

East Asian regionalism from Neo-realist perspective

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Abstract. This paper is to test some basic Neo-realist explanations for regionalism by taking a case study of East Asian regionalism emerging at the end of 20th Century and the beginning of 21st Century. In detail, four basic Neo-realist standpoints with regard to regionalism will be tested: a) regionalism is influenced by international system, b) regional grouping is in response to external challenges or threats, c) smaller states seek regional cooperation with the strong in the hope that regional institutions will help them constraint it from freedom of action, and d) the hegemon has a role in promoting regionalism. The paper finds that even though Neo-realism is unable to provide a comprehensive interpretation, it has provided some important explanations for East Asian regionalism. Applying Neo-realism to explain East Asian regionalism as an international phenomenon has not only tested its relevance and helped to better understand it but also invited explanations from other theories to regionalism.

Keywords: Neo-realism, East Asian Regionalism.

The resurgence of regionalism (in this paper, regionalism is understood as regional cooperation and they are used interchangeably) at the end of the 20th Century and in the beginning of the 21st Century is one of the most important changes in international system. East Asian regionalism took root in the same context. The position and role of East Asian regionalism have brought up an idea of the tripartite world of Western Europe, North America and East Asia [1]. East Asian regionalism has drawn much attention from academic community and policy-makers both inside and outside the region. Many have been interested in explaining this trend in East Asia

from theoretical perspectives. In the same vein, this paper is an effort to look at East Asian regionalism from Neo-realist perspective in order to test its basic explanations for regionalism. In detail, the following Neo-realist arguments are tested: a) the influence of international system on regional cooperation, b) regionalism as a response to external challenges or threats, c) small states seek cooperation with the strong in order to constrain it from freedom of action through regional institutions and d) the role of the hegemon in promoting regionalism. The paper finds that Neo-realism has provided important explanations for regionalism in East Asia, though they are not absolutely comprehensive. Applying Neo-realism to East Asian regionalism has not only tested its relevance to

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regional cooperation as an international phenomenon and helped to better understand East Asian regionalism but also pointed out some aspects of regional cooperation that invite explanations from other theories.

Based on the theory of Realism, Neo-realism emphasizes the structure of international system. Therefore, Neo-realism is not considered as a new line of theory but it is the systemization of Realism [2]. According to Neo-realism, international system is regarded as anarchical and international cooperation is rejected. The development of regional cooperation seems to pose a challenge to both Realism and Neo-realism. However, Neo-realism can tell us several important things about regionalism or regional cooperation.

Firstly, Neo-realism holds that regionalism is very much influenced by international structure. In the words of Hurrell, regional cooperation is influenced by the "external configurations of power, the dynamics of power-political competition, and the constraining role of the international political system considered as a whole" [3]. Accordingly, regionalism can be understood by considering the influence of international system on the region. Neo-realists adduce the increase of international cooperation in the world after the Cold War to illustrate their point. At the end of the Cold War, there was a rise in regional cooperation in many places in the world such as the expansion of the European Union, the development of regional cooperation in North America and Africa. So what was the change(s) in international system at the end of the 20th Century and in the beginning of the 21st Century that influenced on East Asian regionalism? In term of security, the collapse of the Soviet Union and the end of the Cold War were major factors promoting regional cooperation in East Asia. The end of

the Cold War made the United States become the superpower in the world and the bipolar world order replaced by the unipolar order. These changes have "destroyed the foundations of the preexisting regional order and the foreign policies of every state in East Asia" [4]. During the Cold War, regional strategic competition was driven by the struggle between the United States and the Soviet Union, regional division and security concerns were clearly visible to every country in the region. Economically, East Asia was greatly challenged by major changes in international trade order. There was a change in global trade principle of non-discrimination. Regional cooperation in many corners of the world has favored its regional members in world market competition. East Asian countries had to compete with their rivalries from Western Europe and North America who have many advantages from their regional cooperation. At the same time, there were also transitions inside East Asian countries that led to transitions in regional order at the end of 20th Century. In the end of the Cold War, Japan became an economic power that surpassed many Western countries and became a competitor of the United States in the world market. Similarly, China recorded many great achievements in its open-door policy. The economic growth helped both Japan and China to increase their military expenses. Russia, though not as strong as the Soviet Union, was still able to influence on the region and was the parameter in policies of regional countries. In addition, other regional countries such as Korea, Thailand and Indonesia became more and more important voices in the region. All of these changes have influenced on East Asian regional order and security and on regional countries' policies towards their own national interests. In fact, there was a trend in regional countries' policies that encouraged regional

cooperation and security. For example, Vietnam became more active in regional cooperation to become the 7th member of Association of Southeast Asian Nations (ASEAN), a member of Asia-Pacific Economic Cooperation (APEC) or promoted its relationship with regional countries. In a nutshell, the transitions in international system which were exemplified by the collapse of the Soviet Union, the end of the Cold War and of the bipolar world order strongly encouraged East Asian regional cooperation. In other words, international structure played an important role in East Asian regionalism as Neo-realists argue.

Another argument of Neo-realism is that regionalism is a response to external challenges or threats which one single country can not deal with, and there is no significant difference between regional cooperation in economics or politics [4, p.340]. In face with external challenges or threats, states are inclined to cooperate with others even though it will produce interdependence among them. Neo-realists add that the more external challenges or threats, the more states cooperate [5, p.325]. Neo-realists can trace historical evidence to support their arguments. For instance, the inception of regional cooperation in Western Europe in the beginning of the Cold War was considered as a response to the threat from the Soviet Union or the Gulf Cooperation Council was established in response to the threat from Iran. In the case of East Asia, regional cooperation emerged in the context of the resurgence of regionalism in many places in the world. European Union was expanded by admitting new members from Eastern Europe and became the most integrated region in the world. At the same time, the United States promoted the establishment of the North American Free Trade Area (NAFTA). In Africa, United

African Organization was upgraded to become African Union which took European Union as a model for its development. The resurgence of regionalism made East Asian countries aware of challenges in competition with other regions in the world. Other challenges were revealed in the negotiations of WTO Uruguay and Doha rounds. Initially, Malaysia proposed to set up East Asian Economic Group as a "pressure group within the Uruguay Round" and a voice of its members' interests (Grieco 1997: 168). East Asian countries had to raise their one voice to protect their national interests with regard to agricultural subsidies in the Doha negotiations. The Uruguay and Doha negotiations pressed East Asian countries to set up a regional institution that can raise a voice for the whole region in future negotiations. Such an institution will be a common voice for the whole region and increase its position in international agenda [7, p.56]. Another example of external challenges was Asian economic crisis in 1997. The crisis has not only revealed the weakness of Asia-Pacific Economic Cooperation (APEC) and ASEAN but also showed pressures from international monetary institutions such as the International Monetary Fund (IMF), the World Bank (WB) and Western governments. Stubbs [8, p.48] provides that "the International Monetary Fund (IMF), in conjunction with the U.S. government, initially misdiagnosed the problem [of Asian economic crisis] and chose to impose a set of solutions that only served to exacerbate the situation". This has brought East Asian countries closer together. It is a matter of fact that regionalism in East Asia emerged in the context of those changes in the world; therefore, it is considered as a "reactive regionalism". All of aforementioned changes in international system at the end of 20th Century and the beginning of the 21st Century have served as convincing evidence for Neo-

realist argument that East Asian regionalism was a response to external challenges and threats.

Thirdly, Neo-realism holds that smaller states will seek a regional arrangement with the strong in the hope that regional institutions will enable them to constrain it from freedom of action [9, p.169]. The creation of European Community in the effort to restrict Germany served as historical evidence for this Neo-realist viewpoint. As Hwee points out, "the smaller ASEAN states have come to recognize the potential of using regionalism as a means to constrain the potentially disruptive effects of unequal power" [10, p.6]. In comparison, each ASEAN state is smaller than any of three Northeast Asian countries of China, Japan and Korea. Among those, China has the most potential effects even though some may argue that it is Japan, not China [11]. China was the dialogue partner of ASEAN in 1991. In the early 1990s, ASEAN promoted its relationship with China by setting up five dialogues in politics, science, technology, economics and trade. China participated in ARF and ASEM in 1994 and 1996 respectively, and it also participated in the Mekong River Basin Development with ASEAN countries. Together with Japan and Korea, China joined an ASEAN + 3 in 1997. In some certain extent, ASEAN succeeded in engaging China into regional cooperation and institutions. For example, China signed the Zone of Peace, Freedom and Neutrality Declaration (ZOPFAN) in 2001, the Treaty of Amity and Cooperation (TAC) in 2003. ASEAN was active in working with China to set up ASEAN-China Expert Group on Economic Cooperation (ACEGEC) in preparation for ASEAN-China Free Trade Area. These ASEAN efforts show that it is not a coincidence that ASEAN strengthened their relationship with China while China becomes

stronger. In fact, ASEAN was successful in constraining China. One example was the incident of Mischief Reef, in which the Philippines Foreign Minister, Romulo, expressed that "ASEAN had spoken with voice ... and Chinese side was undoubtedly taken aback by ASEAN's reactions" ([12, p.112]. ASEAN succeeded in turning bilateral disputes into multilateral ones and reducing the assertiveness of China [13]. In addition, ASEAN always tries to maintain its position as a driving force in any regional institutions for its own interests. And because of this, many hold that East Asian regionalism is ASEANized [14]. It is of course that China has its own interests in relationship with ASEAN but above analysis shows that ASEAN has promoted its cooperation with China in the effort to constrain it from freedom of action. Up to this point, Neo-realism is definitely right to argue that smaller states seek cooperation with the strong in order to constrain it from freedom of action by using regional institutions.

Last but not least, Neo-realism shares the assumption of the Theory of Hegemonic Stability which argues that the hegemon takes an important role in regional cooperation. To support their arguments, Neo-realists adduce the role of Britain in the mid of the 19th Century in promoting international trade and that of the U.S. with its Marshall Plan in Western European cooperation at the beginning of the Cold War. The end of the Cold War and the collapse of the Soviet Union made the U.S a superpower in international system. However, the role and influence of the U.S in East Asian regionalism was different from that of the U.S in Western European regionalism after the second World War. According to Beeson [15], "American power has also been important in East Asia, too, but East Asian regionalism has move ahead

despite, rather than because of, American efforts". The U.S launched the Marshall Plan to support Western European regionalism but it disfavored all initiatives and efforts to promote East Asian regionalism. Firstly, there was no indication of the U.S. objection to the initiative of the former Malaysian Prime Minister, Dr. Mahathir Mohamad, to set up East Asian Economic Group (EAEG) but Japan refused participation out of its loyalty to the U.S. This added to make EAEG untrue. For the U.S., if it could be realized, EAEG would reduce the influence of the U.S. in the region [7, p.59]. Although some East Asian countries proposed East Asian Economic Caucus instead of EAEG, one institution for East Asian regional cooperation was finally a stillborn idea. Secondly, the U.S. objected Japan's proposal to establish Asian Monetary Fund (AMF - financed and managed by East Asian countries independently from the IMF) to help East Asian countries in the Asian economic crisis in 1997. This was because the U.S. foresaw the potential that AMF would undermine other international financial institutions such as the IMF and the World Bank in which the U.S plays a dominant role [16, p.108]. Thirdly, the U.S. disfavored the inception of ASEAN + 3 which was designed to promote East Asian regionalism. In the eyes of the U.S., ASEAN + 3 will not only undermine or threaten the system of the U.S bilateral relations with regional allies but also may create an anti-American bloc both economically and politically. Moreover, ASEAN + 3 can work as a tool for China to place its influence in East Asia. The U.S. had taken its bilateral relations with regional allies to make them reluctant to any proposal or initiative to promote East Asian regionalism. For its own interests, the U.S. maintained its negative attitudes towards and prevented East Asian regionalism. In spite of the U.S

disfavors and objections, East Asian regionalism still evolved, moved forward and recorded some significant achievements. Ironically, some researches have shown that it is the U.S disfavors and objections, especially in 1997 Asian economic crisis, that promotes East Asian regionalism [17].

The analysis of the U.S. role and influence on East Asian regionalism shows that Neo realist argument of the hegemon is relevant to regional cooperation. The U.S objection to EAEG, to the Japan's proposal of Asian Monetary Fund and its disfavor of ASEAN + 3 have greatly impacted East Asian regionalism. The U.S. impact was in such a great extent that some say that East Asian regionalism can not be understood without referring to the U.S [18, p.257]. However, it is critical to point out that the U.S. role and impact led to the development of regional cooperation in both Western Europe and East Asia but it did happen in different way in East Asia, which is a converse with Neo-realist standpoint.

In a nutshell, Neo-realism has provided important explanations for regional cooperation. Some of these explanations have been tested in the case study of East Asian regionalism. The end of the Cold War, the break-up of the Soviet Union, the replacement of the bipolar international order by the unipolar and inter-regional competition were major factors of international structure contributed to promoting East Asian regionalism. In addition, East Asian countries had to face with many external challenges and threats. The expansion of the European Union, the birth of African Union, the U.S attempt towards North American Free Trade Area and the pressures from WTO negotiations were major challenges that urged East Asian states to speak one voice for the whole region. Apart from factors of the international structure ASEAN smaller states were active in and maintained its driving force in cooperation

with bigger regional countries, especially China, in the hope that regional institutions will enable them to constrain it from freedom of action. These efforts of ASEAN are definitely in line with Neo-realist argument. Finally, the U.S factor in East Asian regionalism was not completely relevant to their point of view but Neo-realists were right to emphasize the role and impact of the U.S. in regional cooperation.

Applying one single theory to study regionalism always leads to a one-sided interpretation. As a matter of fact, East Asian regionalism has been affected in various degrees by many external and internal factors. There have been studies that show the role of other factors on East Asian regionalism such as regional history, culture, society, oversea Chinese business network or Japanese private cooperates [14]. However, applying Neo-realism to East Asian regionalism, on the one hand, has helped to test its relevance to one phenomenon in international politics and to understand it better. On the other hand, this also invites explanations from other theories for East Asian regionalism.

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