just hold the coats". (February 10, 2011).

"Thailand and Cambodia in fresh border crash". <http://www.bbc.co.uk/news/world-asia-pacific-13167455> (April 22, 2011).

crucial question of who should take part in Asia's regionalism. One view supports an exclusive East Asian grouping, namely the APT, while another view encourages a more open and non-exclusionary regionalism. Malaysia in particular favors the former, and Singapore and Indonesia prefer the latter.¹⁹⁷ China has to keep in mind that from ASEAN's position, it is very important to prevent any single outside power's dominance of their region. If China is overly insistent on an exclusionary East Asian regionalism, several nations, including Japan, could resist keeping its membership confined to East Asian nations. Because more powerful Asian nations fear undermining the whole integration process, they are unlikely to challenge ASEAN's leadership role in East Asian institutions. It is important to note here that while ASEAN will most likely provide leadership in regional integration, ASEAN states themselves are not decisive actors. For a strong East Asian community, ASEAN needs both South Korea and Japan to step on board, not just China.

A window of opportunity

The above discussion on the positions of the United States, China, Japan, Korea, and ASEAN argues in favor of regionalism developing in East Asia. The individual and collective analyses of these positions reveal that East Asia faces an unprecedented window of opportunity to further regional integration. China, Japan, Korea, and ASEAN still need to define clearly and communicate effectively the principles and ideals upon which such a regional community is to be built. Communicating such an understanding with each other, as well as with the United States, is of vital importance. Although each of the key actors comes from a specific and unique position, shared goals can be identified and mutual benefits can be derived from East Asian regionalism.

¹⁹⁷ Acharya, 179.

Chapter 4: Conclusion

This chapter will conclude the paper by summarizing the key points made in the first three chapters and discussing the growing importance of cooperation in nontraditional security issues. It will cover some of the key questions to ask in the long-term for a more peaceful and cooperative East Asia.

Summary of key points

The first chapter introduced the topic of regionalism in East Asia by discussing its importance in the field of international relations and posing questions about how scholars should understand regionalism in the unique East Asian context. Given the rise of China and the growing economic/demographic importance of East Asia in general, I argue that the region deserves much international attention, especially as transnational challenges like climate change and terrorism continue to threaten global security. The first chapter defined regionalism as the *intensifying political, economic, and cultural processes of cooperation among states and non-state actors in particular geographic regions*, while also differentiating regionalism from regionalization. I provided a brief historical record of regional cooperation in East Asia, followed by the literature review which introduced the main topics and theoretical perspectives on East Asian regionalism.

Chapter 2 then moved on to describe the high level of regionalization in East Asia observed through the analytical lenses of markets and societies. The latter section of the chapter raised the main topics of debate regarding the question of whether regionalism follows regionalization in East Asia. It is increasingly clear that economic interdependence in the region provides the key drive for regional integration and plays an unintentional bottom-up role of

“regionalizing” East Asia. The chapter discussed topics of debate including the significant presence of the United States in the region, the rise of China, regional security issues, presence or lack of political motivation, the increasing importance of non-conventional threats, and challenges emerging from diversity, pre-existing agreements, and demographic differences in the region.

In Chapter 3, I argued that regionalism is indeed a credible path for East Asia. Each of the main actors in East Asia- the United States, China, Japan, Korea, and ASEAN- has a strong incentive to promote regional stability and cooperation. The United States, politically preoccupied with developments in the Middle East, wants to coexist strategically with China by prioritizing political and economic stability. Under the Obama administration, the United States is much more open to the strengthening of multilateralism, providing a window of opportunity for countries such as China to further efforts toward an East Asian-specific regionalism.

China, cognizant of the continued U.S. presence in Asia and careful not to raise suspicion among its neighbors about its ambitions as the rising superpower, is striving to promote a kind of regionalism that accommodates diversity, respects state sovereignty, emphasizes the needs of East Asia, remains open to the rest of the world, and promotes cooperation on nontraditional security challenges. China sees ASEAN Plus Three as the most viable vehicle for a uniquely East Asian regionalism, one that maximizes China’s potential for leadership and influence as the regional power. Until China feels ready, it will free-ride on U.S. leadership on the global economy, prioritizing above all its own economic growth and domestic political stability. The Chinese government faces the crucial challenge of managing the PLA’s militaristic agenda that often harms relations with its neighbors. Chinese diplomacy will have to prevent sensitive issues

such as the Yellow Sea maritime disputes from escalating into sensational political problems that trump other efforts toward regionalism.

As middle powers, both Japan and South Korea seek to continue their alliance with the United States while promoting multilateralism in East Asia for the benefit it would bring to them. Japan sees economic interests and interdependence within the region to be the leading rationale for regionalism. South Korea is trying to establish itself as the “hub” of Asia’s growing network and free trade agreements and hopes to lead together with ASEAN to develop regional institutions. Perhaps “middle-power cooperation” between South Korea and Japan would enhance the prospects for regionalism significantly, especially with regards to non-traditional security areas of cooperation such as environmental management. Within this context, ASEAN presents itself as a reliable and committed advocate for East Asian community-building, with none of the member states questioning the rationale for and efforts toward regionalism. Since powerful Asian nations cannot unilaterally claim leadership in the integration process for political reasons, ASEAN’s prevalent leadership role will unlikely be challenged.

I argue that East Asian regionalism will strengthen, although it will be a slow process requiring deliberate effort from the leaders of the Asian countries involved. I identify two decisive factors at this stage of regional integration: 1) Japan’s deliberate participation in the process and 2) China’s effective management of its civil-military leadership. If Japan does not participate in the APT process with full commitment and intention, a strong East Asian regionalism will not materialize even if ASEAN, China, and Korea were fully engaged. Likewise, if the PLA continues to agitate China’s neighbors through military exercises and disputes over the Yellow Sea, Chinese diplomacy will fail to further the claim that China’s true intentions in the region are amicable and positive. The Chinese civilian leadership will have to keep the PLA

under control or the whole project of regionalism could fall apart. Of course, as this paper has shown through the analysis of the multitude of different perspectives, there are many other important factors regarding the future of East Asian regionalism as well. Yet given the current situation in East Asia, I argue that the two decisive factors mentioned here deserve much attention.

In whatever form, East Asian regionalism will remain *open to the outside world*, and recent international activities support this claim. Japan signed a bilateral economic partnership agreement with India in February¹⁹⁸, and China resumed defense exchanges and engaged in economic negotiations with India in April.¹⁹⁹ The annual summit for the Bric countries- Brazil, Russia, India, China, and South Africa (attending for the 1st time)- also took place this month in Hainan, China, and the group called for more influence in the global arena.²⁰⁰ These developments can have meaningful impacts in the world, and it would be unreasonable to think that East Asian nations will sacrifice important opportunities for bilateral and multilateral negotiations with non-East Asian nations in the name of an exclusively East Asian regionalism. It is also important to remember the continuing presence of the United States in Asia, as most recently evidenced by the strong support from the U.S. government and military to aid Japan after the disasters struck, with more than 140,000 American military personnel operating to clear debris and distribute aid.²⁰¹ There is a long-standing tradition of alliance with the U.S. military, especially for countries such as Japan and South Korea, that will not go away any time soon.

¹⁹⁸ “India inks economic partnership accord- Japan pact to cut tariffs, open market of 1 billion”.

<http://search.japantimes.co.jp/mail/nb20110217a1.html> (February 17, 2011).

¹⁹⁹ “India and China to resume defense exchanges”. <http://www.bbc.co.uk/news/world-south-asia-13076469> (April 14, 2011).

“Indian PM Manmohan Singh heads to China for talks”. <http://www.bbc.co.uk/news/business-13034172> (April 11, 2011).

²⁰⁰ “Bric summit ends in China with plea for more influence”. <http://www.bbc.co.uk/news/world-asia-pacific-13076229> (April 14, 2011).

²⁰¹ “Clinton meets Matsumoto”. <http://search.japantimes.co.jp/mail/nn20110418a2.html> (April 18, 2011).

Yet these external relations by themselves do not rule out the development of East Asian regionalism. If Asian leaders purposefully work towards integration, regionalism can develop in a way that does not exclude East Asia from the rest of the world. I emphasize the importance of effective leadership and smart diplomacy because inconsistent leadership and diplomatic failures make situations worse for all players. Incremental success can build on each other to create a more favorable strategic environment for further multilateral cooperation. Recent examples might include Taiwan allowing up to 2,000 Chinese students to attend its universities each year as a sign of improved relations with the mainland²⁰², or the U.S. navy stating that the Chinese navy has been less aggressive in contested waters in the Asia-Pacific region in 2011.²⁰³ Because of these positive signs that constitute the diplomatic environment, countries and their leaders can engage in forward-looking, constructive negotiations. To be sure, traditional intrastate or interstate conflicts, including disputed maritime territories, continue to plague Asian countries, situations in which Asian regional institutions have had little impact. For this reason, we cannot expect a dramatic development of regionalism, but rather incremental steps toward regional institution-building. The increasing need to cooperate on nontraditional security issues may help speed up this process.

Importance of nontraditional security

In Acharya's words, "The most promising stimulus for change may be the need to cope with transnational crises such as terrorism, pandemics, and major natural disasters."²⁰⁴ Indeed, nontraditional security (NTS) challenges pose increasingly important threats to the region and

²⁰² "Taiwan universities accept Chinese mainland students". <http://www.bbc.co.uk/news/world-asia-pacific-13076233> (April 14, 2011).

²⁰³ "US says China's navy has been less aggressive in 2011". <http://www.bbc.co.uk/news/world-asia-pacific-13059006> (April 13, 2011).

²⁰⁴ Acharya, 186.

the world, especially given the need to mitigate and adapt to global climate change. These issues have the potential to produce conflict within the region, but at the same time present the opportunity for further regional cooperation, as NTS issues seem less divisive and more amenable to collective responses than traditional conflicts. Mely Caballero-Anthony identifies the following common characteristics for NTS threats:

- They tend to be nonmilitary in nature and transnational in scope.
- They arise at very short notice and are transmitted rapidly due to globalization.
- They are difficult to prevent and resistant to national solutions, thus requiring regional and multilateral cooperation.
- The object of security is no longer just the state (state sovereignty or territorial integrity), but also the peoples within and across states at both the individual and the societal levels.²⁰⁵

Given that transnational threats are increasingly discussed not only in academic circles but also among policymakers, we must pay particular attention to how East Asia is addressing NTS challenges and how NTS threats might influence the institutional architecture of the region. Infectious diseases, natural disasters, transnational crime and terrorism, poverty and human security provide critical areas for cooperation that could stimulate the development of new norms and allow opportunities for Asian countries to strengthen solidarity with one another as they face similar threats affecting the entire region.

NTS has both short-term/long-term and direct/indirect consequences. In the short-term, NTS cooperation directly results in multilateral policies that deal with specific problems such as air pollution. But more importantly for the sake of regionalism in the long-term, NTS

²⁰⁵ Caballero-Anthony, Mely. *Nontraditional Security and Multilateralism in Asia: reshaping the contours of regional security architecture. Asia's New Multilateralism*. Columbia University Press, New York, 2009. Page 310.

cooperation helps shape the diplomatic environment for further cooperation, helping to build trust and foster a sense of common security. Asian nations can first engage each other in areas of NTS, and then eventually move towards traditional security issues as they strengthen mutual trust and further define common interests. NTS becomes a paramount area of cooperation for this reason, making it difficult to see regionalism strengthening without it.

Here I briefly highlight the importance of energy and the environment within the array of NTS issues, and I suggest that they are areas in which East Asian regionalism could be most useful. From the environmental perspective, all countries in East Asia (all countries in the world) fall within a single ecological region, roughly divided into Northeast Asia and Southeast Asia. The entire region has an interest in collectively managing “common pool resources” such as air systems, oceans, watersheds, fisheries, and communal forests, in order to avoid the “tragedy of the commons” or the harmful overexploitation of resources due to lack of collective management.²⁰⁶ Some of the most obvious environmental problems in East Asia include transboundary air pollution, marine pollution, depletion of fishery resources, and energy security.

Securing energy supplies is a major environmental issue in East Asia. Korea, Japan, and Taiwan in particular are heavily dependent on overseas sources of energy and natural resources for their industrial and economic activities, and many of the East Asian countries seriously consider nuclear energy as an alternative way to ensure energy security. The currently ongoing nuclear problem in Fukushima, Japan, obviously pushes the issue of energy security to the forefront for both Asian citizens and policymakers. Four ASEAN countries- Vietnam, Thailand, Malaysia, and Indonesia- already have plans to develop nuclear energy plants, while Singapore is

²⁰⁶ Lee, 230.

undertaking a pre-feasibility study for nuclear energy.²⁰⁷ As Simone Tay from the Singapore Institute of International Affairs points out, the nuclear problem in Japan will strengthen demand for innovative alternative energy sources. Kyushu Power from Japan, for example, is implementing geo-thermal energy production in Sumatra, and such initiatives will remain important as Japan continues to experience energy shortages.²⁰⁸ NTS issues such as energy security and safety will more frequently surpass traditional security threats in their importance and their call for urgency to cooperate internationally.

How does regionalism fit in this context of increasingly important NTS threats? As mentioned in Chapter 3, China wants to use the APT framework to expand cooperation in the area of NTS and the Chinese government recently expressed serious concern for environmental degradation. Shin-Wha Lee describes how the Korean environmental diplomacy has become active during the past decade in its participation in environmental debates and international environmental conventions, and how Korea has been competing with Japan in taking the leadership role to promote regional environmental partnership.²⁰⁹

ASEAN also sees the importance of collective action in the area of NTS, as evidenced by the recent case of haze (environmental pollution) in Southeast Asia. As the haze problem escalated in various cities in Southeast Asia, Indonesia came under tremendous pressure to address the recurring forest fires in the country, and President Susilo Bambang Yudhoyono made an unprecedented apology to other ASEAN members for the problems caused by the haze. ASEAN officials and citizens continued to express intolerance of Indonesia's lack of action in stopping the haze from escalating into a major regional problem, eventually pressuring Indonesia

²⁰⁷ "Quake reminds Asia Japan is 'one of us'". <http://www.todayonline.com/Commentary/EDC110414-0000353/Quake-reminds-Asia-Japan-is-one-of-us> (April 14, 2011).

²⁰⁸ "Quake reminds Asia Japan is 'one of us'". (April 14, 2011).

²⁰⁹ Lee, 238 and 241.

to ratify and comply with the Agreement on Transboundary Haze and Pollution in October 2006.²¹⁰ This example sets an important precedent on a NTS issue that shifts away from ASEAN's insistence on noninterference with internal affairs. Because NTS concerns such as environmental degradation extends beyond political borders, they will challenge countries to practice responsible policies and motivate deeper commitment to regional interests. Furthermore, the complexity in identifying who is responsible for transnational problems and finding agreeable solutions to all members will require a higher level of regional cooperation. The air pollution problem in Northeast Asia, for example, or the resource management of the Mekong River Basin in Southeast Asia, are complicated problems requiring multilateral cooperation among the Asian countries sharing the same geographic environment.

The key for a peaceful future in East Asia hinges upon sustainable development, and in order to avoid violent, nationalistic solutions to energy and resource insecurity, regional institutions must play a critical role. As Mark Beeson argues, the project of East Asian regionalism remains so important because it is an "investment that ought to be made" without which "the chances of resolving major tensions over energy security and environmental sustainability are reduced, and threaten to undermine some of the very real gains the region as a whole has made over the past 50 years or so"²¹¹. The final section will consider the necessary conditions for success towards a more peaceful and prosperous East Asia.

Conditions for success

Some of the key questions to ask in the long run revolve around sustainable development and inclusive growth. In order for the region to enjoy peace and prosperity in the future, regional

²¹⁰ Caballero-Anthony, 324.

²¹¹ Beeson, 254.

institutions will first have to address resource constraints and make growth more inclusive throughout East Asia. Besides managing these two priorities, regional institutions should also manage Asia's trade integration, prepare for demographic transition, and stimulate growth and integration through infrastructure investment and trade facilitation. The development of effective regionalism in East Asia will also depend on the Sino-Japanese relationship and the "balance of interests" between other global powers such as the United States and the European Union in seeing East Asian regionalism as a mutually beneficial project.

Most importantly, Asian leaders must address resource constraints and make growth more inclusive. There will be no growth or prosperity if we push beyond the "fundamental carrying capacity of the planet,"²¹² depleting finite resources and increasing the risks for international conflict over food and energy insecurity. The publication by the Asian Development Bank *From Growth to Convergence: Asia's Next Two Decades* suggests that "sustaining agricultural productivity through R&D investment and securing energy supplies through regional infrastructure investment" are important policy options for overcoming potential resource constraints in the region.²¹³ Addressing resource constraints goes hand in hand with making growth more inclusive, as the rising inequality in East Asia may prove harmful to economic stability and sustainable growth. Just as resource constraints may raise the risks for conflict, economic unrest and growing inequality would also go against a vision of a more peaceful and prosperous East Asia.

Following these two top priorities are the tasks of managing Asia's trade integration, preparing for demographic transition, and stimulating regional growth and integration. Wu Xinbo argues that by 2020 it is "very likely that an East Asian FTA will come into being,

²¹² Beeson, 253.

²¹³ Zhai, Fan (edit). *From Growth to Convergence: Asia's Next Two Decades*. Asian Development Bank. Palgrave MacMillan, New York, 2009. Page 34.

marking a major achievement in regional economic cooperation.”²¹⁴ Such a development would indeed mark a huge step towards regional integration in general, as many nations view economic interdependence and regionalization as a prerequisite to regionalism. Leaders today would have to effectively manage regional trade integration now, so that intraregional ties will be greatly strengthened and external influence much expanded, placing the region in a much better position to assert regional interests and needs to both its own members and to the rest of the world.

In the next several decades, leaders will also need to prepare adequately for the demographic transition that will inevitably take place in East Asia. As the Asian Development Bank reports, “low fertility and longer life expectancy will lead to an unprecedented and rapid pace of population aging in developing Asia” that pose broader economic, social, and political implications.²¹⁵ Asian governments may need to respond with appropriate policy actions in areas such as public pension, health-care systems, immigration, population policy, saving and investment, and productivity improvements.

In the midst of such transition, there also needs to be enough stimuli for growth and integration through East Asia that includes countries that have lagged in terms of economic growth, which tends to correlate with less engagement in the regional integration process.²¹⁶ Along with trade integration, infrastructure investment can promote wider economic participation and encourage the benefits of economic integration to flow into the poorest regional economies. David Roland-Holst in *Infrastructure as a Catalyst for Regional Integration, Growth, and Economic Convergence: Scenario Analysis for Asia* argues that infrastructure development is a prerequisite for wider economic participation, poverty reduction, and more rapid and

²¹⁴ Xinbo, 73.

²¹⁵ Zhai (edit), ADB, 34.

²¹⁶ Zhai (edit), ADB, 33.

sustained growth in Asia.²¹⁷ The 2009 ADB publication outlines the following eight infrastructure development goals:

1. Eradicate infrastructure poverty.
2. Achieve universal access to primary education.
3. Improve access to information and communication technology.
4. Improve electrification.
5. Improve market access.
6. Improve public health access.
7. Promote environmental sustainability.
8. Develop a Global Partnership for Infrastructure.²¹⁸

These are sound advice for Asian leaders to keep in mind as they address the particular needs of their countries within the larger context of East Asia.

Finally, the successful development of regionalism that fosters peace and prosperity in East Asia depends on the nature of the Sino-Japanese relationship and the support (or at least not the opposition) from global powers such as the United States and the European Union.

Acrimonious relations between China and Japan can jeopardize the whole integration process and divide efforts toward regionalism. External players including the United States will have to be persuaded that a more peaceful and prosperous East Asia operating under regional cooperation is not a threat, but rather a favorable development resulting in mutual benefits for all. The changing global strategic environment, influenced by the Obama administration's emphasis on multilateralism, and the increasing awareness that we are all facing similar challenges in the 21st century, reminded to us by global climate change and more frequent natural disasters, may

²¹⁷ Roland-Holst, David. From Growth to Convergence: Asia's Next Two Decades. Asian Development Bank. Palgrave MacMillan, New York. 2009. Page 138.

²¹⁸ Zhai (edit), ADB, 138. The goals are abbreviated here. Please go to the report for more details.

allow East Asia to move collectively as a region toward peace and prosperity. As empathic responses to the recent disasters in Japan have shown, both Asian leaders and citizens are capable of moving beyond individual interests and limitations of the past in the name of collective interests and creative imagination for the future.

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