

**COMPARATIVE THEORY, CHINA, AND THE  
FUTURE OF EAST ASIAN REGIONALISM(S)**

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## **INTRODUCTION**

The basic argument in this paper is that there are understandings that emerge from studying integration elsewhere (and particularly in the EU) that point towards an integrating logic for East Asia. These essentially emerge when considering the economic basis for regionalism, and the search for collective “statist” solutions to common challenges – challenges largely generated by non-state actors and what we might conceive of as the spread of neoliberal globalisation. Or put another way, the logic of capital accumulation and distribution requires means of facilitating neoliberal capitalism but also legitimising it that create a demand for regional level institutions.

This integrative logic is also partly fuelled by geostrategic concerns – but also perversely simultaneously constrained by geostrategic rivalry. On the one hand, the changing attitude of key actors such as China<sup>i</sup> to regional organisations whilst partly being inspired by understandings of economic security, also seem to be in part at least inspired by considerations of power politics and competition. But on the other hand, responses to Chinese initiatives – particularly, but not only, in Japan - have resulted in what I term the “oversupply” of region; or the establishment of a rival conception of region that has at its heart the attempt to undermine perceived Chinese regional leadership ambitions.

Before turning to the East Asian case in the second half of the paper, it begins by first attempting to draw out the main strands in the various theoretical literatures that might constitute the starting point for any understanding of how Asia’s regional future might emerge. It argues that the apparent distinctions between contending approaches have been in part conditioned by the academic practice of drawing clear dividing lines between theoretical approaches; for example, between realist and

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<sup>i</sup> I am, of course, using “China” here to refer to the policies and attitudes of key state elites and not to imply that there is only one interest in the entire nation.

liberal positions and between existing and “new” approaches. This is not to say that there is nothing new – the focus on actual processes of regional integration rather than formal regional organisations is essential for building a truly comparative approach to studying regional processes. So too is the expectation that multiple (functional?) regions are more likely than the inevitable spillover into a single political region expected by some neofunctionalists. However, the paper also argues that the focus on constructing mechanisms to deal with the consequences of increased economic interconnections ties new and old approaches together. Furthermore, conceptions of hegemony – how to establish it and how to resist it – seem to result in more connections between liberals and realists than we might think would be the case.

## **SECTION ONE: THEORETICAL PERSPECTIVES**

### **Studying Regionalism: The Benefits and Pitfalls of the Comparative Approach**

#### *Overcoming “Pessimism”? Comparing What with When?*

It is not surprising that the experiences of the European integration project looms large in analyses of and predictions for regional integration elsewhere in the world. After all, the European Union, is the best example we have of what happens when states agree to first move towards formal economic integration, and then some wider form of political integration. It is also, of course, an example of the many obstacles that lie along the way as well. Indeed, perhaps the simplest lesson that the EU provides for students of other regional projects is that seemingly huge obstacles to regional integration not only can be, but have been overcome in the European experience.

The crucial thing here is to think about the temporal dimension of comparison. There is little point in comparing regionalism in East Asia (or anywhere else) today

with regionalism in Europe today as it is a comparison of two unlikes. Rather, the comparison should be made between East Asia (or wherever) today and Europe at a similar stage of the evolution of regionalism (though admittedly identifying when the similar stage was in Europe is an inherently difficult task). For example, if we think of the status quo ante of Europe before the march towards the current level of integration, like Asia it was a region with vastly different levels of development, with different versions of domestic capitalism, different domestic political structures, and different religions and belief systems where there was where there is little or no identification with belonging to that region amongst the general population. In fact, it was a region where fragmentation rather than integration had been the dominant trend in previous decades as a result of the expansionary military activities of one of its members where memories of the war were still strong in the minds of many – indeed, a dominant concern for many in Europe then (like Asia now) was how to prevent the emergence of regional hegemons that might once more threaten regional stability. It was also a region where nations were divided with rival political regimes in an uneasy peace and the threat of conflict could not be discounted; a region that where an external power, the US, was a key actor (and the guarantor of security for some).

Would scholars of Europe in 1945 have predicted the creation of the Europe that we have in 2007? Indeed, how many people in early 1989 would have foreseen a Europe of 25 states including not only states that used to be part of the opposition “bloc” or “camp”, but states that didn’t even exist less than two decades ago? Or come to that, would scholars of Asia have thought in 1989 that an ASEAN that included Vietnam as a member would develop the relationship that we see with China today?

So this very short discussion immediately generates three implications for our study. First, the correct temporal basis of analysis is important if we are to make any sense of how the study of one process can help us understand what might occur elsewhere. Second, a comparative historical approach can suggest that insurmountable obstacles aren't always as insurmountable as they might appear if studied on their own. However, the third implication is that we have to always have in mind the caveat that what **can** be overcome and what **might** be overcome doesn't necessarily mean that they inevitably **will** be overcome. Moreover, even if they **are** overcome, it doesn't mean that any Asian community will be constructed as a mirror image of the EU.

This understanding/expectation that Europe is/will be **the** model that **will** be emulated elsewhere has been something of a problem in the development of a truly comparative approach to studying regional integration. When Haas (1975) announced that his previous attempts to build a regional integration theory were now dead, this was partly because the European experience itself had not lived up to his expectations; nation states had not been superseded by the region as the key unit of political action, but had instead remained the key determinants of both international relations beyond the region and political relations within the region. But regional integration theory was also "dead" because of the failure of regional efforts to result in real integrative projects elsewhere.

Perhaps Haas' key contribution to theories of regionalism was to move beyond the narrow functionalist understanding of integration that characterised early political initiatives in post-War Europe (Haas 1956, 1958, 1964). Confining arrangements on, for example, coal and steel production, only to issues directly pertaining to coal and steel was both misguided and indeed impossible. Effective coordination could only

occur but taking into account a wider set of issues such as social policy, trade, investment rules and so on. Rationality would ensure that cooperation on functional areas would inevitably spillover into economic and then political integration on a territorial rather than functional basis, eventually leading to the transcendence of the state system. And it is not just that Neofunctionalism as a theory has emerged from the European experience, but a narrow European experience at that. As Rosamond (2000: 10) notes:

neofunctionalism can be read at one level as a theory provoked entirely by the integrative activity among the original six member-states

For writers like Lindberg and Scheingold (1970) and Nye (1968), not just functional pressures but growing interdependence – particularly economic interdependence driven by non-state economic actors – meant that there was an urgent need to find collective answers to collective problems that would lead states to follow the European mode of cooperation; thus, the absence of evidence to support these assumptions by the mid 70s resulted in Haas’ obituary and a move away from regional and integrative assumptions to conceptions of “complex interdependence”.

### **From Europe as THE to A Model of Intergovernmentalism**

These early “predictive” models of integration have retained considerable purchase in explaining regionalism even though the predictions have gone. For example, neoliberal institutionalists draws both from the statist and rationalist assumptions of realism and the “spillover” assumptions of Neofunctionalism to derive an assumption that increased international exchanges lead to problems that require collective management. Regionalism is this seen as a statist response to an increasingly complex world where the activities of non-state actors (primarily

companies) operating beyond the national sphere mean that national level legislation and action alone cannot serve “the national interest”. Formal inter-state cooperative institutions are expected to develop at the regional level – but not only at the regional level and crucially neoliberal institutionalists no longer see the European experience as a predictive model.

So Europe clearly remains an integral part of any attempt to construct theories of regional integration, but the focus has often shifted from Europe as *an* example of regionalism to *the* example – the archetypal case or benchmark that all other regional projects are judged against to consider whether they have the hallmarks of “real” regionalism. In response, students of the “second wave” of regionalism did not just compare new regional projects with the early European experience, but instead also compared the non-European examples with each other. Whilst the resulting studies contained many varied conclusions, an underlying theme was this key idea of non-state actors – particularly major transnational corporations – influencing the evolution of regional organisations; the extent to which government policies towards regionalism are responses to the interests of business communities

One of the most important works in this tradition was Walter Mattli’s (1999) “The Logic of Regional Integration”. Mattli’s research was very much informed by the European experience – not just the development of the European Union, but earlier attempts to promote integrative projects in the nineteenth century (both successes and failures). But it also went beyond the European cases, considering the motors of integration in East Asia and the Americas. At the risk of oversimplification, Mattli argued that there were two key prerequisites for a regional project to succeed: quite simply, supply and demand. In short, regions are most likely to come in to being and subsequently “work” when the demand from non-state economic actors seeking

the economic gains that a regional market could provide is met by the supply of integrating institutions by political leaders who foresee a domestic political (electoral) benefit from consequent economic growth.

So rationalism is at the heart of two of the major understandings of intergovernmentalist understandings of regional integration. Not surprisingly, the efficacy of both rationalism and intergovernmentalism have been challenged – not least by the broadly defined “new regionalism” approaches to understanding regional integration. I have outlined the potential usefulness of these theories for studying China’s position in Asian regionalism elsewhere, and do not intend to repeat the analysis in detail here. Rather, I will simply draw out what I believe to be the most important conclusions for comparativists that we might think of applying to other cases – and specifically the Asian case.

### *Multiple Regions*

First, there is a rejection of the inevitable functional spillover into single political regional units - indeed, if the world has a future of regions, it is likely to be one where states are members of multiple regional organisations rather than members of single exclusive bodies. Rather, and building on Coxian approaches to World Order,<sup>ii</sup> the real world of new regionalisms is characterised by multiple forms, layers and levels of integration. For example, the security region might not be the same as the region of production, investment and trade - as was the case in Europe with a disjuncture between the European member states of NATO and the EEC respectively for much of the second half of the twentieth century. In this respect, the fact that China, for example, seeks regional security cooperation with neighbouring states to the north and

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<sup>ii</sup> In particular, Chapters Six and Seven of Cox (1996).

north-west (through the Shanghai Cooperation Organisation) whilst simultaneously promoting economic cooperation with ASEAN, Japan and South Korea is not particularly atypical.

Moreover, despite the fact that the European project has been characterised by the evolution of a single European Union, Helen Wallace (2002) argues that within the EU there are different locations of governance and multiple layers and levels of integration. For example, even before the expansion of the EU from 15 to 25 not all member states had joined the Schengen zone, and not all member states had adopted the single currency.

Diversity is also a result of different levels of “region” – both writ small and writ large. At the lower level, much of the real integration that is taking place between economies is not between the economies of two or more nation states (Breslin and Hook 2002). Rather, it often occurs between sub-national entities across national boundaries. Thus, for example, Tijuana becomes integrated with San Diego across the Mexico-USA border to a much greater extent than the Mexican and US economies become integrated as a whole.

At the “higher” level, the coexistence of different forms of region at different levels has resulted in overlapping regional membership. For example, if we conceive of APEC as a regional organisation (and I’m not sure that we should), then its wide geographic reach means that its member states are all simultaneously members of smaller more discrete regional organisations. Even if we discount APEC, then we can see that the concept of multiple regional memberships still holds true. For example, Malaysia is involved in ASEAN growth triangles, in ASEAN itself, in the fast track for the ASEAN Free Trade Area liberalisation (as opposed to the slower track for the new members), the ASEAN regional forum, ASEAN Plus Three, the ASEAN China

Free Trade Agreement, the East Asia Economic Caucus, ASEM, APEC, the Asian Development Bank, the Colombo Plan and probably others that I have forgotten here.

*Challenging Intergovernmentalism: isation and ism*

Perhaps more forcefully, the variety of new regionalism approaches were largely inspired by a desire to move away from the concentration on intergovernmentalism as the defining feature of regional integration. Clearly the creation of formal regional organisations – what was typically termed as “regionalism” (as form) - was a major element in regional integration. However, for a number of scholars, the focus on what governments did to and with each other was not the only benchmark against which regional integration should be judged - and indeed no guarantee that real integration or “regionalisation” (as process) would take place.

Taking the latter first, there were examples of the creation of formal regional bodies – sometimes inspired by the emulation of earlier regional projects – that had come into being through intergovernmental dialogue and treaty, but where little or no real integration had subsequently occurred. For example, Manoli (2003) has shown that the economies of the member states although of the Parliamentary Association of Black Sea Economic Cooperation (PABSEC)<sup>iii</sup> are no more integrated than they were before the creation of PABSEC in 1993. Regionalism exists, but the actual processes of regionalisation are integrating member states with extra-regional economics (particularly the EU) rather than to each other within the formal region. Bull (1999) notes a similar lack of real integration in Central America where the integrative “pull” is with the economic core to the north rather than with other geographically contiguous peripheries.

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<sup>iii</sup> Albania, Armenia, Azerbaijan, Bulgaria, Georgia, Greece, Moldova, Romania, the Russian Federation, Turkey and Ukraine.

Perhaps more important for this study and this conference, the example of East Asia in particular showed that national economies (or at least parts of national economies) were becoming integrated with each other even though formal regional bodies did not exist. This is not to say that governments in the region had been passive or even irrelevant – on the contrary, integration had been facilitated by numerous government initiatives to facilitate integration into the global economy. As such, while there was no formal regionalism, there was actual regionalisation.

There was also a form of regional “governance” (if not regional government) in that integration was being driven by the increasingly shared acceptance that neoliberal capitalist globalisation was the best (indeed, the only) way of promoting economic growth. To be sure, this did not entail a complete transition to laissez-faire free market capitalism and of course many different forms of national economies persist. But the primacy of using the market as a means of promoting transnational investment and trade linkages had become the accepted orthodoxy.

The idea that the desire to lock national economies into the neoliberal global economy **via** regionalisation was at the core of many new regional interpretations of what was driving this second wave. However, both the logic of this interpretation and the logic of the policy seeking integration were challenged by the financial crises that hit East Asia, Latin America and Russia in and after 1997. For those that saw the cause of these crises in excessive liberalisation that removed states’ abilities to control their own financial affairs, the way to prevent future shocks was to restore regulation. With the international financial institutions seen as reflecting the neoliberal preferences of the west, and most individual states seen as lacking the power and resources to do things on their own, then regional solutions became increasingly

attractive. As Katzenstein (2002) noted, regionalism was attractive because it was the right fit – neither “too hot” nor “too cold” but “just right”.

Although the idea of “regulatory regionalism” (Jayasuriya 2004) was largely a response to what happened in the late 1990s, Katzenstein’s “Goldilocks” principle actually preceded the crises. It also has much in common with those understandings of European integration as providing a bulwark that allows the European social welfare model to persist despite the liberalising and privatising edicts of neoliberal globalisation (Hay and Rosamond 2000), and Helen Wallace’s (2002) conceptions of Europe as a “filter for globalisation”.

At first sight it might appear that these understandings of regionalisation as a means of ensuring participation in the global capitalist economy and regulatory regionalism as a means of constraining the impact of the capitalist global economy contradict each other. But I think we can reconcile them by pointing to three explanations. First, perhaps the idea of Europe as a “filter” had not been studied in sufficient detail – the lessons of the European case had been either overlooked, or as Helen Wallace has argued, what the European case actually is has been misconceived and over-simplified. Second, it reflects a learning process that many state elites actually went through in the 1990s – the first two thirds of the decade characterised by massive growth through regionalisation and globalisation based on liberalisation and deregulation; the last third characterised by crises, perceptions of “western” bias and hegemony, and lesson learning.

Third, for Marxists, there is no contradiction at all. Regionalism, just like nationalism, is about constructing a space that facilitates, but also legitimates, the spread of capitalism (Cocks 1980). The financial crises were an example of periodic crises **in** capitalism that need to be regulated to prevent capitalism becoming

discredited (and therefore becoming a crisis **of** capitalism). The organisation of capitalism thus tends to be reformulated as a result of crisis to ensure that the system does not cause so many problems that it becomes illegitimate and is therefore challenged. Thus, we can see a dual process of facilitating and legitimating in the second wave of regionalism in the 1990s.

### **Competing Explanations and Over-stark Dichotomies?**

This brings us to the suggestion – nothing more at this stage – that the attempt to construct new and innovative ways of thinking about regionalism might have actually muddied the divisions between old and new and between different theoretical positions. For example, somewhat ironically, some theorists have therefore seemed to have reinvented the wheel. Starting from a position of challenging the intergovernmentalism of neofunctionalists and neoliberal institutionalists they placed an ever greater emphasis on the role of non state actors (largely fund managers and companies) in creating new regional spaces of economic activity, and driving real processes of regional economic integration. But in light of the crises of the late twentieth century, the focus has now changed to how states can work together on a regional level to head off the worst excesses of unfettered global capitalism (which is in many parts of the world seen as representing the preferences of “the west”). The resulting regulatory regionalism is based on a balance of domestic demands from groups that have benefited (or suffered) in different ways from the spread of neoliberalism. The resulting “regulatory regionalism” thus seems to be in a position that people who espouse variations of intergovernmentalism would be happy to sign up to.<sup>iv</sup> We are back at a position where regionalism is seen as entailing a collective

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<sup>iv</sup> Perhaps most clearly the liberal as opposed to neoliberal institutionalism of Moravcsik?

statist response to shared market/(neo)liberal/economic concerns (broadly defined at least).

*Realism and Constructivism: Rationality and Identity*

Given the distaste for intergovernmental approaches, it is not surprising that the new regionalists were largely inspired by a rejection of varieties of realist interpretations of regionalism. Indeed, the study of regionalism became one of the battle grounds on which “new” theories took on their realist opponents (Higgott 1993). Perhaps the dominance of realism perspectives in international relations pushed its opponents into a position of totally rejecting all that realists stood for. Yet, there are some areas in which there appear to be some overlaps at least (even if the emphasis on rational actors and the “national” interest remain a key divide).

For example, there is a meeting of sorts between realist and new regional theories in **some** constructivist approaches (in that most new regionalism theorists accept that regional identity has at least some role to play in making regions cohere, if it is not the sole or even primary source of regional cohesion). The idea that “cognitive regions” emerge because of not just common cultures, histories and religions but more often through the identification of the “other” has become a widely accepted. There are widely different positions on how the common enemy is identified or constructed, but a shared understanding that a common enemy or (cultural?) challenge is often the starting point for cooperation at the regional level.

And while we are considering identities, we might also question the apparent division between an emphasis on function-rationality as explanation for region and constructivist understandings. If state elites decide that it is in the national interest to work together to solve common problems (in the national interest?), then they need to

decide who they are going to work with – who is in and who is out. In this sense, then rationalist/functional understandings of region – indeed, all understandings of region – are based on the construction of a conception of the parameters of that regional activity. It's just that it's only a small group of elites who “construct” the region and have a shared “regional identity” rather than the broader conception of who might develop a regional identity that some constructivists have focussed on. Or perhaps put another way, in terms of establishing regional integration, shared constructed regional identity amongst finance ministers matters more than the conceptions of the general population.

### *Hegemony and Regional Integration*

The realist concept of “bandwaggoning” whereby states try to tie themselves to the fortune of a hegemon through regionalism also has something in common with new regional approaches that emphasis “north south” regionalisation and the desire of developing states to tie themselves to their regional cores to promote development. The understanding of how the decision is made might be different, and so too is the understanding of what it's “for” (based on a different understanding of the nature of the “state”). Nevertheless, the basic understanding that state elites in developing countries will develop policies that deliberately link them in an asymmetric relationship with the hegemon/core has more in common than probably either side would like to admit. This could lead to similarities in explaining Mexico's enthusiasm for membership of NAFTA, and if we conceived the EU as a whole as a regional hegemon, then perhaps also the accession strategies of east and central European states.

Indeed for Hurrell (1995), conceptions of hegemony loom large in many interpretations of what drives regionalism and points to four main “hegemonic” explanations. First, the above mentioned bandwaggoning or the attempt to get special favours from the hegemon by forming an alliance.<sup>v</sup> Second, the evidence of sub-regional groups emerging as a collective defence against actual or potential hegemons – ASEANs initial role as a mutual defence against communism, and the Gulf Cooperation Council as a means of resisting Iran. Third, “an attempt to restrict the free exercise of hegemonic power, through the creation of regional institutions” (which of course links to liberal socialising understandings if the norms of the region are liberal ones) – the argument that bringing West Germany into the European project at an early stage was a strategy of “regional entrapment” into European (liberal?) norms.

#### *A Realist-Liberal Synthesis?*

And perhaps at this point, it is difficult to see where realism ends and liberalism starts (or vice versa). The key differences should be on the permanence of any relationship based on a realist privileging of absolute gains vis-à-vis liberal conceptions of relative gains (leading to temporary alliances for the former versus an understanding that cooperation can and should be enduring for the latter). But when the focus is on the short term reasons for the establishment of the region rather than on “shoulds” and “wills”, then its not always easy to separate out the two.

Liberals should also stress the two-level nature of the process emphasising the importance of domestic considerations/demands, while realists should take the interest as given and shaped by the state’s position in the structure of the global order. But

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<sup>v</sup> Of course, this does not have to simply be based on market access, and could also include simply ensuring special political gains.

these formal ontological divisions do not always hold true. Different domestic positions and demands are not always simply assumed away in realist approaches – indeed, it is difficult to think of considerations of regionalism that do simply take the national interest as structurally given.<sup>vi</sup> Indeed, neoclassical realists accept that there is more than one level of action and search for the domestic roots of policy preferences while accepting that what states can agentially do with these preferences is structurally constrained. Conversely, the argument that the liberal order “enmeshes” and socialises states into accepting dominant liberal norms is often pitched in terms of the results being beneficial for national security and something that should be pursued in the national interest (rather than sectoral interests). The state might be deconstructed to find the roots of policy preferences, but is often reconstituted when it comes to consider for whom or for what this resulting pacific global order is good for. So while there **should** be a clear distinction between realist and liberal approaches here, in reality (a dangerous word in this context) the division is not always as clear. In short, it is not just that there is a neo neo synthesis between neorealism and neoliberalism as Wæver (1996), Ruggie (1998) and others have argued, but there is also an apparent synthesis between the non-neo strands – at least in terms of liberalism.

### *Hegemony and Competitive Regionalism*

Returning to the importance of hegemony in regional theories, the fourth explanation is the hegemon’s position on regional projects – in short, regionalism will happen if the hegemon wants it to, but it not if it doesn’t. For example, the typical argument is that US (initial) support for European regionalism and ASEAN meant that they

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<sup>vi</sup> Thanks to Ben Rosamond for focussing the ideas here – who also pointed out when looking over a draft of this paper, this is why they tend to leave the field of regional integration studies to others.

developed, but US suspicion of Latin American regionalism was a key impediment to the emergence of a functioning regional community.

In the East Asian context, international relations can sometime resemble a game of “spot the hegemon”, and when it comes to considering how the hegemon feels about regionalism, the first question is which hegemon? The US, Japan or China? So to these four we add a fifth which rests on amending the traditional idea of regionalism as a means of maximising the national interest in a game of mercantilist competition (“cooperating to compete”) to become regionalism as a game of hegemonic competition, promoted by those states who benefit from it. Or more correctly, different forms of regionalism promoted by whichever hegemon would benefit most from specific and competing visions of regional cooperation.

### **Summary**

So perhaps the distinctions between “old” and “rationalist” approaches and “new” understandings of regionalism have been overstated. Whilst there remain key differences of opinion of why it is done, and whether it is good, there is also perhaps more in common in explaining why it happens than liberals and realist would perhaps like to admit. So if we try to pull out a position for studying regionalism in East Asia based on comparative approaches, what do we need to consider.

In what follows, I shall take these ideas up and focus on a much modified understanding of the supply and demand for region first established by Mattli (1999) in an attempt to answer three questions. First, is there an economic logic for collective action (stemming from the activities of non-state actors) that has led to a demand for regional solutions? Second, is there a shared understanding of what the region is, or should be? Third is there a supply of regional forums, and if so, what is the role of the

hegemon or hegemony in determining this supply? Fourth, and very much related but thinking in terms of the new regionalists' understanding, are different regional projects emerging with different modus operandi, objectives, and members? Or fifth, are new regional spaces and forms of regional governance emerging that are not captured by top down intergovernmentalist expectations of regionalism.

## **SECTION TWO: THEORY AND PRACTICE**

### **What Type of Region?**

#### *Multiple Regions, Multiple Regionalisms*

The most obvious implication of applying new regional approaches to China and East Asian regionalism is that Europe does not have to be the only benchmark and model for what might be Asia's future. Asking if Asia might develop a regional organisation akin to the EU is an interesting question – but not the only question. And if the answer is “no”, then this does not mean that Asia has no regional future.

The disjuncture between security regions and other regional forms in Europe has been noted above, and is likely to be a feature of any Asian security architecture. It is particularly notable that of China's partners in the Shanghai Cooperation Organisation, only Russia is discussed in analyses of East Asian regionalism – and even then only rarely and usually to explain why it isn't being considered. Whilst this suggests a concrete example of the disjuncture between security and other regions, it also leads us towards two other issues.

First, Russia is not only China's regional partner in the SCO, but also in the Tumen River Delta Project. Although little concrete regional integration has actually taken place in the TRDP for a number of reasons,<sup>vii</sup> the project does remind us that

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<sup>vii</sup> For details, see Rozman (1998), Breslin (2000) and Hughes (2002).

China's neighbours are not all Asian neighbours, and at least one of China's regional futures might be in a partnership with non-Asian states/economies. It is not a matter of regional cooperation with East Asia **or** Central Asia. Individual states can be and are members of multiple sometimes overlapping regional organisations, and there is no reason why China will not develop deeper regional cooperation with both Central and East Asian neighbours in the future, based on the different functional objectives of each region. For example, China's leaders increasingly define security in terms other than just guns, bombs and bullets, conceptions of what might form a security region will change. So in addition to more traditional security concerns, the search for energy security concerns might also lead China towards regional cooperation with Central Asian neighbours.

Second, although regions are usually thought of as entailing integration between two or more economics, much of the real and actual integration occurs between subnational spaces across national borders – what we previously termed microregionalism (Breslin and Hook 2002). Creating a microregion was what the TRDP was all about and it has been largely unsuccessful in its own terms in generating real integration across borders, there are other well documented microregional experiments and processes that involve China; for example, microregionalisation focussed on the Pearl River Delta and both microregionalism and microregionalisation in the southwest centred primarily (but not only) on Yunnan Province.

So it is not just a question of considering multiple forms of region, but multiple forms at different levels and the way that they interact with each other. When we think of regionalism and regionalisation, we inevitably think about integration. But if only parts of a national economy are becoming integrated into wider

transnational networks of economic activity with weak linkages back to other parts of the domestic economy, then one of the consequences of regional economic integration might be national economic fragmentation.

### **Demand for Regional Governance: Changing Perceptions in ASEAN and China**

In an era when some are suggesting (and perhaps fearing) a new regional order built on China's engagement of Southeast Asia (Shambaugh 2004-5, Snitwongse 2003) it is worth reminding ourselves how new this is. Until fairly recently, this relationship was characterised by distrust and sometimes outright hostility on both sides. China didn't even have diplomatic relations with a number of regional states until the early 1990s,<sup>viii</sup> perceived ASEAN as a natural ally of the USA and therefore a potential challenge to Chinese interests, and had the occasional military stand-off with regional states over competing territorial claims in the South China Sea.

Moreover, China shied away from engaging in multilateral organisations. Of course, Beijing was more than happy to join the United Nations in 1971 and take the China seat from the Republic of China on Taiwan. But membership of the United Nations did not threaten Chinese sovereignty – indeed, through the veto power on the Security Council, sovereignty was in many ways enhanced. But it was a different story when it came to those organisations that established norms and rules of global governance; organisations that China could not participate on from the same position of power it had on the UN. For example, China only joined the World Bank and IMF in 1980,<sup>ix</sup> and even then Chinese leaders were wary of organisations that were considered to largely represent western (for which usually read US) interests. So in

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<sup>viii</sup> Relations were formally established with Singapore in 1990, with Brunei in 1991, and re-established with Indonesia and Vietnam in the same year.

<sup>ix</sup> “China” was actually a founding member of the Bretton Woods institutions. But that China was the Republic of China under the leadership of the Guomindang.

combination, it was not surprising that participating in a regional multilateral organisation in Asia was not on Chinese agendas until very recently.

*The Chinese Demand for Regionalism: A Security Agenda?*

So what explains the change in approach? Shambaugh (2004-5) points to 1989 and Tiananmen as the turning point from the Chinese side. The lack of condemnation that largely characterised the response from Southeast Asia was in stark contrast to the response from the USA and other Western states. At a time where China faced the real possibility of international isolation – both politically and economically – the fact that ASEAN did not simply follow the US “master” was very much welcomed in Beijing. Not only did the Southeast Asian response (or more properly, the lack of a response) alleviate the fear of total alienation from the international community, it also showed that ASEAN was not simply an Asian outpost of US foreign policy. If not yet a potential ally of China, ASEAN was at least not an automatic enemy in times of turmoil.

For a number of writers, the demand for regionalism has been driven by a security agenda. As Christensen, (2006: 83) argues

China has been encouraged to improve relations with its neighbors diplomatically and economically at least in part as a hedge against U.S. power and the fear of encirclement by a coalition led by the United States.

Even if a new Sinocentric order is out of the question, the status quo ante regional order would obstruct the attainment of national interests if left unchecked. Hence, for Goldstein (2005) the need for a neo-Bismarkian “grand strategy” to preventing a coalition of forces emerging against China allowing the time and space to concentrate on internal developments and modernisation (in the short to medium term at least).

Thus, for many security scholars, classic “power balancing” is at the heart of Chinese policy, intended to reduce the potential of containment and perhaps even conflict (Cheng 2004, Hund 2003: 402). Regional leadership might remain rather elusive, but the promotion of friendly relations in East and Southeast Asia with states that China once perceived as almost inevitable allies of the US might neutralise the threat to China (Sutter 2004). This is partly achieved through diplomatic initiatives, but also through the promotion of closer economic ties. The Chinese leadership is depicted as establishing “strategic dependencies on China among its neighbors” (Christensen 2006: 104) to ensure that the region would not necessarily choose the US if the Taiwan issue ever results in the region having to take sides (Medeiros 2005-6: 156; Chambers 2007: 63). Rather than counterbalancing this sino-dependence by seeking accommodation with the US, Friedberg (2000) points to the danger of regional states “bandwaggoning” instead; hooking up with China’s rising star and locking the US out of Asia.

Given official Chinese statements about hegemony and the global order, then the argument that Chinese regional initiatives are in part designed to limit US power is convincing. Indeed, referring back to previous comments about a multiplicity of potential regional hegemon, we can perhaps take it a step further and consider the desirability of preventing Japanese leadership – issue we will return to towards the end of this paper.<sup>x</sup>

### *Chinese Demand for Regionalism: A “New” Security Agenda?*

So 1989 marked an important turning point in shifting Chinese perceptions of ASEAN’s relationship to the US. But it is a long way from simply not fearing conflict

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<sup>x</sup> And also to neutralise Taiwan’s attempts to build partnerships in SEAsia that might strengthen its claims to statehood or see it acting more and more like a state in international relations.

to actively promoting partnership and collaboration. And in terms of the demand for more formalised forms of regional governance, the financial crises of 1997 were arguably more significant. Four issues stand out as warranting particular attention here.

First, although China survived the crises more or less intact, there was a secondary impact. In brief the collapse of currencies across the region meant that it was suddenly much cheaper to export goods to the US and Europe – the very same places that China was trying to export to. With export growth in China proving to be the main engine of economic growth, and the main provider of new jobs, China's leaders feared that this unwarranted competition threatened not just the Chinese economy, but might also lead to social and political instability. Almost for the first time since abandoning autarky after the death of Mao, the potential dangers of participating in the global economy came to the forefront (even if it was only a minor reduction in the rate of growth). It also became clear that China's economic fortunes had become inextricably linked with the wider regional economy as a whole. It was thus increasingly deemed to be in "the national interest" to seek new mechanism of ensuring economic security through cooperation and collaboration.

Second, the fact that China did not devalue the Renminbi to restore price competitiveness of exports won considerable praise. Had China devalued, the likelihood that the regional economy would be plunged into a further wave of devaluations and deeper crises was very high. But simply not pressing the destruct button helped promote the idea that China was a responsible economic actor. As Snitwongse (2003: 38) notes, China actually contributed much less than Japan in terms of assistance, but nevertheless emerged from the crises with the "lion's share of appreciation".

Third, the crises generated a new demand for regulatory mechanisms to discourage rapid capital flows and currency attacks from across the region. For the best part of a decade, regional economies had grown quickly thanks in part to deregulation and the speed at which investment could flood into the region. In 1997, this deregulation became a problem rather than the solution, as money equally quickly flooded out of the region and there was a general consensus that something needed to be done to ensure that this did not happen again.

### **A Shared Demand for Regional Governance? Identity and Hegemony**

Fourth, the policy responses of the International Financial Institutions (IFIs) such as the IMF were largely perceived within the region as representing western (for which again read largely US) preferences and interests. Governmental direction, control and ownership had been important features of economic growth in Southeast Asia. This was not the state ownership, planning and distribution of communist party states that *replaced* the market, but rather strong state intervention to *regulate* and direct the market in pursuit of government defined developmental objectives. When added to the developmental successes of other “capitalist developmental states” like South Korea and Taiwan, this strong state and interventionist model of development seemed to provide a powerful alternative to the neoliberal strategy of privatisation and the withdrawal of the state from as much economic activity as possible.

When what the World Bank had termed “the East Asian Miracle”<sup>xi</sup> turned to crises in 1997, it was not surprising that much attention focussed on the very same issue of government intervention. To be sure, some focussed on whether there had been **too much** liberalisation in the region – whether financial liberalisation had gone

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<sup>xi</sup> This was the title of a 1993 World Bank report on the region – though it controversially placed a much greater emphasis on the adoption of markets as a source of the miracle (rather than government intervention in these markets) than most other observers was deserved.

too far too quickly allowing “hot capital” to be withdrawn from crises states with incredible ease (and at incredible speed). But for others (indeed, probably for the majority) the focus was on governments that distorted free economic flows through such practices as managing exchange rates; governments that interfered in the economy to benefit government officials their families and their economic contacts, and on banks that lent money to those with the right personal connections. In short, the basic problem was depicted as “crony capitalism” – the evolution of opaque decision making processes where a group of insiders from government and business ran the country and the economy to primarily benefit themselves.

It is easy to fall into the trap of thinking in terms of a single Western response to the crises – the idea that “the west” responding by imposing western neoliberal prescriptions as the way out of the problem. The reality is that the response was much more diverse. For example, there was considerable concern from Japanese and some European authorities that imposing far reaching liberalisation on Indonesia might result in political collapse and possibly even civil conflict. Furthermore, it is not even possible to talk of a single IMF response to the crises as policy changed once the impact of original reforms became clear. And ironically the IMF was accused in some quarters of not being neoliberal enough by using public funds to support rotten and bankrupt Asian financial institutions, and by not forcing through fully liberalising reforms of exchange rate and banking structures. But despite the reality of diversity and a degree of pragmatism (and the fact that only Indonesia, Thailand and South Korea asked them for help) the IMF came to become something of a symbol of neoliberal reform – financial bailouts would only be forthcoming in return for privatisation, deregulation, budgetary cutbacks and ever greater transparency in all financial affairs.

Although many would point to the domestic cause of the crises, a focus on the external rather than the internal was common across the region. The response of the IMF to the crises was in part seen as the “West” finally getting its own back on recalcitrant East Asian developmental states through the promotion of “proper” western forms of capitalism (Higgott 1998). Perhaps more important, it was sent as a symbol of how the US defending its interests and projected its power via the major IFIs. As Susan Strange (1996: xiv) once put it, the “international organization is above all a tool of national government, an instrument for the pursuit of national interest by other means.”

In short, through its own bilateral actions and through its proxy Bretton Woods agencies, the US hegemon was able to impose its preferences across the world. And these preferences were perceived as damaging the region – damaging the economy through inappropriate IMF conditionalities, but also for Godement (1999) challenging Asian identity – forcing the abandonment of a distinctly different and Asian model of development. As such, rather than subject themselves to the US dominated global organisations, many in the region began to think that regional solutions and regional level organisations were increasingly attractive alternatives. This desire to resist US hegemony in parts of Southeast Asia and in some sectors of South Korea chimed with long standing Chinese concerns over the nature of the unipolar world order. This shared position has been an important component in the move towards greater regional cooperation – but so too has Japan’s stance on US hegemony and the potential of a rising China.

### **The Supply of Region: Towards ASEAN Plus Three**

So the crises generated a clear demand from state elites for regional institutions – and regional institutions that went beyond existing ASEAN arrangements. This was manifest in the relatively early days of the crisis in Japanese proposals to construct an independent Asian Monetary Fund (AMF) largely bankrolled by Japanese money inspired by a sense of Asian “solidarity” (Lipsy 2003: 95).<sup>xii</sup> But somewhat ironically this attempt to build an organisation that was not subject to US power floundered largely because of US power and hegemony, and the fear that Japan was using the crises to establish leadership in the region at the expense of the US.

But although the AMF proposals gave way to the Manila Framework that actually strengthened the IMF's position (in the short run at least) the demand to go beyond the ASEAN framework to build new mechanisms of regional governance were not simply abandoned. In the wake of the collapse of the AMF idea, leaders of ASEAN states met with the leaders of China, Japan and South Korea in an “informal” forum in Malaysia in December 1997. This first meeting of what has become known as ASEAN Plus Three (APT) marked an important watershed in East Asia's regional governance. The APT leaders adopted a joint statement on East Asian Cooperation in 1999, and under Chinese initiatives (as opposed to Japanese leadership of the AMF plan), began to look more seriously at strengthening financial cooperation.

In the subsequent finance ministers' meeting in 2000, the idea of a regional bulwark against unregulated capital flows re-emerged in the form of the “Chiang Mai Initiative”. Building on existing ASEAN arrangements, this set in motion the creation of a network of currency swap arrangements whereby regional states agreed to support each other in any future crisis by using their financial resources to help their

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<sup>xii</sup> Lipsy (2003) also shows that Japan originally proposed a membership of China, Hong Kong, Japan, South Korea, Australia, Indonesia, Malaysia, Singapore, Thailand, and the Philippines.

neighbours. Given that Japan and China were the two largest holders of foreign currency reserves in the region (and indeed, not just the region) the logic of going beyond ASEAN and including the “plus three” members is not difficult to grasp.

The Chiang Mai Initiative clearly falls institutionally far short of formal EU type regionalism. Nor is it a totally independent from the Western/US dominated IFIs in that a country can only activate 20 per cent of the funds available to it without the approval of the IMF. Nevertheless, it does provide an increasing degree of independence from the IFIs (originally only 10 per cent, APT leaders agreed to raise the threshold to 20 per cent before IMF approval was needed in 2005).

#### *The Supply of Region: Identifying the Region*

The Chiang Mai Initiative also represents an convergence of supply and demand for regional institutions and a powerful indication that a “cognitive region” is emerging – that regional leaders accept that they are part of a region, and that there is a shared understanding of which countries are part of that region, and which are outside it.

Unlike the original plans for the AMF, Australia is not part of this APT process. In this respect, it has echoes of Mohammad Mahathir’s understandings of the membership (and parameters) of Asia in his call to establish an East Asia Economic Group in 1990.

Though Mahathir had a slightly different membership in mind,<sup>xiii</sup> this was an Asia that did not include the Indian subcontinent, nor the Anglo-Saxon nations of

Australasia. This Group was subsequently “downgraded” to become a Caucus representing “Asian Asia’s” interests with APEC (Asia Pacific Economic Cooperation) – an organisation that not only included New Zealand and Australia, but also those

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<sup>xiii</sup> Although initially hesitant about including China, Mahathir proposed the then ASEAN Six plus Japan, South Korea, and Vietnam. As this was conceived of as an economic grouping promoting Asian interests, it also included the economic territories of Hong Kong and Taiwan (referred to as Chinese Taipei).

states in the Americas with a Pacific coastline including, of course, the USA.

Although there was much that divided the members of this new East Asian Economic Caucus (EAEC), there was a loose consensus that there was something that made them different from the other non-Asian members of APEC. Indeed, the EAEC is sometime only partly jokingly referred to as “East Asia Except Caucasians”. As with the EAEC and as with many regions, when it comes to the glue that binds the APT together, it appears that agreeing on what you are not and what you are against – for example, not the west and against western dominated IFIs - can be a powerful force for joining together (even when you don’t know what you are, knowing what you are not can be enough to form a tie that binds).

### **Integration through competition? ASEAN plus one(s)**

APT remains an important mechanism for bringing regional elites together. Most of the focus is on the high level leaders’ summits, and the finance ministers’ meetings. But alongside these high profile summits, there is also extensive collaboration on a range of issues such as transnational crime, social welfare and development, and after the SARS epidemic, infectious diseases. But in some respects it has been eclipsed in terms of meeting demands for regional institutions by individual ASEAN+1 processes with China, Japan and South Korea.

The promotion of integration through a multiplicity of bilateral processes is an important feature of regional integration in East Asia. For example, although the Chiang Mai Initiative institutionalised meetings of APT finance ministers and established a framework for agreeing currency swaps, the swaps themselves are negotiated bilaterally. Country A negotiates with country B, country B with country C, and country C with country A. APT creates a region-wide umbrella for action, the

result is a that the countries of the region are all linked together, but the processes are bilateral. As with financial regionalism, trade regionalism is similarly driven by bilateral Free Trade negotiations between ASEAN and each of the Three individually, and bilaterally amongst the Three. Once complete, these agreements will provide what Dent (2006) has called “lattice regionalism” – a network of bilateral ties that crisscross and combine to integrate economic activity across the region.<sup>xiv</sup>

The preference for bilateral processes is in many ways simply a reflection of the difficulties of coming to agreement in bilateral fora. The failure to reach agreement at the WTO might be an extreme example of the pitfalls of seeking multilateral consensus, but nevertheless hints at how negotiations become more complex the greater the number of actors (and interests) involved.

But in the East Asian case, the preference for bilateralism also results from strategic competition and the balance of power between key players in the region. For example, initiatives to establish a China ASEAN Free Trade Area (CAFTA) are partly explained by Chinese desires to engage the region – if not yet to establish Chinese leadership, then certainly to further enhance China’s political relationship with ASEAN and to neutralise Japanese leadership ambitions.

Such competition for regional influence and possibly leadership suggest that regional integration is doomed to fail. But ironically, it can act as a spur to regionalism, as neither China nor Japan is prepared to allow the other to gain an advantage – something that is not lost on other regional leaders. For example, Richard Stubbs (2002: 443) notes that in the wake of the failure to establish an AMF in 1997, Japanese leaders were reluctant to go along with the formalisation of APT meetings

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<sup>xiv</sup> Jagdish Bhagwati (2005) refers to the plethora of crisscrossing bilateral free trade agreements on a global level as a spaghetti bowl. For Bhagwati it’s a negative phenomenon as it creates a chaotic crisscrossing of preferences, with a plethora of different trade barriers applying to products depending on which countries they originate from. This is a fool’s way of doing trade”.

for fear of further antagonizing the United States. But once China had agreed to get involved, this “forced Tokyo’s hand. Beijing was interested in building on the economic ties that were developing with Southeast Asia and the Japanese government could not afford to let China gain an uncontested leadership position in the region”. Similarly, Japanese officials have not hidden the fact that their renewed desire to establish free trade agreements in the region were heavily influenced by Chinese proposals to establish the CAFTA.

Of the six various free trade negotiations and agreements, the China-ASEAN Free Trade Area (CAFTA) has garnered the most attention – largely because it reinforces the fears of those who think that China will inevitably come to assert itself over the region and establish a hegemonic position. At first sight, CAFTA appears to be a classic example of Mattli’s supply and demand type region. The creation of a free trade area is promoted as a means of generating growth in both ASEAN and China by allowing greater market access and reducing transaction costs to stimulate investment and trade. The resulting economic growth might benefit market actors, but should also if the theory goes to plan help to legitimate the political elites involved by ensuring sustainable long term economic growth.

### **China and ASEAN: Beyond (Current) Economic Rationality**

There is considerable concern in some parts of Southeast Asia that the CAFTA will actually lead to enhanced competition from China. Creating a Free Trade area will give Chinese consumers easier access to Southeast Asian markets and allow cheaper Chinese imports to undermine local producers. Furthermore, for those who are trying to export to the same markets that China exports to, China is a problem not the solution. The CAFTA might not make any practical difference to the terms of this

competition and to their own interests, but there is nevertheless a resentment at lost opportunities has led to some reluctance (at best) to cooperate with a country which is seen to have created so many problems for regional exporters. As such, from the ASEAN side, CAFTA initiatives are actually contra the demands of some business interests (and prejudices).

So why have ASEAN leaders nevertheless sought to establish the CAFTA and more generally deepen relations with China? The answer is partly that they have privileged the views of those who want to export to China over those who fear Chinese competition. The answer is also partly because they are thinking about the future – and a longer term future that sees China’s continued rise as an inevitable fact of economic life in Asia. If China is going to become increasingly economically dominant in the region, it makes sense to do whatever is possible to ensure that regional economies get as much as they can out of this rise. Hitching yourself to the regional engine of growth is thus considered to be the sensible thing to do – even if some in the region might lose out in the short run.

So the negotiations over CAFTA, and wider policy towards China is not just driven by considerations of economic rationality today. Rather, they are also built on conceptions of China’s economic future, which are in turn built around (and feed) assumptions of China’s future regional power (and as we shall see below, China actively promotes this vision of its future). Just as financial markets discount future economic shocks – for example, oil price rises – but dealing with them before they occur, so ASEAN leaders have discounted China’s future economic rise.

Nor is it just a matter of throwing in the towel and doing whatever is possible to “bandwagon” the emerging regional power. Though China’s rise might be inevitable, the exact nature of the China that rises is not set in stone. Engaging China

through closer regional arrangements not only might bring economic gains, but might also allow the region to influence the way in which China evolves. Better to enmesh China in a regional order (Shambaugh 2003-4) and try to get it to accept some of the norms and practices of the region, than let it develop independently without any regional influence.

### **The Over-Supply of Regions in Asia: ASEAN+3 and the East Asia Summit**

China's engagement of Southeast Asia has been referred to as a "charm offensive" (Lautard 1999, Kurlantzick 2007) designed to ameliorate concerns about its growth, or to build a Sinocentric anti-US bloc depending on your viewpoint. The prior position has been articulated in the "Peaceful Rise of China" hypothesis, first explained by Zheng Bijian at the Bo'ao Forum for Asia in 2003. Rather than being a threat, China's rise is the guarantee of regional economic stability and development – a rise that will benefit the world, but will benefit the rest of Asia most of all. But, while the "Peaceful Rise" was promoted as an antidote to the "China Threat" approach, for many it focussed attention on 崛起 (rise) rather than 和平 (peaceful) reinforcing concerns about the implications of China's development. Ironically, the Peaceful Rise might have accentuated those very concerns about China's rise that it was meant to dispel in the first place.

As we have already seen, the idea of inevitable rise has already informed policy in the region, and already informed the evolution of China-ASEAN relations. One strategy is to ensure that regional economies are linked into this inevitable rise through economic integration. Another is to socialise China through the same economic integration and other forms of regional partnerships – to bring China into international society and to get it to accept existing norms. But concerns about

China's rise and its implications for emerging regional orders brings us to the idea of an oversupply of potential regional futures in Asia.

The formalisation of APT collaboration and the movement towards a region-wide network of trade agreements (albeit as a consequence of multiple bilateralisms rather than a single multilateral process) led to a growing understanding that East Asia had finally defined itself. Just as long as nobody asked about the thorny question of Taiwan's status, here we had a group of states that were increasingly coming together on a regular basis in formal meetings with each other on a range of issues. Moreover, patterns of investment and trade had established an informal "region of production" that more or less corresponded with the APT members - though admittedly with differential levels of activity in some of the later developing ASEAN states. The potential of a future evolution or spillover into a more formal regional organisation of some form or another was far from impossible, and indeed, policy makers began to talk about the possibility of creating an East Asian Community.

And yet when the first East Asia Summit (EAS) took place in 2005, it did not map onto the APT vision of region that the Chinese government proposed. Nor did it take place in Beijing as Chinese leaders wanted, but instead in Kuala Lumpur.<sup>xv</sup> Instead, the EAS represented a broader vision of region that included India, Australia and New Zealand. Not a return to the region as Asia-Pacific articulated by APEC that included those American states with a Pacific seaboard, but neither a signal of a more narrow "East Asian" conception of region represented by APT. Informal economic activity and formal collaboration had appeared to create a shared cognition within the region of which countries were part of the region, and which were not. But the EAS threw this "consensus" out of the window and reignited debates over what the region

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<sup>xv</sup> The scheduled 2006 meeting in the Philippines was put back until January 2007, and the third summit is planned for the fall of 2007 in Singapore.

actually was. To be sure, the EAS did not bring the USA back into understandings of what the region is (or should be) but it nevertheless resumed the debate over what or where is Asia. Decided how to move forward is hard enough at the best of times – just ask those involved in the evolution of the EU – but it is more or less impossible if you can't agree on who should be moving in the first place.

### **Conclusion: Which Regional Future?**

The promotion of the wider vision of region in the EAS represents a deliberate attempt to create an over-supply of region. And just as Chinese policy towards regional integration is partly designed to neutralise the power ambitions of others, so the EAS represents an attempt to neutralise Chinese power. This new vision of Asia is essentially constructed to prevent the emergence of a Sinocentric APT regional organisation, or even Chinese domination of an ASEAN+1 region. This idea is aptly caught by the statement of Jetro Chairman, Osamu Watanabe (2005), to an audience in Washington:

“There was a difference of opinion among member countries on the concept and framework of the new summit and the East Asian community: It is my understanding that China and some ASEAN members insisted that the building of an East Asian community should be discussed *only* among the ASEAN Plus Three members. Japan and the other ASEAN members—out of concern that such a limited framework would allow China to expand its influence over East Asia—made the point of including India, Australia and New Zealand in the community” [original emphasis]

Like APEC before it, the EAS is an “anti-region” supplied in order to prevent the emergence of a regional community in Asian East Asia – Asia without Caucasians

and East Asia without the Indian sub-continent. As the supply of this region is not in equilibrium with the demand for region – and not just in China – it is unlikely to evolve into a form of region that “works” and evolves into a functioning regional community of any sort. It might succeed in preventing the consolidation of other regional forms for which there is a demand, but under this “supply and demand” understanding, then the emergence of a new regional community from the seeds of the EAS seems less than likely.

Nevertheless, drawing on the theoretical understandings of regionalism established at the beginning of this paper, the establishment of a regional community is not only likely, but already in existence. The CMI, ASEAN+3, CAFTA and the SCO are all examples of forms of region in practice. To be sure, they are at nascent stages and might not last long or evolve into something more formal. And those who expect regional integration processes to result in an EU type institution and EU level institutionalisation might not consider them to be “proper” regions. But in many ways, what is surprising about East Asia is not the lack of regionalism, but both the extent of levels of real integration and also (not least given the previous Chinese position) the extent of institutionalisation as well.

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