

Regional Cooperation in Asia : Suggestions for Future Development*

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Introduction

The last decade has witnessed an explosion in the number of regional cooperation mechanisms. Now almost all countries of the world become signatories to at least one of such regional institutions. Although these institutions are differ in scale and degree, the proliferation of regional institutions has surely occurred. The question of regional cooperation is not a new one to policymakers as well as scholars. The European integration, whose successive name changes from the Common Market to the European Community to the European Union (EU), has undeniably successful enough to attract the attention of other countries that seek to create or join a regional cooperation for economic and/or political reasons.

The idea of European integration was originated from the visions of the leaders of the European countries. Right after the Second World War, Europe was not the leading power in political and economic arena. No single European country was likely to be taken seriously as a credible actor in international relations if it acted in an isolated way. In other words, there had been desperate efforts of Europeans to reconstruct the Europe and to adjust to a world of global competition where the United States had world economic and security supremacy. European integration process began with these rather desperate situations of the European continent.

Regional cooperation in East Asia has also progressed continuously though most of the international interactions have been managed through bilateral relations. The Association of Southeast Asian Nations (ASEAN) has longest history in pursuing regional integration in East Asia. ASEAN has progressed rather sluggish because of the Cold War. As a matter of fact, it was the Communist threat which made the formation of ASEAN possible. But, at the same time, it inhibited smooth development of ASEAN until the end of the Cold War. Like elsewhere in the

* This Paper was Presented at the International Conference on 「Political Economy of the Northeast Asian Regionalism: Linkages between Economic and Security Cooperation」 hosted by Korea Institute for National Unification on 30th June 2006, Seoul, Korea.

world, East Asian region began to show multiple networks of regional arrangements concurrent with the decline of socialism. ASEAN Regional Forum (ARF) and Asia-Pacific Economic Cooperation (APEC) were borne out of these international environmental changes.

The current article attempts to assess the status of regionalism movements in East Asia and to explore the ways to enhance regional cooperation. In doing so, various factors behind regionalism in East Asia shall be examined along with theories of regionalism. Following these analyses, suggestions for the future development of East Asian regionalism shall be made as a conclusion.

Theories and Practices of Regionalism

Theories

Theories about the regional cooperation can be divided into three categories depending upon the theoretical focus. First, many scholars attempted to deal with regionalism at micro-level of international relations. These theories treat regional cooperative movements as the ones which primarily occur within the existing states system. Thus they focus mostly on the cooperative processes among regional countries while these efforts do not touch upon the issues of sovereignty and national boundaries.²⁾

Second category of regionalism theories is centered on the ideas about the approaches to rebuilding the state system. This group of theories interprets and prescribes the ways to enhance regional cooperation in a concerted manner. These scholars and practitioners actually performed a key role in developing the European integration processes. European countries had long been concerned about war-free continent because they experienced two major world wars. A number of international relations scholars during inter-war period insisted rather normative and grandiose theories to achieve world peace. As a result, they failed to suggest practical and detailed methods to successfully achieve international peace. In contrast, post-war theorists showed different traits from their predecessors in the sense that they tried to provide practical ways to form a regional entity. Among the theories in this category, functionalism can be noted the most influential enough to receive attentions from both scholars and policy-makers. Indeed, the works of David Mitrany provided many useful insights about the European integration.³⁾ He suggested that

²⁾ Among the concepts from adjustment theories, the following six regional cooperative actions are practically used in the international relations: co-ordination, co-operation, harmonization, association, parallel national action process, and supranationalism. For more detailed explanation about these, refer to A.J.R. Groom and Paul Taylor (eds.), *Frameworks for International Co-operation*, London: Pinter Publishers, 1990, pp. 27-122.

³⁾ David Mitrany, *A Working Peace System*, London: Royal Institute for International Affairs, 1943. David Mitrany, *The Functional Theory of Politics*, London: London School of Economics and Political Science, and Martin Robertson, 1975.

functional integrations were more important. In other words, propositions such as “form follows function” and “spill-over effects” have been well taken during the integration processes of the Europe. Later, E.B. Haas reformulated functionalism and came up with neo-functionalism.⁴⁾ The critical difference lies in the idea that neo-functionalism suggested the importance of political initiative in expediting integration processes.

Third, another group of scholars has been more concerned about the world-system level changes which could be effectuated by regionalism. They also pay attention to the other aspect that regionalism would be influenced by world systemic changes. Thus, these theorists emphasize the importance of regime changes and try to prescribe regionalism as a remedy to the world problems and to explain regionalism as a consequence of systemic changes.⁵⁾

The existing regionalism theories have contributed a great deal in explaining and analyzing European integration. On the other hand, they have provided prescriptions about how to deal with difficulties in achieving European integration. They occupy an important part of international relations theory even though their explanatory power has shown fluctuations depending on the circumstances. Perhaps one of the weakest points may be that they emphasize the importance of pluralism and democracy. These theories can best be applied to advanced societies such as the West Europe. Still, we can draw useful insights from the existing regionalism theories in analyzing the current regionalism movements occurring elsewhere and in providing more adequate ways to pursue regionalism in different contexts. As <Table 1> shows, each theory has its own strengths and emphases. This paper shall try to adapt the existing theories to the explanation of the current regionalism movements in East Asia.

<Table 1> Traits of Regionalism Theories⁶⁾

	Adjustment Theories	Integration Theories	World System Theories
Level of Analysis	Within state system	Rebuilding state system	Beyond state system
Major Components	Coordination Cooperation Harmonization Association	Functionalism Neo-Functionalism	Regime Theory World Systems Theory
Primary Actors	Nation-state Political leaders Societal groups	Nation-state Political leaders Mass Public International Organization	Nation-state International Organization
Focus	Explanation	Analysis Prescription	Prescription

4) E. B. Haas, *The Uniting of Europe*, Stanford: Stanford University Press, 1968.

5) Roger Tooze, “Regimes and international co-operation,” in A.J.R. Groom and Paul Taylor, *Frameworks for International Co-operation*, London: Pinter Publishers, 1990, pp. 199-216.

6) This table reorganized and summarized the contents of the edited volume. A.J.R. Groom and Paul Taylor, *Frameworks for International Co-operation*, London: Pinter Publishers, 1990.

Practices

Regionalism itself is not a new phenomenon. We can date back as early as the nineteenth century when multiple customs unions and trade agreements flourished in Europe. It reappeared during inter-war period and resulted in preferential trading arrangements among neighboring countries. This inter-war period regionalism, however, produced protectionist trade policies and caused deep depression.⁷⁾

After World War II, regional arrangements had been developed for the following reasons. First, regional security arrangements were initiated by the United States and the Soviet Union in order to strengthen security capabilities of each bloc and to complement bilateral alliance structures. North Atlantic Treaty Organization (NATO) was created to garner against the Soviet aggression in Western Europe. In order to balance out NATO, Warsaw Pact was organized in Eastern Europe. These regional security organizations represented the Cold War rivalry of the two superpowers, the United States and the Soviet Union. Second type regionalism was also created in economic arena. The road to realize European integration began with the European Coal and Steel Community (ECSC) treaty in 1951.⁸⁾ European Union (EU) completed economic integration by introducing single currency and currently tries to deepen political integration. On the other hand, the Council on Mutual Economic Assistance (CMEA) was founded in 1949 within the Soviet bloc. These initial efforts to realize regionalism in Europe reflects the East-West rivalry formed by the two superpowers. At first, these regional arrangements were seemed to be progressed quite speedily. However, as the United States and the Soviet Union entered into détente in the early 1970s, initial motivations behind post war regionalism were began to be questioned. As a result, these regionalist movements had experienced long time sluggish development during the 1970s and 1980s. In fact, European integration efforts somehow lost its momentum because of détente and following rapprochement between the United States and the Soviet Union because European citizens felt less need for united Europe for achieving permanent peace structure in Europe.

<Table 2> Focus of Initial European Regionalism

	Motivation	Primary Method	Membership Openness	Key Players
NATO	Security	Coordination	Closed	U.S.A. & Allies
EU	Economy	Functionalism	Closed	Germany, France

⁷⁾ Edward D. Mansfield and Helen V. Milner, "The New Wave of Regionalism," *International Organization*, Vol. 53, No. 3, 1999, pp. 589-627.

⁸⁾ European Coal and Steel Community (ECSC) later became the backbone of European Economic Community (EEC), European Community (EC) and European Union (EU).

The current regionalism in Europe was re-invigorated with the demise of the Soviet Union and consequent international changes. When the Cold War period ended, Europe grabbed another opportunity to unite its citizens. This time, the most important motivation behind integration of Europe was the economic prosperity. In other words, they could concentrate on deepening economic integration without any worry about the communist aggression. Rather, Western Europe met another challenge of enlarging its sphere to encompass Eastern Europe. This factor actually hastens the process of integration among members of the EU. Another variable to be noted here is that European leaders felt a strong need to have comparable size of economy to compete with the United States in the world.

It should also be noted here that recent regionalism takes different forms from the ones originally suggested by integration theorists. The current regionalism shows somewhat diffuse traits and encompasses economic and security aspects at the same time. As the regionalism spreads out throughout the world, there have been efforts to make communications among these regional arrangements across the continents.⁹⁾ These trends surely are reflected in the regional arrangements in East Asia. The next section shall be devoted to an analysis of the current regionalism in the East Asia

Asian Regionalism

Past and Present Records

There exist multiple regional institutions in East Asia: the ASEAN, APEC, ASEAN Regional Forum (ARF). Northeast Asia Cooperative Dialogue (NEACD) performs a role of security forum in Northeast Asia. Tumen River Area Development Program (TRADP), initiated by United Nations Development Program (UNDP), has been running as a regional development project. First, the ASEAN has been existed for several decades. It has gone through several stages of development in the middle of turbulent international relations of the East Asia. ASEAN, among the other regional institutions, has longer history than the others and become the backbone of regional cooperation. When ASEAN was founded in 1967, member countries had a great vision of achieving peace, stability, and prosperity.¹⁰⁾ The Southeast Asian region, at that time, showed security instability and economic backwardness. To make things worse, the region had continuously been under the pressure by the communist infiltration for the first ten years of the ASEAN history. The fall of South Vietnam made leaders of the region to rethink about the

⁹⁾ One of the most noteworthy examples is Asia Europe Meeting (ASEM) between the countries of Europe and Asia.

¹⁰⁾ History and Evolution of ASEAN, http://www.aseansec.org/history/asn_his2.html

efficacy of regional cooperation. And continued conflict in Indochinese peninsula hindered development of the ASEAN. This rather sluggish development met a turning point when the Cold War ended and Vietnam opened up its economy. With the admission of the Indochinese countries,¹¹⁾ the ASEAN initiated various regional integration measures.¹²⁾

Second, the APEC was launched with the membership of twelve countries in 1989.¹³⁾ APEC was created as an international forum to discuss regional economic issues and continued to broaden its membership to accommodate twenty one countries.¹⁴⁾ In addition to promoting regional economic cooperation, APEC has held annual summit meeting since 1993. APEC showed a peculiar characteristic as a regional organization: the principle of open regionalism. Unlike the other regional institutions, APEC declared that it would not discriminate non-member countries vis-à-vis member countries. Member countries also agreed to promote trade liberalization by 2010 for the advanced countries and by 2020 for the developing countries. It should be noted here that APEC led the conclusion of the Uruguay Round by declaring member countries would support further trade liberalization. Another point is the importance of the annual summit meeting because it includes so-called four major powers. APEC also added human security issues in its discussions among the leaders of the member countries after September 11 terrorist attack.

Third, the ARF was launched in 1994 with the initiatives of the leaders of the ASEAN countries.¹⁵⁾ ARF provides annual forum for exchanges of opinions among member countries and discusses non-conventional threats such as peace-keeping, anti-terror, sea-lane security, etc. However, it lacks commonality among participating members because it includes too many countries of diversity. One of the usefulness of the ARF may be that it functions as a discussion forum for diverse security issues. However, it shows a tendency to avoid confrontational issues and its implementation power is questioned by many scholars.

Fourth, summit meeting, called ASEAN+3, has been regularized between the members of the ASEAN and three Northeast Asian countries (South Korea, China, and Japan) since 1997. Along with ASEAN+3 summit meetings, trilateral meetings among the three Northeast Asian

¹¹⁾ Vietnam, Myanmar, Laos, Cambodia

¹²⁾ In 2003, the ASEAN adopted a declaration to accelerate cooperation by promoting three communities by 2020: ASEAN Security Community (ASC), ASEAN Economic Community (AEC), and ASEAN Socio-Cultural Community (ASCC).

¹³⁾ Twelve founding members were: South Korea, the United States, Japan, Australia, New Zealand, Canada, Malaysia, Indonesia, Thailand, the Philippines, Singapore, Brunei.

¹⁴⁾ Nine more countries had been added gradually: China, Hong Kong, Taiwan, Mexico, Papua New Guinea, Chile, Russia, Vietnam, and Peru.

¹⁵⁾ ARF member countries are composed of ten ASEAN countries, ten extra-regional dialogue partners (South Korea, the United States, Japan, Canada, Australia, New Zealand, European Commission, China, Russia, India), and three countries (Mongolia, Papua New Guinea, North Korea).

countries have been held. And East Asian Summit (EAS) was held for the first time in 2005. Another two regional cooperative efforts are the NEACD and the TRADP. These two sub-regional entities are yet to be institutionalized: NEACD runs as a track-two forum and TRADP as a development program led by the UNDP.

The above regional cooperative mechanisms except the ASEAN were launched along with the global trends such as the end of the Cold War and the mood for trade liberalization. As a matter of fact, the activities of the ASEAN became more vigorous since the early 1990s when the Cold War structure in East Asia was dismantled. The following table summarizes characteristics of the existing East Asian regional cooperative arrangements.

<Table 3> Regional Cooperative Mechanisms in East Asia

	Institutionalization	Geographical Boundary	Primary Method of Cooperation
ASEAN	Strong	Southeast Asia	Coordination
ASEAN+3	Weak	Southeast & Northeast Asia	Forum
ARF	Weak	East Asia & Extra-regional members	Forum
APEC	Strong but diffuse	East Asia & Pacific Basin	Forum & Voluntary Coordination
NEACD	Weak	Northeast Asia	Track II Forum
TRADP	Weak	Northeast Asia	Development Project

Facilitating and Restricting Forces

East Asian regionalism movements have been promoted by many scholars and leaders. There had been numerous proposals about the formation of regional entity in East Asia. For example, Mahathir, former Prime Minister of Malaysia, suggested ideas of establishing East Asian Economic Caucus (EAEC) and East Asian Economic Group (EAEG). Recently, Roh Moo-Hyun administration of South Korea adopted a vision for constructing the Northeast Asian Community as one of its national development plans.¹⁶⁾ What makes leaders and scholars to suggest such ideas about the East Asian Regionalism?

There exist political and economic factors behind the East Asian regionalism. First political factor could be the longtime aspiration about the stable peace structure of the region. Regional countries want to enhance security environment by establishing regional institutions because they have experienced diverse conflicts such as communist aggressions, territorial disputes, and

¹⁶⁾ Roh administration established a presidential commission on Northeast Asia Initiative. For more detailed visions and plans, refer to www.nabh.go.kr.

weapons of mass destruction problems. Second, most of the regional leaders prioritize economic development in order to earn legitimacy from the peoples of their nations. This is especially important because most regional countries are yet to be fully democratized. To guarantee economic development, stable security environment is a necessary condition. Third, East Asian countries share common historical heritages such as the widespread uses of Chinese character, high expectation for education, and high savings tendency. It should also be noted here that Chinese immigrants living in the regional countries would play an important role in shaping future forms of regional cooperation.

Economically, East Asian countries have shown remarkable growth records. First and the most important economic power in the region was Japan. Japan showed unprecedented economic growth records after the World War II ended. This phenomenon was followed by the Newly Industrializing Countries such as South Korea, Singapore, Taiwan and Hong Kong in the 1970s. Southeast Asian countries followed these trends in the 1980s and 1990s until the Asian financial crisis hit the region. China's economy has been booming since its economic opening-up. All of the above economic growth trends of the region naturally have been accompanied by the ever-increasing interdependence among the regional countries. It could not be handled appropriately solely by bilateral means and negotiations. As a matter of fact, existing level of economic interdependence in the region may be sufficient to promote economic integration of East Asia. Along with economic interdependence, regional proximity would play an important role for the formation of regional entity in East Asia. To look at the other side of the economic development of the region, we can discern other necessities of regional cooperation. As regional countries' trade increases, many side-effects have been surfaced such as ever-increasing pollution problems and illegal trafficking of labor. There is a need to balance with other regional entities such as the EU. All these factors demand more concerted efforts of the regional countries.

However there exist factors which restrict the formation of regional organization in East Asia. First, East Asian countries show diverse levels of political development. For example, China still maintains socialist government even though it adopts market-oriented economy. At same time, many Southeast Asian countries have yet to be fully democratized in comparison with South Korea and Japan. Many analysts point out that shared plural democratic ideals would be prerequisite to the achievement of the regional integration.¹⁷⁾ The existence of divided nations such as the two Koreas and China/Taiwan can also become a source of trouble during the course of higher integration. Second, future course of regional cooperation would largely be dependent upon the roles of the world powers such as China and Japan. Even though the United States holds the position of hegemonic power of the world, China's potential to become hegemonic power would influence much in promoting regional cooperation. Japan also has enough potential to

¹⁷⁾ Louise Fawcett and Andrew Hurrell, *Regionalism in World Politics*, New York: Oxford University Press, 1995.

change the course of regional cooperation. It would be difficult for China and Japan to harmonize their global roles with regional ones if they were to become too much tied into regional interests. Third, the United States would also influence the processes of integration, if it were to happen in East Asia. It would oppose to the idea of exclusive regional integration of East Asia.

Suggestions for Future Development

We have analyzed the current conditions of East Asian regionalism with previously noted theoretical concerns. There is no doubt about the desirability of stable and prosperous regional environment. Indeed, we could say that the current bilateral relations with multiple layers of multilateral framework for regional cooperation would be enough to pursue such a goal. However, as the founding fathers of European integration initiated a vision for permanent peace, we could devise a new type of regional initiatives in order to achieve permanent peace in East Asia. In doing so, the current paper identifies several aspects of linkage strategies: linkage between economic and security cooperation; linkage between the existing multilateral institutions and Northeast Asian community; linkage between domestic and regional developments. For each of the linkage aspects, I would like to suggest desirable paths to be pursued in achieving Northeast Asian community in the region.

First linkage concerns with the relationship between economic and security cooperation. As previously noted, most regional cooperative regimes began with economic cooperation. It is also true for the Northeast Asian region. Thus we need to utilize learned experiences from the economic cooperation to augment level of security cooperation. At the same time, it is necessary for us to be appreciative about the peace effects from the increasing economic interactions among the regional countries. Indeed, security environment of the region in the post Cold War era became more peaceful than in the Cold War era even though North Korea still remains to be troublesome. We could begin multilateral cooperative projects in the areas of energy, transportation, and environment in the region because these sectors need to be addressed by regional countries altogether. We could discuss security issues in the course of developing pipelines and railroads throughout the region.

Second, it is necessary to harmonize Northeast Asian regional cooperation with the efforts of the existing institutions. As we know, Northeast Asian countries already are the members of the APEC, ARF, and EAS. Thus it would be unthinkable to formulate a scheme to construct a regional community without proper consultations with the existing institutions. As noted above, the regional institutions in East Asia took forms of forum, except the ASEAN. They, basically, discuss issues and suggest desirable forms of cooperation. And, in most cases, their decisions are followed by member countries on a voluntary basis. We may need to harmonize the activities of

the existing multilateral institutions in the first place. More specifically, it is necessary for us to devise a plan to link the activities of APEC with ARF, APEC with ASEAN+3, APEC with EAS, APEC with ASEM and so on. In other words, we need to make the activities and functions of the existing institutions in the region more efficient. At the same time, we need to utilize the roles of internationally minded group of peoples in the region. To look at the East Asian regional organizations geographically, it is evident that no multilateral institution covers Northeast Asia. It was impossible to form a multilateral economic organization in Northeast Asia during the Cold War years, but the recent success of China's economy has eliminated certain barriers to establish a regional economic organization in Northeast Asia. One could now be formed. Then we could synthesize Northeast Asian regional organization with ASEAN in the future. It would be desirable to extrapolate this "sub-regional to regional" approach to other issue areas.

Third linkage aspect is related with the perceptions of the regional leaders. It is necessary for us to educate regional leaders about the importance of regional goals. More importantly, it is necessary to convince them about the fact that regional cooperation would enhance their positions in their nation. In this way, regional leaders can become the forerunners in pursuing regional integration in Northeast Asia. In sum, we need to augment awareness of regional identity if we were to build regional community in Northeast Asia. Initial effort should be concentrated on enhancing regional awareness among the leaders. And, then, it can spread out to the peoples of Northeast Asia. Since the possibilities for economic cooperation have been well sketched out by the various promoters of economic regionalism, let us now proceed with more practical measures to execute those programs so that we can show the actual outcomes to the inhabitants in the region. Then we could move ahead to promote multilateral security cooperation in the region.

In sum, the current regionalism movements in East Asia are different from the European experiences in the sense that they could not promote ideas beyond sovereignty of member nations. It would be hard to initiate a bold plan to change the existing state system under the current international relations in the region especially because of the role of the United States, and to a lesser extent, because of the other major powers, Japan, China, and Russia.

In order to increase international cooperation in East Asia, regionalism approach should be strengthened. In a sense, we have seen flourishing ideas during the last decade and actual regional meetings. South Korea has a keen interest in formulating a regional entity in Northeast Asia because of the existence of North Korea. Indeed, it wants to utilize economic power to bring about changes in North Korea and in Korean peninsula. What kind of roles could be expected from the regionalism approach in Northeast Asia? I would like to suggest the following incremental approaches. We can start from more practical cooperative projects which can supplement the functions of the existing institutions. At the same time, we need to make an effort

to effectuate the roles of the existing multilateral institutions. Then we can begin to build regional community based on these cumulative experiences of regional cooperation.

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