THE FUTURE OF EAST ASIA

Edited by
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Asia Today

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Peter Hayes · Chung-In Moon
Editors

The Future of East Asia

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Editors
Peter Hayes   Chung-In Moon
Nautilus Institute   Global Asia Journal
Berkeley, CA, USA   Seoul, Korea (Republic of)

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Printed on acid-free paper

Preface

The Future of East Asia had its genesis in 2005 when the East Asia Foundation was founded by Mong-koo Chung, Chairman of Hyundai Motor Group. Like the Foundation, the book aims to facilitate the formation of an East Asian Community by promoting networks that exchange ideas and sustain direct relationships.

The Foundation realizes this vision by shaping the annual Jeju Forum for Peace and Prosperity. The premier event of its kind in the Republic of Korea, the forum brings together thousands of movers and shakers from the region and the world. It also publishes *Global Asia*, An East Asia Foundation Journal an influential scholarly journal with a policy bent with a circulation of more than 7000 readers. The authors of the essays participated in these activities and met twice while producing this book.

We intended that *The Future of East Asia* would celebrate the Foundation's tenth anniversary. But books invariably take longer than planned and, because we wanted only the best contributors, this one was no exception. It would have been impossible without more than two years of hard work by the Foundation's staff, led by its Executive Director Hyung Taek Hong, with the strong support of now Honorary Chairman Mong-koo Chung, Chairman Ro-myung Gong, and members of the board of trustees.

Along the way, we also benefited from the active support of East Asia Foundation Program Officers Chan Koo Kang and Yoon Hee Shin and interns Yeonsu Kim and Haeun Choi, East Asia Foundation and Global Asia fellows, respectively.

We are also grateful to Maureen Jerrett who meticulously copy-edited every word and sentence in the book as well as to Jacob Dreyer of Palgrave and Takashi Inoguchi for agreeing to publish the manuscript and assisting with rapid review and production. We are especially indebted to Girish Gopinathan and his team for their patient and painstaking copy production and correction work.

We'd also like to thank all the authors who undertook to write a "Trumpilogue" to update each chapter in light of the election of America's new president, with enormous portent for an East Asian community.

Finally, we thank the many early visionaries and leaders at every level and in every country, many of whom risked everything to construct a community based on positive peace. This work remains incomplete, but without their willingness to cross any border that blocks the creation of a Northeast Asian community, today we would not be discussing the many ways to create a resilient community while heading off attempts to sow conflict and division in the region.

Berkeley, CA, USA   Peter Hayes
Seoul, Korea (Republic of)   Chung-In Moon

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Editors and Contributors

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Circling the Square: The Imagining of an East Asian Community

Peter Hayes and Chung-In Moon

INTRODUCTION

This book presents the imagining of an East Asian Community (EAC) by a number of senior scholars with diverse backgrounds—each informed by their life experience grounded in different parts of Asia and, at various times, in different sectors, be it in government, in the market, or in civil society. Although an East Asian Community is clearly more of an ideal image than real today, it already exists in some respects, is prefigured in aspirational ways in others, but is denied absolutely in still other aspects of how states and people conduct their affairs. Moreover, we recognize the glimpses described in this book of a hypothetical EAC are just that—the capturing of one aspect, from one angle, from one life experience, of a possible EAC. These ideas are worth considering, nonetheless, because ideas may be hugely influential, sometimes almost instantly, if incorporated into individual, community, and national identities.

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Also, we note upfront that while the core insights offered by the authors of this book are deep and broad in their respective areas, they do not reflect the full diversity of views in the region. There are important voices that are not found in this book—those of indigenous peoples, islanders, youth, refugees, and many border-crossing individuals who live in the region, but also elsewhere, often at the same time. We do not apologize for these limitations. We simply draw the reader's attention to them because these voices must be heard, too, if the EAC is to ever grip the imaginations of all the necessary players in this region and become a social, cultural, and institutional reality.

That said we believe the core issues analyzed in this book are those that will shape the form, content, and structure of a full-blown EAC, no matter what configuration it takes in the long run. But before we turn to this prefigured ideal image of the EAC—or rather, the multiple images of it presented in this book—we must first deal with the issue of "region."

One Asia Region and Sub-Region Concepts

First and foremost, we admit—as Nayan Chanda explains in Chap. 2— that "Asia" is not an Asian construct. Ironically, "Asia" is a Western concept. Thus, "Asia" is actually an extraordinarily diverse set of states, communities, and cultures that have interacted for millennia via trade, migration, cultural transmission, religion, as well as harsher means such as military conquest and political subjugation at various times, with more or less unified control of territory and people given the technologies and communications of the era. At times of system crisis—whether in reaction to western or Japanese imperialism, the demise of colonial occupations, or, in the course of national revolutions—locals have claimed "Asia" as their own to propagate a wider concept of "Asia for Asians." Thus, the notion of "One Asia" is not new. It has progressive and regressive antecedents. The same applies to the concept of "East Asian Community." Indeed, scholars and policy practitioners have been talking about it for decades and, depending on who is doing the talking, the meaning of the term shifts dramatically.

Today, discussions of an EAC are in the midst of globalization with attendant displacement of local communities, demolition of local cultures, and the obliteration of distance and dissolution of borders by trade, information flow, and—to some extent—migration and travel. Thus, rather than EAC, the notion of "Global Asia" has emerged. Here, "Asia" is held

to play a central role in almost all global issues. No global issues can be understood, and no global problem can be solved, without comprehending the Asian dimension. But Global Asia does not refer to a region or sub-region with a shared identity any more than its predecessor, One Asia.

In contrast, South Asia, for all its division and conflict, has its regional institutions such as the South Asian Association for Regional Cooperation (SAARC) that have begun to take deep root, even if the major states in the region can bypass them at will. And Southeast Asia has its own sub-regional organizations led by the Association of Southeast Asian Nations, or ASEAN. But Northeast Asia does not have such a regional entity in spite of a burgeoning set of regional meetings, communication, and coordination activities between national officials; a profound con-joining of the economies of China, Japan, and the ROK, as well as with the global economy; and limited but important common security agendas and even political-diplomatic coordination, as has occurred in response to the DPRK's nuclear threat. And, as Chung-In Moon points out in Chap. 10, an East Asian community is inconceivable until Northeast Asia brings regional political institutions into being on par with SAARC and ASEAN. Equally, he suggests, trends within East Asia as a whole may stimulate and induce Northeast Asian states to innovate and then formalize sub-regional institutions in a dialectical process.

REGIONAL SOCIAL AND ECONOMIC INTEGRATION

Of all the potential bridges that might enable a Northeast Asian sub-regional community to emerge alongside a full-blown EAC, perhaps the most promising is to facilitate cross-border trade, investment, and finance along with related infrastructural and network expansion. Already China, South Korea, and Japan (or CKJ) have a combined population of 1.54 billion (21% of the world's population), a combined gross domestic product of $16.4 trillion in 2014 (likewise, 21% of the world's gross domestic product), and a combined trade volume of $7 trillion in 2014 (or 18% of world trade). At first glance, such numbers suggest that the region should have an overwhelming economic incentive to create institutions that exploit this economic prowess.

But, as Choong Yong Ahn points out in Chap. 6, two competing frameworks for regional economic integration collide today in the region. These are the US-led Trans-Pacific Partnership (TPP) embedded in the already existing World Bank-International Monetary Fund and Asian

Development Bank structures on the one hand, and the China-led Regional Comprehensive Economic Partnership (RCEP)—underpinned by China's newly established Asian Infrastructure Investment Bank (AIIB)—on the other. These two mega-frameworks and supporting institutions have competing visions and missions. Both are likely to gain traction in coming years although TPP may prove more vulnerable to domestic factors such as electoral politics in democratic states.

What hangs in the balance is whether what Ahn calls the "intersection economies," that is, those that have joined both the TPP and RCEP, can prevent these two trade blocs from colliding. To do so, and avoid global economic chaos, these two trading regimes need to converge by realigning their respective trade, investment liberalization, and other arrangements on economic and technical cooperation, intellectual property, competition, and dispute settlement, etc. Creating a complementary set of free trade agreements would lay the foundation for an East Asian-wide Economic Community, in turn, the underpinning for an EAC. In this regard, the ROK, by virtue of its location between the great powers in Northeast Asia, might, alongside ASEAN states, play a leading role in brokering such an outcome.

In the short term, however, there is little reason to expect that a distinctively Northeast Asian regional identity is likely to emerge due to the economic interdependence that has grown so large between the CKJ bloc. These three states may meet regularly to discuss and coordinate on key global and regional economic issues in the future, and to set standards on integrated infrastructure and nodal links at airports, shipping ports, pipelines, power lines, and railways, etc. But these activities will be subsumed in larger regional and global frameworks that govern trade, investment, and financial relations between economies.

Other early signs of sub-regional institutional innovation in Northeast Asia exist, including extensive civilian contact and, in some instances, prolonged contact, communication, and coordination of joint activities on specific issues by civilian organizations and local governments in Northeast Asia, as described in Chap. 8 by Seung-Youn Oh.

Power Transition and Rise of China

Nonetheless, the single most important trend that unites or divides states and people in Northeast Asia is China's rise, to the degree that it can challenge and, in some cases, match, and, in a few cases, exceed the power

capacities of the United States to exercise military control of the geo-political landscape of Northeast Asia.

In the security dimension, states retreat quickly into hardened, militarized postures established during the Cold War, and adorned with huge amounts of conventional and, in some instances, nuclear weapons. In particular, China's rapidly expanding military and regional military reach beyond its coastal zone into the Pacific and which now overlaps the zone of US military forward deployment, especially of its naval forces, as well as that of Washington's leading security allies, the ROK and Japan, and its security partner, Taiwan.

But as Muthiah Alagappa explains in Chap. 7, even in the aspect of community-building that is most resistant to cross-border transactions that soften and eventually corrode away the edges of hard power, that is, military force, the critical issue is not the existence of these capabilities, risky as they may be at the two primary axes of possible inter-state conflict in the region, the Taiwan Straits and the Korean Peninsula. Rather, he suggests, the rigid "knowledge structure" or strategic orientation of the political and military leaders who control these forces is uniformly "realist" in nature. This worldview is informed by shared but radically different exposure to the application of military force in brutal wars, ranging from those fought over colonial occupation and liberation during imperial adventures by Japan and its demolition by the United States and its allies, along with China and Russia in World War II, followed by the Cold War between the superpowers punctuated by one hot war in Korea on a massive scale, a war put on hold since 1953 by the Korean Armistice Agreement, but ready to break out at a moment's notice across the Demilitarized Zone.

Overcoming this ideational obstacle, according to Alagappa in Chap. 7, entails above all rethinking the concept of nation state, and instituting a more flexible one that admits of the exercise of autonomous governance, the validity of trans-governmental zones of coordination and collaboration by local governments and agencies, especially in border zones, and that jettisons ideologically defined and rigid concepts of singular, even ethnically-based, citizenship.

However, this cross-border process that softens or supplants the hard edges of territorially-based states will take time, possibly generational time. Meanwhile, great and medium-sized states continue to exercise power in the region. As John Ikenberry explains in Chap. 4, while the post-World War II liberal international order is weakening, it is also not disappearing. Short of a new framework based on a hegemonic and dominant power, it is likely to

remain the framework in which states conduct their affairs, both security and economic, and thereby remain constrained by it even if they contest elements of it, or confront each other over specific security or economic issues. With no other option, states will start to conduct multilateral governance over issues that divide in this region because the costs of not doing so will exceed the costs of jettisoning the old order. How they do this will make the region more or less stable, more or less orderly, more or less prosperous, and more or less secure. There are many possible regional futures in which the liberal international order may and likely will be sustained. In short, Ikenberry anticipates that some form of multilateral muddling through will predominate.

What is clear is the notion that China will somehow become a regionally dominant state and threaten this order due to its growing military and economic power is false, both factually and in conception. As Zhang Ruizhuang demonstrates irrefutably in Chap. 3, China's primary concern is the consolidation of its domestic order, both political and economic, while ensuring that its external security environment remains conducive to this process. Of course, where its vital security interests, most critically in the Korean Peninsula and the Taiwan Straits, are threatened, China will muster all its military capabilities to deter or compel its adversaries and third parties from acting in ways that put this domestic transition at risk. Zhang holds that the future of the entire region, including the possibility of creating an EAC, is determined by the unfolding logic of power politics, not the effects of shared ideas, beliefs, norms, and institutions.

Conversely, Zhang asserts that enduring poverty, misleading statistics about Chinese economic growth rate, its military expenditure, mistaking quantitative for qualitative growth, ecological degradation, and social and political inequality, all suggest that China is not as strong and powerful as it may appear. Moreover, much of China's military capability is invested in strengthening domestic security, and it confronts daunting domestic social, economic, and ecological threats that will consume much of its growth potential in the coming decades. These latter concerns also threaten the legitimacy of the leadership, which in turn may exploit popular perceptions of external threats to displace discontent and disenchantment with the one party ruling system. For all these reasons, China will remain a distant second power to the United States, which will remain dominant, albeit a declining hegemon forced to share more power with its allies and willing to accommodate China where its new capabilities cannot be blocked—as in coastal regions or infrastructure investment. How the United States

manages this adjustment to China, and how China manages its relations with neighboring states, in turn, will shape the perceptions of the need for regional institutions such as the EAC, based on shared interest rather than division of the spoils arising from dominance.

DIMENSIONS OF CLASHING NATIONAL IDENTITIES

Such perceptions are crucial to how the national identity of each country in the region evolves. In Chap. 5, Gilbert Rozman describes how five dimensions of national identity in China, Japan, and the ROK, namely, conformist national ideology, selective historical memory of key events and periods, sectoral confidence that is cultivated to contrast with other cultures, vertical identity that subordinates minorities or civil society to a single homogenous population, and the intensity whereby these factors shape how people think, have affected, one might say, afflicted bilateral relations between these three states that would form the northern foundation stone for an EAC.

Interestingly, Rozman finds that South Korea exhibits the least ideologically defined national identity of the CJK bloc, with the domestic polarization between progressive and conservative political forces offsetting the effects of prolonged national division and anti-Japanese (and to some extent, anti-Chinese) sentiment. The resulting pragmatism may endow Korea with the ability to move flexibly and adroitly and avoid being trapped between China's conservative communist project and Japan's revisionist project on the one hand and between American and Chinese strategic confrontation on the other. But even if the ROK succeeds in avoiding such traps, these regressive identities appear to be hardening, not softening, and there is little reason to think that a regional identity is forming based on underlying integration, or even that the gaps in each of the dimensions of identity are narrowing between China, Japan, and the ROK.

REGIONAL INSECURITY AND INSTITUTION BUILDING

At the other end of the spectrum of national identity as reflected in the acquisition of power resources by the state, nuclear weapons represent the most congealed and absolute means of coercion, representing the ability of one state to annihilate the military and entire population of other states beyond recovery. Peter Hayes outlines in Chap. 9 the increased role that nuclear weapons play in the relations between states in the region since the

end of the Cold War, driven in part by the North Korean nuclear breakout, but also by the modernization and deployment of old and new strategic and theater nuclear forces by the United States, China, and Russia, including new nuclear weapons declaratory and operational doctrines. He notes that while North Korea and the United States have used nuclear weapons to compel each other to change their actions and policies—a strategy which has failed completely for both parties—the major risk of nuclear war arises from the interaction of the strategic and theater forces—conventional and nuclear—and of the nuclear-armed great powers. This could arise from escalation from a war that begins elsewhere in the world, as was the case during the Cold War ("horizontal nuclear war"), or from a local conflict that escalates, most importantly, in the Taiwan Straits or in Korea. However, he also notes that new deployments of strategic missile submarines and anti-submarine forces in the west and northwest Pacific risk a "truel" that could lead to the use of nuclear weapons offshore, not just on land.

These risks suggest that not only the North Korean threat, but also the threat of nuclear war between the great powers, controvert any notion of an EAC and demand urgently the creation of a regional security mechanism to set rules of the road, establish new norms, codes, and agreements to constrain deployments and needless modernization of nuclear weapons and to reduce the incentives for Japan and the ROK to follow the North Korean model and proliferate with nuclear weapons of their own to replace the American nuclear umbrella. To achieve such a comprehensive approach entails settling the Korean conflict and reversing North Korea's nuclear weapons program via a variety of concerted measures and political-military steps in common, such as the creation of a regional nuclear weapons-free zone. Such a framework would enable all states to manage the nuclear threat and to reduce the nuclear element that increases the unpredictability of the external security environment while setting in motion communications, coordination mechanisms, and collaborative measures that may, over time, create the foundations for a regional reduction in reliance on nuclear threat and a reduced role for nuclear weapons in the relationships between each state. Whether a Northeast Asian nuclear weapons-free zone would create a foundation for sub-regional identity, as has the Southeast Asian and South Pacific zones for each participating state, would depend on how other shared security is to be managed in an institutionalized security framework rather than by improvised action-reaction dynamics.

Thus, we return to the paradox posed at the outset of this book. How is it that the states in this region have maintained a "long peace" for so many

decades in spite of their historical antagonisms, disputed territories, divided nations, proliferating weapons of mass destruction, and growing conventional military forces able to project a threat over immense distances? Perhaps it was the role of strategic nuclear deterrence and the threat of mutual annihilation at specific moments that preserved the peace. Perhaps it was the extraordinary level of economic interdependence that has emerged between these states. Perhaps it is shared cultural orientations in family and community that contrast with Western values and behaviors that align states to avoid needless wars by careless posturing, at least for the most part. Perhaps it is the shared risk of collision and catastrophic escalation that has ensured that China and the United States have taken care to avoid putting their military forces in harm's way of the other.

CONSTRUCTIVE PEACE MAKING

Yet, as Chung-In Moon avers in Chap. 10, the region has experienced peace as the lack of war, not for the most part as constructive peace-making and its related institution building and adopting of shared norms and practices. The latter would be based on the rooting of proactive nationalism in each country, that is, nationalisms that are ideologically consistent and allow a coherent nation state to contribute steadily to the formation of a regional community such as the EAC. Instead, Northeast Asia has been overwhelmed by the emergence of reactive nationalism, that is, irregular, spontaneous and massively popular reaction to external stimuli, often triggered and channeled by opportunistic leaders.

These national leaders have revived bitter historical memories within and between each country in the region and combined them with customs and cultures that exemplify difference with outsiders. They have thereby intensified nationalist movements in China, Japan, and the two Koreas. The resultant partisan politicization has triggered negative chain reactions among China, Japan, and South Korea, most often in response to right wing provocations in Japan, but also in some instances by China and both Koreas in their own manner. The resulting mobilization of agitated publics make it harder to resolve security issues such as disputed territories or military modernization, and instead sows fear and the perception that the other is a security threat. In each country, conservative coalitions aim to confront neighboring states, thereby creating mistrust and obstructing institutionalized intra-regional cooperation. In such volatile conditions, leaders, their style, and their choices can make the difference between

risking major wars or building bridges that lead instead to regional security cooperation, with states facing increasingly stark choices as has occurred with the DPRK. For all these reasons, therefore, it is evident that allowing the contemporary clash of national identities to continue precludes the emergence of a regional identity in Northeast Asia, let alone in the region as a whole as envisioned in the EAC concept.

Yet it remains true that, except in response to an existential threat or imperative to retaliate for an attack posing an existential threat, waging war against the other is not a credible policy option for any of the powers in the region for the simple reason that modern war has catastrophic results far beyond any conceivable benefits. Moreover, as noted above, the level of social, political, and economic inter-dependence is now so high between the United States and each country in the region (except for the DPRK and Russia), and within the China-Korea-Japan bloc, as well as between the DPRK and China, that a war will impose costs on the aggressor so high as to be self-defeating, irrespective of the outcome on a battlefield, whether on land, sea, or in the air or in space, including cyberspace. This reality is the basis of what is known as the "long peace" in what may otherwise be characterized as an "anti-region," that is, one defined by an absence of binding regional security institutions and characterized by divisive nationalism and vehement symbolic confrontations, but also one in which no interstate wars have occurred since the last shot was fired in the Korean War. However, this absence of hot war and maintenance of cold war is coming to a rapid end, and now it is necessary to construct a new foundation for regional security if the peace is to endure.

CONCLUSION—PATHWAYS TO PEACE AND REGIONAL IDENTITY

Thus, we have gone through a full circle of our authors' imaginings of an EAC and returned to a square, a checkmate that traps the region in a status quo and a set of security dilemmas. We also saw each author identify a way out of this gridlock. One way is the creation of epistemic, transboundary communities and networks aimed at solving specific problems. A second is to expand the role of "intersection states" in aligning the contending US and Chinese-led trade blocs. A third is to create a regional nuclear weapons-free zone to solve the nuclear proliferation problem and reduce reliance on nuclear threat. A fourth is to adopt less rigid models of the

nation-state that can accommodate greater diversity and autonomy without insisting on homogeneity and enforced monolithic unity. A fifth is that everyone recognize that China faces immense, almost insurmountable problems, the solution of which may have planetary as well as regional import and can be solved only with American and regional engagement with China. Sixth is that reintegrating North Korea into the regional and global system of states will not only reduce the risk of war and its potentially catastrophic costs, but enable the Northeast Asian sub-region to reap the benefits of connecting many regional physical and economic networks that are currently blocked at its borders. Seventh, leaders must lead, and shift away from promoting virulent and antagonistic reactive nationalism to pro-active, constructive nationalism based on perceptions of the other that admit and even celebrate difference.

Each of these and other pathways, if followed, might facilitate the creation of a truly East Asian Community based on a common identity, one that would, for the first time, unite Asia in a way that enables it to contribute to the fullest extent possible to the solution of urgent global problems.

THE TRUMP FACTOR: OBSTRUCTION OR IMPETUS FOR REGIONAL COMMUNITY?

Shortly after this book was completed, Donald Trump was elected and inaugurated as President of the United States. Mr. Trump was a classic political wild card. He rode to power by tapping into political frustration and anger by otherwise disenfranchised Americans. These were voters who found themselves burdened by the displacement effects of globalizing integration. These effects were superimposed onto fundamental policy failures in the United States with regard to structural adjustment, managing social, economic, and physical infrastructure, and curbing the excesses of inequality arising from domestic factors, especially the speculative and abusive practices of the financial sector on the one hand, and the lack of a welfare state that provides an effective safety net found in every other modern western nation on the other. Like lava trapped below the Earth's surface, Mr. Trump became the vent through which this political discontent forced its way to the surface, erupted, and poured in all directions.

Given President Trump's political outsider status and the potential for disruption of existing structures and processes that are critical to the building of an East Asian community, we asked authors to produce an epilogue on the Trump factor for each chapter, hereafter Trumpilogues.

Nayan Chanda's Trumpilogue dismisses Mr. Trump's transactional orientation as antithetical to dealing with Asia collectively. In particular, he notes that Mr. Trump rejected the Trans-Pacific Partnership, which "would have united part of prosperous Asia with the United States and could have had the effect of isolating China." This left the United States to negotiate with China alone at the same time as his preemptive moves to overturn the United States long-standing One China policy on Taiwan, which proved quickly to be a poor strategy that Mr. Trump had to abandon only two months later.[1]

Chanda also observes that Mr. Trump's evident concern about regional security could "prod countries to strengthen their security cooperation" as Australia has begun to do already with the Association of Southeast Asian Nations (ASEAN) states, and Japan and South Korea, in part to fill the gap of leadership created by Mr. Trump's unilateralism, and in part by fear of China's more aggressive posture. Unfortunately, he concludes, "This may not be conducive to creating "One Asia" of all democratic countries against but help foster a unity of sorts against common threat."

Ruizhuang Zhang's Trumpilogue writes that at first glance, Mr. Trump's rhetoric about peace through strength might lead one to conclude he will create uncertainty and turbulence, especially his willingness to play fire with the One China policy that "for the past four decades has been the bedrock of Sino-US relations, arguably the most important bilateral relation in today's world."

However, Zhang also views Trump—a transactional president who holds that everything is under negotiation—to be someone amenable to compromise "so long as the will to bargain exists." Zhang therefore suggests that Mr. Trump, like other American presidents, will adjust to strategic reality and, guided by national interest, will get along well with China. China's concerns are therefore less about direct collision than the

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[1]Perlez, J., "Changing Course on Taiwan, Gives China an Upper Hand", in The New York Times. 2017, The New York Times Company: New York. February 10, 2017, at https://www.nytimes.com/2017/02/10/world/asia/trump-one-china-taiwan.html?_r=0.

impact of Mr. Trump's unilateralism on US allies in the region. He worries that this dynamic could lead to large-scale military buildups and an intensive arms race in the region, which would certainly confront China with new risks. In the worst case, he concludes, "It is not unimaginable that in such context the two states [Japan and South Korea] may go nuclear and that would help further undermine the non-proliferation regime, giving states like Iran more justification to develop its own nuclear capacity."

John Ikenberry's Trumpilogue focuses on the future of the liberal international order and the possibility that Trump's presidency may implement policies on "trade, alliances, torture, immigration, race and religion, and constitutional rights that…would effectively end America's role as the embodiment and guarantor of liberal democracy." He points out that the United States is not alone in the rise of "new authoritarians," pointing to the rise of populist and backlash nationalism movements in Western Europe, parts of Asia, and beyond. Importantly, unlike the Cold War, this time "The crisis is coming from within the old democracies, not from the outside."

Thus, Ikenberry suggests that if Mr. Trump's views prevail in the policy process in Washington, D.C., on trade, multilateralism, climate change, and alliances, then American hegemonic leadership will spiral downwards. Ironically, according to Ikenberry, "for the most part, [China] does not appear to want to take on the many burdens of leadership." Thus, China may underwrite existing international institutions by enhanced participation, authority, and support, or even create new ones, thereby becoming one of the biggest defenders of the status quo. "The flipside," he concludes, "is that where China views the institutional framework as harmful to its interests, it will find opportunities to push against the old order, particularly if the United States is not willing to push back." At this point, much depends on whether other states such as Japan, South Korea, and Canada fill the governance gap. If not, then "other countries [may be forced] to begin to look for alternatives to the existing order, searching for regional safe havens and reluctant geopolitical accommodations with China and Russia"—at which point, the global order may become far less liberal.

Gilbert Rozman's Trumpilogue states outright that Mr. Trump's rise will have far reaching impacts on national identities and bilateral relations in East Asia. As Mr. Trump abandons US-led alliances and institutions based on universal values, democracy, human rights, and free trade and resorts to "crass national interest as defined by a narcissist with scant interest in precedents and multilateralism," those who previously embraced

US leadership will retreat into their own narrow identity narratives and no longer participate in the construction of a shared identity narrative.

Rozman doubts that China is agile enough to exploit the opportunity for greater Chinese influence created by Mr. Trump's abdication from US hegemonic leadership. He argues that China's nationalist narrative does not appeal to others in the region, and that alienated allies, especially Japan, will stick with the United States for realist reasons, not least because they will expect the pendulum of American politics to swing back after Mr. Trump's presidency. Nonetheless, as the Sino-American gap widens, these political cultures have more space to develop their own identities in ways that will work against finding a common identity, one of the foundations of a regional community.

Choong Yong Ahn's Trumpilogue states forthrightly that Mr. Trump's anti-globalization policies such as anti-dumping measures, countervailing duties, and safeguards targeting specific countries, etc., will lead to an economic collision with China, with far-reaching impacts on economic integration in East Asia and Asia-Pacific and negative implications for an East Asian Economic Community. The result is that China will try to fill the leadership vacuum and establish itself as the economic hegemon. Its Regional Comprehensive Economic Partnership is one of the main instruments it will use to supplant the United States' hegemonic role now that Mr. Trump has rejected the Transpacific Partnership, thereby achieving the twin objectives of high growth of China's economy and greater influence on the Asian economy.

However, Ahn expects that even if the US economy gains in the short-term, it will quickly become evident that zero-sum mercantilism and protectionism harms all countries, the United States included. Thus, the pendulum is likely to be pushed back and when it does swing back, regional economic cooperation that is favorable to regional economic community is also likely to re-emerge. Meanwhile, he argues, "each East Asian economy needs to upgrade its economic system to robust global standards, which would facilitate deep economic integration" while also reshaping global and regional institutions to make them effective in turning back the anti-globalization, closed-door policies of Mr. Trump and his look-alikes around the world.

Muthiah Alagappa's Trumpilogue is succinct. He views Mr. Trump as epiphenomenal in that his slogans and transactional approach are based on a cost-benefit approach "that seeks to cut costs and increase the returns for the United States. National interests would dominate with little interest in

building international institutions based on values like human rights, democracy, and free market economy." In his view, it is up to each country in the region to pursue independent approaches and policies if these diverge from US interests. He avers that if Mr. Trump does hasten allies becoming more militarily self-reliant and less dependent on the United States, then a new "tension-prone" political-strategic equilibrium is likely to arise in Northeast Asia, "but need not necessarily lead to large-scale war." This, he concludes, "may not be a bad thing for the sub-region and Asia in the long run."

Seung-Youn Oh's Trumpilogue recognizes Mr. Trump's rise presents massive challenges but also great opportunities for transnational coalitions among non-state actors to be revitalized in the region. Admittedly, depending on the country, non-state actors may be caught in the crossfire between xenophobic and nationalist populists in different countries. "Conversely," she suggests, "they could mitigate animosity coming out of inward looking nationalist policies and movements as a way to create a space for greater citizen participation in regional politics and generate a new capacity for regional community-building."

Thus, the fallout from Mr. Trump may play to some of the strengths of non-state actors, given that their comparative advantage relative to the market and government sectors "lies in their ability to overcome the barriers that exist at the level of high politics and to forge shared understandings." Thus, the response to Mr. Trump by non-state actors is likely to generate even broader and deeper transnational coalitions and networks than in the past, thereby accelerating East Asian community building at the non-governmental level. In this light, Oh concludes optimistically that: "The Trump factor will be another testing ground for the resilience and strength of regional community-building at both the ideational and operational levels."

Peter Hayes' Trumpilogue is decidedly less optimistic. Hayes argues that the era of American nuclear hegemonic leadership is declining rapidly and passing into what Gramsci called "the interregnum" in which the old is clearly decaying and ineffective, but the new framework is not yet formed or capable of taking up the load. Gramsci refers to "morbid symptoms" that appear in the interregnum. Hayes suggests that Mr. Trump's rise to power is exactly one of these symptoms.

Hayes observes that Mr. Trump's installation as nuclear commander-in-chief set off alarm bells, with fears that, because he has sole presidential authority over American nuclear weapons and he is

ill-equipped for this responsibility, he may somehow bring about nuclear war all by himself. Were this to happen, then he would bring about the immediate demise of what is left of American nuclear hegemony.

Slightly less apocalyptic is that, rather than starting a nuclear war by mistake, he may damage, even destroy American nuclear alliances. In particular, Hayes states, "he may subvert nuclear extended deterrence by making untimely and imprudent threats that are wildly disproportionate to the stakes, inviting the adversary to call the bluff and raise it one, or worse, go to war!" Hayes notes that one post-interregnum outcome is world disorder based on generalized nuclear proliferation and nuclear war fighting.

The countervailing framework to this dismal alternative to American nuclear hegemony is the building of a global and regional community. This, he argues in parallel with the argument advanced by Oh, "can only originate from below, via networked communities and cross-border communication involving cities, social movements, and corporations, in partnership with non-nuclear states seeking a new foundation for strategic stability."

Chung-In Moon's Trumpilogue outlines three regional scenarios that could ensue given the trends and prospective ruptures in regional security and political-economic affairs due to Mr. Trump's rise to presidential power. In part, these scenarios flow from Mr. Trump's departure from previous rule and structure-bound policies and actions in areas such as trade and alliance management. "But," he declares, "Mr. Trump seems quite different from them. Seemingly impulsive, unilateral, and even retaliatory in his temperament, his management style of counterparts in Northeast Asia may prove to be abusive, volatile, and unpredictable." Thus, Mr. Trump's temperament as well as naked national self-interest will drive these scenarios that are defined by increasing uncertainty.

In the first scenario, the United States becomes isolationist and eventually disengages from the region. "This trend," notes Moon, "would greatly facilitate the formation of a Northeast Asia regional community, a paradoxical blessing from the Trump leadership."

In the second scenario, Mr. Trump elicits a deteriorating US-China relationship. One of the multiple flashpoints between the two great powers flares into direct political and military confrontation and Mr. Trump is forced to re-adopt Obama's "Pivot to Asia" and military rebalancing policy, becoming even more entangled in the region, leading to an informal or formal NEATO or Northeast Asian Treaty Organization, possibly in

alliance with Russia tilted against China. "Such a development," observes Moon, "likely would pose the worst challenge to community-building in Northeast Asia."

In the third scenario, the United States under Mr. Trump lurches incoherently from one crisis to another, improvising stop-start policies of conflict and cooperation, leading to an unpredictable and unstable status *quo.* "This American posture," says Moon, "could either facilitate a much closer cooperation among countries in the region to cope with the uncertainty, or impede the process of community-building by creating a chaotic situation in which Japan and South Korea seek a "wait and see" policy."

Moon concludes on a cautiously optimistic note. In his view, what are important to regional community building are not the United States but the will and commitment of the citizens and political leaders of China, Japan, and South Korea. If they want community enough, then the great powers—the United States, Russia, and Japan—will follow. "It is the citizens and leaders of Northeast Asia," he concludes, "who should determine the regional community of common destiny for peace and prosperity."

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For all these reasons, Mr. Trump's ultimate impact on Northeast Asia remains indeterminate. To the extent that the future of an East Asian regional community revolves around the United States, whether such a community will emerge remains an open question. The answer, as the authors to this book describe, is heralded by the past and prefigured by the present. Ultimately, the future is made, not forecast. Foresight may give glimpses of the future in the making today, but it is only ever fully revealed with hindsight.

Although we cannot prove that a full-blown East Asian Community will emerge, the contents of this book suggest strongly that many of its foundations already exist and there are more to come at many levels—ideational, cultural, political, economic, ecology, and military—some of which will be accelerated by Mr. Trump's presidency. It behooves us, therefore, to anticipate the emergence of a Northeast Asian community even if it is overtaken eventually by another global or broader regional integration process that dissolves old identities and forges new ones in ways that are already at work but currently invisible.

In the long run, nothing stays the same, everything changes. We believe that Northeast Asians have waited long enough to declare their time has come. Time will tell who is right.

One Asia in History: Recasting and Forecasting

Nayan Chanda

"Among us the Acarya, the Venerable Bhadanta Jnanaprabha, possessed of numerous and limitless knowledge, join me in enquiring about you. The Upasakas, here, always offer their salutation to you. We all are sending you a pair of white cloths to show that we are not forgetful. The road is long. So do not mind the smallness of the present. We wish you may accept it."

Letter written to Chinese monk Xuanzang by Indian monks
Prajnadeva and Jnanaprabha, May, 652 CE.[1]

Ever since Japanese art historian Okakura Tenshin wrote "Asia is one" the term has been debated. Can a vast continent like Asia be one, meaning tied together in its lifestyles and cultures—one civilization? The question obviously cannot be taken literally. Besides, there has to be awareness about living in the same continent for its people to feel they are one. But, I argue that over millennia many population of the Asian continent developed a sense of familiarity thanks to sharing common beliefs and lifestyles

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[1]CE denotes the Common Era calendric system. The letter is found in Prabodh Chandra Bagchi, *India and China: A thousand Years of Cultural Relations* (Westport, Connecticut: Greenwood Press, 1971), 81.

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born of similar geographic, climatic, and economic conditions. The name Asia given to the region from the Indian Ocean to the East China Sea came later, but the sense of belonging to the region and seeing it as an open area and their natural habitat, emerged from the first centuries of the Common Era. I further submit that the notion of an Asian continent and common Asian culture initially introduced by Europeans fell on fertile soil prepared over the millennia through cultural and commercial contacts. Later the description of the continent was further divided into sub-regions as East Asia, Southeast Asia, and South Asia depending often on the political and economic boundaries that emerged. In this chapter the term Asia has been used to denote the entire continent from the Arabian Sea to the Pacific Ocean tied by a history of trade, migration, and culture.

When Okakura Tenshin (1862–1913) proclaimed "Asia is one" in his seminal 1903 book, *The Ideals of the East,* he was summing up the historical knowledge created in the preceding two centuries of European connection and colonial rule.[2] He found a spiritual unity among Asian people, saying that "not even the snowy barriers [between the Chinese and Indian civilizations] can interrupt for one moment the broad expanse of love for the Ultimate and Universal, which is the common thought of every Asiatic race and distinguishes these people from those maritime peoples of the Mediterranean and Baltic, who love to dwell on the Particular, and search out means, not the end, of life."[3] Indian philosophers, poets, and religious figures found universal values in what was seen as the Asian view. Even those who did not care much about the spiritual commonality found the European culture and social norms quite different, thus, strengthening the idea of an Asian identity. In recent times some historians, like the editors of *Asia Inside Out: Changing Times*, have come to view Asia not as a region

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[2]Another modern Japanese writer dismisses the idea of Asian civilization as "The Asian world and Asian civilization cited so often of late have their origins not deep in the past but in modernization this century in an Asia in contact with the West." Without one language, one administration, one religion, like Western civilization under Roman Empire, he affirmed, "To repeat: there has never been an Asian, let alone East Asian, sphere of civilization." Masakazu Yamazaki, 'Asia, a Civilization in the Making: East Asia, the Pacific, and the Modern Age,' *Foreign Affairs*, 75:4, (1996), 107.

[3]Quoted by Anthony Milner, 'Asia' Consciousness and Asian Values', Working Technical paper, Australian National University, 2001, accessed on December 15 2015 at: http://hdl.handle.net/1885/41906.

with clearly defined regional and national boundaries, but as "spaces of flows," arenas in which multiple processes, peoples, commodities, and cultural formations interacted dynamically over long periods. Growing trade, especially the rise of trading in synchrony with the monsoon winds, transformed the Indian Ocean into a virtual lake lined with ports and entrepôt harbors where trading diasporas from all over Asia lived and traded goods, creating a prosperous commercial network tightly connecting the whole region. As opposition to European colonial rule and oppression grew in the nineteenth century, Asian identity or national historical heritage emerged as an important means for national struggle. Even during the intense national struggles, awareness of a common Asian destiny led to occasional pan-Asian cooperation. Nonetheless, the thoughts of Universalist Asianists like Rabindranath Tagore were overshadowed by specific nationalist struggles for different political independences.

In the 1900s the emergent military power, Japan, turned the cultural pride of Asia into a powerful propaganda weapon in its imperial drive to create an Asian Co-Prosperity Sphere. In the post Cold War years the United States attempted to create an Asian anti-communist bloc, which ultimately gave way to feuding nation states.

Asia's phenomenal economic growth in the late twentieth century revived and fuelled pride about Asian cultural heritage—summed up in the term "Asian values"—as a key factor in its success. Renewed interest about Asian civilization that looked at the diverse region spawned a plethora of writing about its common cultural heritage and the role it might have played in the rise of Asia. The 1997 economic crisis, however, somewhat dented that pride about Southeast Asia. The rise of China in the past two decades lent credence to the sense that Asia is unique. Consequently the call "Asia for Asians" has resurfaced.

In recent years a rising China, buoyed by economic and military might, has sought to take over the leadership of Asia. It has not overtly invoked pan-Asian solidarity, but it clearly hopes to diminish and eventually elbow out US influence from the region. China's ambitious proposal of "One Belt, One Road" (OBOR) aims to tie together all of the Asian landmass and the oceans with a vast road, railway, pipeline, and marine network that links to Europe and the Middle East. Backed by Asia-wide financial and investment institutions under its leadership, China appears to be endeavoring to create a gigantic economic-political framework with the Asian continent at its core.

This chapter examines the role of geography, climate, trade, and cultural exchanges in the creation of a sense of One Asia and the role played by the

region's dominant powers over the centuries to create an Asian cultural, political, and economic identity. Asia can best be described not as a single canvas covering a geographic area, but as a palimpsest of various cultures painted over the millennia, creating many hues and images linked through layers of history.

Ever since the Greeks looked east across the Aegean Sea to where the sun rose and called the coastal region Asuya, the nomenclature stuck to the vast landmass that lay beyond. Orient and Cathay have been other appellations, but the term Asia is the most commonly used. Later, as trading with Asia grew, the ocean surrounding Asia as the thoroughfare of trade delineated the borders of the continent. The Tenth century Arab geographer al-Muqaddasi considered the peninsula of the Arabs encompassed by what they called the "sea of China." As historian K.N. Chaudhury notes, Muslim geographers "could see, as we can, that the sea which washed the desolate beaches of Suez or the marshes around Basra provided an unbroken means of travel all the way to China, beyond which lay an unnavigable ocean, the Pacific."[4]

Knowledge about the Asian continent as we know it—and not Anatolia in today's Turkey that the Greeks imagined to be Asia—took shape in the thousands of years of growing connections among peoples. First, it was trade, migration, and cultural interaction among populations that created familiarity and strengthened bonds. Then archaeological discoveries and modern historical research came along, presenting long-lost artistic and religious heritage and setting it in historical context. Growing knowledge about the region's history and its extensive connections confirmed what people had understood first hand through trade, travel, and religious practices.

THE MONSOON IDENTITY

The vast Asian landmass containing the world's highest mountains and the longest rivers, the high Tibetan plateau—the roof of the world—and wide expanses of deserts and steppes is peopled by diverse ethnic, religious, and linguistic groups. Since the nineteenth century European discoverers and

[4]K.N. Chaudhury, *Trade and Civilisation in the Indian Ocean: An Economic History from the Rise of Islam to 1750* (Cambridge: Cambridge University Press, 1985), 3.

colonial rulers called them Asiatic and Oriental simply because they were non-European. However, thanks to geographic features and climatic variations, commonality was created in a substantial part of South and East Asia. In this populated part of Asia, life was shaped by the monsoon wind and rain-fed agriculture. From the Indian Subcontinent in the west to Japan in the east and from 50 degrees north latitude in Northern China to 10 degrees south latitude in Indonesia the entire region—currently the home of 3.2 billion people—has rice agriculture fed by monsoon rains.[5] The prevalence of monsoon over Asia gave the region its climatic identity —Monsoon Asia.

The vast Asian waters were made navigable by the trade winds that Arab sailors called "*mausin*" or the monsoon. This seasonal wind blew for half the year in one direction and then reversed direction. This reversible nature of the wind brought traders from the Red Sea to India and beyond in June–August and allowed them to return home with their merchandise fairly rapidly, without waiting till the autumn. Indian traders looking for profit turned east, sailing the uncharted waters of islands in Southeast Asia in search of gold and fragrant wood. They also carried traders, pilgrims, monks, and fortune seekers who connected all of Asia. Southeast Asian islands also earned their first name from the monsoon, the "Lands below the Winds." The monsoon-driven trade routes divided Asia into two main sectors: lands "above the wind," which meant ports in the Indian Ocean, and lands "below the wind," or *Zirbâdât* in Arabic, which denoted the Straits of Melaka, South China Sea, Java Sea, and waters further east. The wind-driven trade of spices and gold proved central to the economic development of Southeast Asia. Melaka, or Malacca, became one of the most vibrant cosmopolitan cities in Southeast Asia and the favorite entrepôt for swapping goods.[6]

Monsoon and geography helped shape other identities too—especially food. Rice, *Orizya sativa*, originated in India and Southeast Asia and spread all over Asia replacing roots and tuber as staples. Rice not only became the staple food for most of the population, but rice growing occupied the vast majority of farmers. Anthropologists argue that

[5]Randolph Barker, Robert W. Herdt, Beth Rose 1985, *The Rice Economy of Asia* Volume 2, (Manila: Int. Rice Res. Inst, 1985).

[6]Nayan Chanda, Bound Together: How Traders, Preachers, Adventurers and Warriors Shaped Globalization (Connecticut: Yale 2007), 47.

cultivating labor-intensive rice favored by monsoon rains and irrigation, grown over most of Asia, has taught Asians to value the collective over the individual. In a recent survey-based study published in the journal *Science* the authors explain the "Rice Theory" that people from Asian rice-growing areas are interdependent and more concerned about collective rather than individual interest. The main reason lies in the nature of rice farming. The authors argue that as a finicky crop, rice paddies need standing water requiring complex irrigation systems and a community of rice farmers who work together in tightly integrated ways. The attitude, they found, is transmitted to non-farmers who live in the rice-growing areas, "simply put, you do not need to farm rice yourself to inherit rice culture," they affirm. It is true not just in China, but in other countries as well. "Japan and Korea's rice legacies could explain why they are still much less individualistic than similarly wealthy countries."[7]

Along with the staples of rice and fish, the habit of drinking tea has also become widespread—first in China and then in the rest of Asia. Tea, first discovered in China, became a popular drink thanks to the spread of Buddhism and monks drinking it to stay wakeful. Tea incidentally was one of the safest drinks because the water was boiled, which kept tea drinking Asians healthy—something that early European travelers noted with amazement. Other foods and condiments spread throughout the region— from pepper and spices to chili pepper, corn, and peanuts (the last three introduced by European traders)—also gave Asians common culinary markers of identity. Cotton, which was first domesticated in India and led to the rise of a thriving cotton weaving industry, was introduced to China and other parts of Asia, giving the region washable fabric to wear. While silk produced in China clothed the royalty and the elite, large scale use of cotton clothing gave the region a special identity. As one historian notes, "by 1500, the importation of Indian cloth across Southeast Asia was about a square meter per person. If most of this went to the rich, still Indian cloth was traded not only in the great maritime emporia: it reached the tiny

[7]T. Talhelm, X. Zhang, S. Oishi, C. Shimin, D. Duan, X. Lan, S. Kitayama, 'Large-Scale Psychological Differences Within China Explained by Rice Versus Wheat Agriculture', *Science*, vol 344, May 9, (2014).

spice-growing islands in eastern Indonesia … and the land-locked kingdom of Laos."[8]

THE TRADE CONNECTION

Trade within the region and with the Mediterranean world has been an important unifying factor. The desire to live better and earn profits has driven Asian traders to risk their lives crossing through jungles, mountains, deserts, and oceans. In the process they created common economic spaces from the very beginning of recorded history. Long-distance trading created a cosmopolitanism that promoted Asia's trademarks of tolerance, trust, and desire for coexistence and laid the foundations for prosperity. While camels and horses enabled long distance travel and trade across its vast steppes and deserts, as a continent surrounded by oceans, Asia lived by water and, as we have seen, boats propelled by monsoon winds connected thousands of miles of coastline from the Indian Ocean to the East China Sea.

Ever since second century BCE when a Han dynasty envoy traveled across Central Asia to blaze the trail that would later be called the Silk Road, trade has blossomed. For more than a millennium, this constantly shifting network of pathways served as the great connector between the Asian mainland, Europe, and sub-Saharan Africa. For rulers, whether in China or India or other countries without pastures for horse-breeding, Central Asian and later Arabian horses became a prized trading item. They were not only the equivalent of today's luxury Porsche, but were essential to building a powerful cavalry. China's Tang dynasty records show the government spent nearly a seventh of its annual revenue received from bolts of silk to import one hundred thousand horses. And, of course, the Silk Road conveyed much more than goods.[9]

For more than a millennium the path that spanned three continents became a conveyor belt for the transmission of religions, art, philosophy, languages, technologies, germs, and genes. The peaceful environment maintained by Mongol watchtowers and garrisons and the maintenance of

[8]Gene M. Chenoweth, "Melaka, "Piracy" and the Modern World System," *Journal of Law and Religion*, Vol. 13, No. 1. (1996–1999), 107–125.
[9]Xinru Liu, *Ancient India and Ancient China: Trade and Religious Exchanges, AD 1-600* (Bombay: Oxford University Press, 1988), 53–64.

caravanserais, or rest houses, along the route boosted the flow of merchandise and the exchange of ideas.

By the first century, Chinese silk was transported along the Silk Road to Indian ports in modern day Gujarat to be sold to Greek and Roman traders who had ridden the monsoon winds all the way through the Red Sea. Coral, wine, glass, frankincense, and other products that Roman traders brought had to be supplemented by gold coins to pay for their enormous demand for silk and spices. The extent of the trade is visible with the discovery of Roman gold coins from India to Vietnam.

Although China lost its silk-making monopoly by the fourth or fifth century, it maintained a profitable trade with India by producing special export-quality silk with motifs specially designed for the Indian market. Reciprocally, Indian semi-precious stones and medicinal herbs enjoyed great popularity in China. Even as far back as the fourth century, travelers encountered goods from different countries during their journeys through Asia. Along the terrestrial and marine Silk Road, goods from China and India traveled creating a common Asian market. While the trade across Central Asia carried by camels was necessarily light weight and high value —silk and precious stones—destined for the elite, seaborne trade expanded the circle of consumers. Apart from silks, satins, perfumes, jewelry, iron, sulfur, porcelains, cooking utensils, cotton coming from China and pearls from India, and spices, pepper, and specialized woods from Southeast Asia were on sale in Asian marts. Chinese Buddhist monk Faxian recounted how moved he was to witness a merchant in Sri Lanka offer a white silk fan of Chinese origin to the Buddha. Seeing a familiar Chinese product being used to worship the Buddha thousands of miles away, a homesick Faxian found his eyes filled with tears.

All the Lands Within the Seas Are United in One Body

As shipping technology and maritime knowledge grew, Asian trade networks expanded from the western coast of India to southern Japan. As one scholar observed, "This huge but politically fragmented and often sparsely populated region around "a sea common to all" spawned a fluid, multi-ethnic, and dynamic transnational economic zone and flexible political boundaries in which waterborne commerce and the string of ports that

facilitated it were essential."[10] The sultan of Melaka, Mansur, wrote to the king of the Ryukyu Islands in 1468 extolling the benefits of maritime trade relations in the region connected by water: "We have learned that to master the blue oceans people must engage in commerce and trade. All the lands within the seas are united in one body. Life has never been so affluent in preceding generations as it is today."[11] The rise of trade networks not only brought prosperity to people in the port cities, but connection with the hinterland transmitted goods and brought the interior out to the world. Traders, especially the Chinese, not only transported goods from Southeast Asian to Chinese ports, they engaged in coastal trade integrating all of Southeast Asia in a mesh of commercial networks. Tax collected from traders, often amounting to a third of the royal revenue—as in Ayutthaya— linked the prosperity of Asian rulers across the region. The rulers even issued coins modeled on Chinese coins that came into circulation, thus facilitating foreign trade. The need for sailors to wait for the return monsoon had created a large multiethnic trading diaspora who inhabited the large port cities of Melaka, Ayutthaya, Hoi An, and Guangzhou. Although they usually lived in separate quarters, the traders often married local women and settled down. Chinese trading, communities and sailors could be found from India to Japan. The hybrid communities that foreign merchants left behind have become a trademark of the Asian trading scene. Traders helped develop a common language spoken at the ports—pidgin Arabic, Malay, Hindustani, Persian, and Hokkien Chinese. The largest numbers of immigrants were from the coastal region of China. However, the ease of migration and assimilation that marked the port cities creating one Asia gave way to stricter rules under European colonial rule. Still, the fact that some 25 million ethnic Chinese live in Southeast Asia—mainly turning the wheels of regional commerce—is a reminder of the time when Asia was one. Common religious beliefs—whether Buddhist, Hindu or Muslim—practiced by traders and sailors of different faiths in port cities from Melaka, Ayutthaya, and Hoi An to Quanzhou gave traders a structure of trust, yet there was never any state-sponsored proselytism to promote a particular set of religious beliefs until the arrival of aggressive European

[10]Craig A. Lockard, ""The Sea Common to All": Maritime Frontiers, Port Cities, and Chinese Traders in the Southeast Asian Age of Commerce, ca. 1400–1750," *Journal of World History*, Vol. 21, No. 2 (June 2010), 219–247.
[11]Ibid.

powers. A corollary of this liberal attitude to organized religion was a largely secular approach to life and a tolerance of other religions, which created the necessary conditions for peace and prosperity. Conspicuously absent in Asia were the crusades and decades-long religious wars that marked European history. In the light of later animosity, it is interesting to note that in the seventeenth century Chinese and Japanese traders lived peacefully in separate quarters in Hoi An each with their own governors.

Pan Asian trade helped to connect people from different parts of the region. The Chinese capital Xian (Chang'an) and the port of Malacca were typical trading centers where Asian and non-Asians of different faiths congregated and inevitably brought about a cultural fusion. Whether or not eighty-four languages were spoken in sixteenth century Malacca, as Tomé Pires claimed, there is no doubting Malacca's welcoming attitude and its multicultural population. Gujaratis, Tamils, Chinese, Javanese, and Malays all at one time or another served as advisors to Malacca's sultans.[12] The Chinese monk Yijing's account makes it clear that sea travel was fairly frequent from Palembang in Sumatra to Guangzhou, China, which took about a month. It promoted migration of traders and laborers across the region bringing diverse ethnic groups in contact.

The Chinese port of Quanzhou (known then as Zaitun or Saiton) was another city of international commerce. "It is the port," Marco Polo wrote, "where all ships from India comeladen with much costly and a multitude of extremely valuable precious stones and big rare pearls… In this port there is a constant movement of such vast amounts of goods and precious stones that it is a marvelous thing to see." As we will see in the twentieth and twenty-first century further spread of such bustling port cities in other parts of South East Asia helped to create what was called Asia's tiger economies.

THE CULTURAL CONNECTION

From the early years of the Common Era the monsoon winds not only carried traders and their merchandise but it also transported Hindu and later Buddhist faiths, rituals, art, architecture, icons, and languages, thus painting on layers of a common culture. A scholar has described the way trade laid

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[12]Shawnakim Lowey-Ball, "Liquid Market, Solid State: The rise and demise of the great global emporium at Malacca, 1400–1641", unpublished thesis, Yale University, 2015.

down the common aesthetics of political culture, as "a kind of poetry of politics." The origin of modern nation states in Asia is rooted in the ambition of chieftains to expand their rule but also their desire to seek legitimacy of their rule through religious ceremony and sanction.[13] The rise of the Hindu belief system in India with its notions of a divinely sanctioned/ordained ruler was carried by traders to different parts of Southeast Asia and encouraged emerging rulers to seek legitimacy through rituals and blessings by Indian priests. Historians have long debated whether Indian influence in Southeast Asia was the consequence of conquering armies or through peaceful contacts by traders or priests. Hindu ideas, icons, artifacts, and priests invited to perform rites legitimated the new dynasty.

If Hindu notions of kingship and statecraft influenced the character of Southeast Asia's emerging polities, another Indian belief system—Buddhism—provided long-lasting connections that touched not only rulers but also common people. For hundreds of years devotees and monks from all over Asia trekked to the birthplace of the Buddha and sent votive tablets to different countries. Many monarchs, even though some rulers were not practicing Buddhists themselves, sent repeated missions to India's Buddhist sites. Missionaries not only carried Buddhist texts to different parts of Asia but translated them from an Indian language, be it Pali, Prakrit, or Sanskrit, to the various languages used in their own countries. The most famous among such missionaries is Xuanzang who returned to the Chinese capital Xi'an in 645 CE carrying more than 600 texts, personally translating many. Asian scholar Victor H. Mair writes that "aside from a handful of sinographically inspired scripts, nearly all of the written vernaculars east of the Pamirs to the Pacific Ocean were a direct result of the Buddhist missionary enterprise."[14]

The letter cited above by Indian monks to Xuanzang seven years after his return to China is a testimony to the close relations created by their common devotion to Buddhism. At emperor Taizong's request, Xuanzang wrote a detailed record of his journey, describing the places, people, economic, educational and social conditions, religious practices, manners,

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[13]Robert Heine-Geldern, "Conceptions of State and Kingship in Southeast Asia," *The Journal of Asian Studies*, 2, (1942), 15–30.

[14]Victor H. Mair, "Buddhism and the Rise of the Written Vernacular in East Asia: The Making of National Languages," *Journal of Asian Studies* 53 (August 1994): 707–751.

and customs of the lands he visited. His account, *Records of the Western Regions,* is perhaps the earliest example of the rise of one Asia.

Ironically Buddhism, a religion of peace, was introduced to Japan by a Korean envoy visiting the Japanese court in 552 CE to seek military support against a foreign invader. It has since profoundly influenced Japanese society, art, and culture. Missionaries also arrived on the island of Sumatra across the Indian Ocean, and Buddhism spread widely in the Indonesian kingdom of Srivijaya. The Sailendra monarchs in Java in all probability commissioned the building of the Borobodur complex.

ARTISTIC IDIOMS OF ASIA

A succession of Burmese and Sri Lankan kings sent gifts to Bodhgaya—where Buddha attained enlightenment—to endow the temple or repair it and earn merit for the sovereign. China's Tang emperors even invited monks with medicinal knowledge to provide longevity drugs. The search for Buddhist relics—his bones and teeth—also engaged Chinese envoys who believed those relics would not only ensure longevity for their emperor but even lead to his being born as a Buddha in his next life. Along with Buddha images, those of Hindu deities spread all over Asia and adapted to local mores and practice became the object of worship—often removed from the original cause for veneration.

Art historian Rajeshwari Ghosh nicely sums up the rise of the original pan-Asian art through a complex dynamic initially inspired by Buddhist art from India.

"Apart from artistic impulses generating from the Indian sub-continent, there was mutual influencing within the various so-called `borrowing cultures'. Thus one can see Indic inspired Khmer art influencing Indic inspired art from Thailand, or the art of the Kucha kingdom, on the `Northern Silk Road' (which in itself was the product of molding influences from India as well as Sassanian Persia) stimulating the art of Dunhuang and mainland China. There was also a reverse flow of ideas and the art of mainland China influenced the artistic idioms of the states of Central Asia and one can see marked Tang influence on the art of Turfan or even Kumtura, while Tibetan transformations also crisscrossed these roads, as seen in the bright colors used in the Bezeklik Caves of Turfan. That Chinese Buddhism in turn spread to Korea and Japan and influenced their iconography and aesthetics is self-evident. Thus contacts and influences were multilateral and not restricted

in any bilateral sense to India and a particular region of the Buddhist world."[15]

Along with Buddhist art many aspects of popular culture in Asia were transformed by the spread of Buddhism. Tea-drinking favored by monks to enhance wakefulness also spread from China to Korea, Japan, and the rest of Southeast Asia. Grown in many parts of Asia, tea remains the most popular drink throughout the region. The concept of the reincarnation of the soul and the associated role of karma was shared with Hinduism, Buddhism, and Jainism, which also spread all over Asia, if not as a belief then at least as a commonly understood concept.

In the first century CE, the Han emperor Mingdi became the first imperial Chinese convert to Buddhism. He invited two Indian monks, Dharmaraksa and Kasyapa Matanga, to undertake the dangerous journey across the Central Asian desert to Luoyang. Carrying Buddhist manuscripts, paintings, and ritual objects from India, they established the White Horse Temple, which became a center for the diffusion of Buddhist learning for many centuries. A stream of preachers and translators from Central Asia and India moved to China as Chinese monks continued their journey west. The Indian monk Bodhiruci arrived in Luoyang in 508 CE and by the order of the emperor translated many texts, including the Lotus Sutra and the Diamond Sutra. The extent of the spread of Buddhism in China can be gauged from a monk's report in the sixth century that in Northern China alone there were forty-seven great state monasteries, 839 monasteries built by the royalty, and more than 30,000 Buddhist temples built by commoners. In the south there were 2846 monasteries.[16] It was in this period that hundreds of monks began making pilgrimages to sacred Buddhist sites in South Asia. Interestingly, South Asian monks traveled to China to Mount Wutai as it was considered to be the abode of one of the bodhisattvas.

Buddhist rulers—from China, Myanmar, and the Indonesian archipelago—sent emissaries to pay homage at India's holy sites to gain legitimacy. Monks from Korea traveled to South Asia in the sixth century to study and

[15]Rajeshwari Ghosh, 'In Quest of a Buddhist Identity', submitted to *International Journal of Buddhist Studies*, I am grateful for the manuscript shared by the author.

[16]Tansen Sen, ed, *Buddhism Across Asia*, vol. 1, (Singapore: Institute of Southeast Asian Studies, 2014), XIV.

procure Buddhist texts. Monks were not just spiritual teachers but also healers of the body. Indian scholars who traveled to China in the seventh and eighth centuries, similarly, included not only religious scholars, but also other savants in mathematics and astronomy. In the eighth century, an Indian astronomer named Gautama Siddhartha was even made the president of the Board of Astronomy in China. The Buddhist learning center, Nalanda, was the first university in Asia that was attended by Buddhist monks and scholars from China and Southeast Asia. Many Japanese monks traveled to China to study Buddhist texts. By the eleventh century three distinct spheres of Buddhism had emerged in Asia: India-Tibet world; East Asian world of China, Japan, and Korea; and the Sri Lanka—Southeast Asian world. A lingering symbol of the common religious space that Asia enjoyed in the first millennium is the continuing worship of Avalokiteshwar, the Chinese Goddess of Mercy (Guanyin in Chinese and Kwannon in Japanese), by millions of Asians across the region. According to a Buddhist text, "if one happens to fall into the dreadful ocean, the abode of nagas, maritime monsters, and demons, he has but to think of Avalokitesvara, and he shall never sink down in the king of waters."[17] Guanyin became the protector of sailors who took to the sea in increasing numbers, with her image adorning shrines throughout maritime Asia.

Through trade connections and travel by monks and scholars, Confucian ideas such as respect for elders, family values, and the importance of education took hold in East Asia and helped to provide a framework of a common cultural basis for the region. Confucianism spread all over China and neighboring countries, such as Vietnam, Korea, and more strongly in Japan. Harvard scholar Tu Weiming writes that "despite diversity in size, population base, ethnic composition, colonial experience, degree of Westernization, political system, social structure, and stage of economic development in industrial East Asia, these states share a common cultural heritage which notably includes Confucian ethics." Although he does not directly link this commonality to the region's economic success,

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[17]According to a Buddhist text Sadharmapundarika sutra quoted by Osmund Bopearachchi, "Sri Lanka and maritime trade: Bodhisattva Avalokite? vara as the protector of mariners," in Upinder Singh and Parul Pandya Dhar (eds) *Asian Encounters: Exploring Connected Histories* (New York: Oxford, 2014), 166.

he nevertheless notes that, "Confucian ethics [are] embedded in the social practice and political culture of Japan and the Four Mini-Dragons—Hong Kong, Taiwan, South Korea, and Singapore." As Anthony Milner notes: "Chinese spokespeople, not surprisingly, have made so-called 'Confucian' values central to an 'Asian' cultural unity, arguing that in East Asia the 'Confucian' commitment to 'hard work, thrift, filial, piety, and national pride' has encouraged rapid economic growth." Centuries later modern Asian intellectuals would hold Confucian ethics as the basis of what they would call "Asian Values."

THE IMPERIAL CONNECTIONS

The above account of the spread of religion, icons, and philosophies has been made possible mainly because of the beam of light that Western travelers and colonial rulers cast on the region. In the sixteenth to seventeenth centuries European missionaries travelled to Asia looking to convert, but they came upon a "new" religion that they labeled *bauddhamatham* or Buddha's point of view. Over the next decades scholars assembled Buddhist manuscripts and scrolls spread all over Asia in monasteries and caves while archaeologists and European colonial administrators brought to light remains of Asia's glorious past. From the Buddhist caves of Ajanta and Dunhuang to the shrines of Borobudur and temples of Angkor Wat, the cultural history of Asia began to be written. Sir William Jones, whose research established the life of the Buddha, founded the Asiatic Society with the aim of investigating "whatever is performed by man or produced by nature across 'the geographical limits of Asia'."[18] Colonial institutions like the Royal Asiatic Society or Ecole française d'Extrême Orient, among others, contributed to the recognition of an Asian civilization. Through research and exploration in the eighteenth and nineteenth centuries the cultural architecture of Asia was uncovered.

The political and military superstructures built by the rulers of dominant Asian empires—Chinese, Japanese, Indian, and Southeast Asian—created another layer of the Asian connection. As we have seen, Hindu and

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[18] *The Bicentenary of the Birth of Sir William Jones, Founder of the Royal Society of Bengal, Notes and Records of the Royal Society of London* Vol. 4, No. 1 (Apr., 1946), 58–62, accessed December 12, 2015, http://www.jstor.org/stable/531239?origin=JSTOR-pdf.

Buddhist kings of Southeast Asia promoted contacts with India seeking recognition and spiritual support. By sending missions to holy sites of Buddhism and making offerings, they wanted to earn merit and in the process reinforce relations. The Silk Roads developed by enterprising and intrepid traders had to be protected and sustained by imperial power. The Tang army garrisons along the Silk Road in Central Asia and the Mongol Army protection played a key role in keeping the important trade artery open. Tang supplies of silk to their garrisons brought in large quantities of silk to Central Asia and provided the wherewithal for local trade exchanging silk for other items—from jade to relics. During the early part of the fifteenth century large armadas commanded by the Ming admiral Zheng. He sailed through the South China Sea and the Indian Ocean, often punishing pirates and occasionally even interfering in dynastic disputes in Indonesia and Sri Lanka. The Chinese coins he introduced to the region became the model for regional rulers to mint and helped facilitate inter-regional commerce. Southeast Asian rulers actively promoted trade with Asian neighbors as it brought them prosperity and security. The concept of the ocean as a common good that helped connect all was developed long before Hugo Grotius codified such a freedom. Major port cities in Asia were the emporia where not only traded objects but art, artefacts, and religious texts were exchanged. Palembang in Sumatra, for example, was not only a bustling port but a renowned center of Buddhist study where Chinese and South Asian scholars encountered and exchanged translated Buddhist canons.

During the era of European colonial rule in Asia the catch-all terms "Asians" or sometimes "Asiatics" were used to name all non-whites in the region. Today it is often used in a pejorative sense, but originally the term gave a common group identification to the population who had long known and dealt with each other. The millennial-long Asian tradition of seafaring mobility received a cruel boost from the colonial plantation economy when Indians, Chinese, Vietnamese, and Filipino workers were shipped to different parts of Asia and the world, creating a new class of Asian bonded and slave laborers. It is thus understandable that Asia developed an articulated common identity in their reaction to European attitudes. Developing an "us versus them" approach helped Asians unite against the common European colonial yoke.

THE COLONIAL CONNECTIONS

Colonial rule and interests of European trade led to the re-integration of the region's economy on external terms. The 1860s witnessed a convergence of trade expansion and technological transformation with trains, steamships, and telegraphs connecting Asia under colonial rulers. French commercial interests in Indochina established shipping links between Haiphong, Hong Kong, Saigon, and Singapore. The opening of the Suez Canal in 1869, which reduced the distance between London and Mumbai by 41% and London and Singapore by 29%, gave the inter-Asian commerce a further boost. The transformation of shipping by replacing wooden-hulled sailing ships with steel-hulled steamers not only increased the carrying capacity but finally ended reliance on the monsoon winds. The expansion of the submarine cable network in the late nineteenth century spread the telegraph before radio emerged to disseminate information of the region. Shocked by the arrival of Commodore Perry of the US Navy, Japan undertook a frenetic building of railroads and ports. By 1895 Japan had laid more than 4000 miles of railway tracks and telegraph lines and developed coastal shipping networks. Japan's new possessions on the Chinese mainland, Korea and Taiwan and in the Pacific islands, were linked by railway, telegraph, and shipping networks. News and images of these distant lands were presented to the people of Japan and were central to the pan-Asian imperial project that set-out to integrate them into a "mesh of empire."[19]

Ironically, colonial rule helped develop some cohesion among Asians by introducing European languages that allowed the multi-lingual elite populations of Asia to easily communicate with others. Pan-Asianism—the doctrine that called for Asian unity—was formulated by Japanese and Indian intellectuals at the end of the nineteenth century as a response to Western domination. Authors like Okawa Shumei saw an underlying unity among the different Asian societies—a spiritual, moral, and timeless essence—which was opposed to Western civilization. Those writers, philosophers, and spiritual leaders like Rabindranath Tagore, Okakura Kakuzo, or Swami Vivekananda who called for Asian unity did so in English.

Anthony Milner points out that:

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[19]Tony Ballantyne and Antoinette Burton, 'Empires and the reach of the global', in Emily S. Rosenberg, *ed*, *A World Connecting, 1870–1945* (Cambridge: The Belknap Press of Harvard University Press, 2012), 353–354.

Such thinking about 'Asia' did not develop independently in India or Japan. There were relationships between the ideologues working across the Asian region. Vivekandanda, for instance, visited Japan; Okakura spent a year in India. Tagore knew of Okakura and was certainly impressed by him: 'it was from Okakura,' explained Tagore, 'that we first came to know there was such a thing as an Asiatic mind.' Tagore himself traveled to Japan, China and many parts of Southeast Asia, establishing numerous relationships with leading thinkers in these societies.[20]

But as western writing about Asia spread, some Japanese saw Asia as "a place of backwardness, stagnation, subjugation, and disorganization" and not an ideal identity for Japan. Influential authors like Fukuzawa Yukichi called for Japan to "leave Asia and turn to the West."[21] But as Eric Hotta puts it, "many Japanese Pan-Asianists, aware of their country's unique position as almost the only Asian country that had escaped colonization, came to believe that Japan had a special mission to save weak Asia from Western domination."[22] It was Japan's victory over Russia in 1905 that contributed to transforming Japanese world view from "leave Asia" to "re-enter Asia."

The rising political consciousness and awareness of the region's rich historical and cultural legacy contributed to creating national identities, the strongest of which—Japan—sought to turn towards an expansionism, claiming to be the leader of Asian civilization. Japan argued that as their economic and military modernization had not only strengthened their nation but had also given them insights about Western civilization and its weaknesses, they were best placed to be the leader of a resurgent Asia and build a "Greater East Asia Co-Prosperity Sphere." Japanese newspaper editors argued that given the danger of Western colonization, it was imperative for Japan as their leader to bring them into the modern era without destroying their traditions. Historian Prasenjit Duara notes, "Increasingly after the Russo-Japanese War, however, the view that Japan was the only Asian nation capable of rescuing Asia and harmonizing East

[20]Anthony Milner, 'Asia' Consciousness and Asian Values', 2015, *op cit*.
[21]Sven Saaler, *Pan-Asianism in Meiji and Taishô Japan − A Preliminary Framework*, Working paper 02/04, 2002, at: http://www.dijtokyo.org/publications/PanAsianismusSaaler_WP.pdf.
[22]Eri Hotta, *Pan-Asianism and Japan's War 1931–1945* (New York: Palgrave Macmillan, 2007), 3.

and West civilizations began to take hold." However, calls for Asian unity and organizing of Asian People's conferences in Nagasaki (1926) and in Shanghai (1927) had little impact on the Chinese and Koreans facing Japanese aggression. "Yellow Peril" was used by Japan as an excuse for military expansion.

Not surprisingly Japan's brutal rule in the name of Asian solidarity helped to dispel the dream of Asia for Asians. In post war years the newly emergent nation states sought to define their own identities and national interests based on ethnicity, religion, and language. The spread of media and education, especially among the nascent middle classes in Asian colonies like India and Indonesia, spawned nationalist movements which, despite limitations, created an incipient pan-Asian sentiment—supporting each other's movements. The Indian Congress sent medical help to the Chinese Communist Party and the Bandung Conference (1955) brought together anti-colonial leaders of Asia and Africa.

But as the region developed, economic necessities of both Asian and foreign powers led to the rise of pan-Asian organizations like the Asian Development Bank. It was an extension of the Bretton Woods system that was built by Western powers in the post-war years. Western economic philosophy and the political-military power that influenced most of Asia (except for China, Vietnam, and North Korea) dominated political, economic, and cultural institutions that were tagged Asian. Similar to emergent Japan in the 1930s, however, rising Southeast Asian tigers in the 1990s sought to define Asia by their growing economic power. The economic clout of East and Southeast Asia received international acclaim when in 1993 the World Bank released its much celebrated report, *The East Asian Miracle*.[23] It highlighted the common feature behind the growth in the regional countries' "application of a set of common, market-friendly economic policies, leading to both higher accumulation and better allocation of resources."

Southeast Asian leaders, notably Singapore's founder Lee Kuan Yew and Malaysia's leader Mahathir Mohamed, claimed credit for the economic success of their countries based on their cultural values and became the spokespeople for Asia. They claimed Asia's strength came from the very aspects Japanese intellectuals had once blamed for Asia's backwardness.

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[23]N. Birdsall *et al*, *The East Asian Miracle: Economic Growth and Public Policy, A World Bank Policy Research Report* (Washington DC: The World Bank, 1993).

They rejected Western individualism in favor of Asian communitarianism, which gave primacy to familial duty and community obligation. The leaders proclaimed that the Confucianism that permeated societies like Singapore, Hong Kong, or Taiwan played a key role in their economic success.[24] This pride in Asian philosophy and work ethics was accompanied by an anti-Western sentiment of leaders like Mahathir who championed the creation of the East Asian Economic Caucus (EAEC) that would leave out the United States. It was pointedly set-up as a counter-organization to the US- sponsored Asia-Pacific Economic Cooperation. In the end, the EAEC idea was quietly buried.

ASIANIZATION OF ASIA

Writing in *Foreign Affairs* in 1993, Yoichi Funabashi reflected the growing self-confidence of non-Communist Asia and called for greater integration of the region, which he called "Asianization of Asia." He argued that increased intra-Asian ties and cooperation could strengthen the new world order. The region's dynamic growth, emerging middle class, gradual democratization, self-help discipline, open regionalism, self-confidence, and healthy optimism can all be positive factors in shaping the new world order."[25] However, the self-confidence of the region and faith in Confucian ethics promoting growth was shattered by the 1997–1999 financial crisis that ravaged the region. Licking its wounds, the region returned to its old institutions like the Association of Southeast Asian Nations, or ASEAN, and sought growing cooperation with China, which remained largely unscathed by the crisis. The currency swap agreement reached among ASEAN countries, China, and Japan—the Chiang Mai initiative—strengthened Asian solidarity. It also gave China an opportunity to present itself as a true friend of the region when the Western countries turned their backs to the region, blaming Asia's "crony capitalism."

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[24]Some critics, however, pointed out that "Confucianism was so weak in Singapore that when the government launched a Religious Knowledge curriculum in the schools, with particular emphasis on Confucianism, foreign Confucian experts had to be flown into the country for three weeks in 1982!," Mark R. Thompson, "The survival of "Asian values" as "Zivilisationskritik"," Theory and Society, vol 29, 651–686, (2000).

[25]Yoichi Funabashi, "The Asianization of Asia," *Foreign Affairs*, Vol. 72, No. 5, November–December (1993), 84.

China's economic rise followed the country's entry to the World Trade Organization in 2000 and opened a new chapter in the reemergence of the Asian economy under China's leadership. China's 2011 Free Trade Agreement with ASEAN gave the East (Asian region) new strength.

Along with China's access to the world market, several historical and economic factors came into play in creating what has been called "Factory Asia".[26] The growing connections between China and Southeast Asia over the past centuries bore fruit not only for the region but for China as well. Ever since China opened its economy in 1978 and renewed appeals to overseas Chinese communities to help the motherland, there has been a massive flow of overseas Chinese foreign direct investment, or FDI, with some of it from Southeast Asia. Thanks to the steady migration of the Chinese, riding on trade, Southeast Asia is home for some 25 million ethnic Chinese, giving China formidable resources of soft power. China's new leading economic role in Asia followed that of Japan.

The rise of Japanese industry and investment in production facilities in South Korea, Taiwan, Hong Kong, and then Southeast Asia in the 1980s created the conditions for region-wide economic development. Following the Plaza Accord that revalued Japanese currency, Japanese manufacturers spread out to the region creating a web of production networks. Growth of port and hub cities in Southeast Asia (following the historic pattern that we have seen in the seventeenth–eighteenth centuries) and the development of a vertically integrated production chain allowed the region's integration into a vast trade network that eventually came to center on China. With over 60% of Asian trade consisting of intermediate goods that were often produced in the region and assembled in China for export to the West, China emerged as the core of Factory Asia.

The spectacular rise of Chinese power in some ways placed it in a similar position as was the rising Japan vis-a-vis the rest of Asia in the early twentieth century. The parallel becomes more prominent as China takes on the mantle of the defender of Asian interests against the West, especially the United States, complete with the familiar slogan, "Asia for the Asians." Though China has not established its military superiority in the way Japan did by defeating Czarist Russia, its four trillion dollar foreign reserve and its

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[26]Clàudia Canals, "China, at the heart of "Factory Asia"," June 5, 2014, Caixa Bank Research, Monthly Report, accessed January 23, 2016, at: http://www.caixabankresearch.com/en/1406im-d2-es.

fast growing military muscle (from anti-carrier missiles, stealth fighters, and aircraft carriers) enables it to lay claim to pan-Asian leadership.

Until the early part of this century, China's foreign policy was guided by Deng Xiaoping's cautious doctrine of "tao guang yang hui" (hide one's capacities and bide one's time) and "jue bu dang tou" (don't seek leadership). China has indeed avoided taking the lead in international issues, focusing its effort instead on quietly building its strength. Explaining the change in China's position, Chinese scholar Wang Jishi notes that the proponents of a more pro-active, robust policy believe that "this notion, [of not taking the lead] which Deng put forward more than 20 years ago, may no longer be appropriate now that China is far more powerful." The 2007–08 global financial crisis that rocked Western countries but left China virtually unscathed has boosted China's pride and encouraged it to take a more assertive role. Expressing the new confidence Fudan university professor Zhang Weiwei notes, "The United States is like a planet with many satellites around it. But its system is on the decline. China is more like a fixed star that has experienced thousands of years and traveled in its orbit." China's brimming self-confidence was expressed by senior colonel Liu Mingfu, who teaches at the People's Liberation Army's National Defense University. Liu stated that replacing the United States as the world's top military power should be China's goal. Since the United States is currently the dominant military power in Asia the clear implication was for China to become the regional hegemon.

China's plans to dominate the region militarily was evident in its growing challenge to Japan over the control of Senkakus or Diaoyu islands by an unilateral declaration of an Air-Defense Identification Zone (ADIZ) in the East China Sea, and the beginning of a massive program of reclaiming land (about 2000 acres of dry land since 2014) to create artificial islands and military installations in the South China Sea. China has been explicit in its claim that it owns all the features of South China Sea—between 80 and 90% of the 3.6 million square kilometers of the South China Sea—that it considers to have sovereignty over. Even though, under the UN Law of the Sea (to which China is party), man-made constructions cannot be used to claim sovereignty. On September 15, 2015 Chinese Vice Admiral Yuan Yubai, commander of the People's Liberation Army Navy's (PLAN) North Sea Fleet, told an international conference "the South China Sea, as the name indicates, is a sea area that belongs to China" and it has done so since the Han Dynasty in 206 B.C. To enforce its claim of sovereignty China began shooing away fishing vessels from waters close to

the artificial islands, even though it does not fall into China's exclusive economic zone. In a speech delivered in China in December 2015, US Admiral Scott Swift said, "Intimidated by the manner in which some navies, coast guards and maritime military enforce claims in contested waters, fishermen who trawled the seas freely for generations are facing threats to their livelihoods imposed by nations with unresolved, and often unrecognized, claims."[27]

ASIAN COMMUNITY OF COMMON DESTINY

China has expressed its annoyance at US attempts to challenge China's expansive claim of sovereignty, as demonstrated by sailing US warships within the 12 miles claimed as territorial waters around an artificial island built by China. But this voyage has not prevented Chinese officials from reasserting its claim. On October 10, 2015, a "senior Chinese military official" told *Newsweek*: "There are 209 land features still unoccupied in the South China Sea and we could seize them all." The following day a Chinese Foreign Ministry spokesman stated, "We will never allow any country to violate China's territorial waters and airspace in the Spratly Islands, in the name of protecting freedom of navigation." At a political level, though, Chinese leaders have sought to assure the United States that it is not seeking to oust American power from the region. Thus, President Xi Jinping assured Washington (May 17, 2015), "The broad Pacific Ocean is vast enough to embrace both China and the United States."[28]

While continuing its military expansion, China has tried to woo countries of the region with the promise of its economic largesse. In October 2013 Xi Jinping launched an initiative to jointly build the "Silk Road Economic Belt" and the twenty-first century "Maritime Silk Road" (hereafter, the Belt and Road), which effectively covers all of Asia and Central Asia with its arteries fanning outward towards Europe, the Middle East, and Africa. As Xi Jinping told the Boao Forum, "The interests of Asian countries have become intertwined, and a community of common destiny has increasingly taken shape." He recalled (clearly with Chinese aid

[27]Jane Perlez, "U.S. Navy Commander Implies China Has Eroded Safety of South China Sea," *New York Times*, http://www.nytimes.com/2015/12/16/world/asia/us-navy-commander-implies-china-has-eroded-safety-of-south-china-sea.html.

[28]Agence France-Presse, May 17, 2015

to Southeast Asian countries during the 1997 crisis in mind) that in hard times "the people of Asian countries have always come to those in need with a helping hand and worked together to overcome one challenge after another, demonstrating the power of unity in [the] face of difficulties and the spirit of sharing weal and woe." He said that one must see the whole picture and jointly build "a regional order that is more favorable to Asia and the world. To this end, in 2015 China launched the Asian Infrastructure Investment Bank (AIIB). The AIIB with its $100 billion fund-lending in Asia's energy and power, transport and telecoms, rural infrastructure, water supply, and environmental protection is seen by some as "creating an infrastructure bank that will knit Asia into a Sino-centric economic order."[29] Despite US opposition to its western allies joining the bank, the AIIB attracted fifty-seven founding members, including Britain, France, and Germany.

Xi's formulation of Asia as a "community of common destiny" is poetic, but one suspects that the destiny that China has in mind may not be exactly what most countries would like to pursue. What has marked the Asian community—minus China, Vietnam, and North Korea—is an acceptance of democracy, secularism, and openness.[30] Lofty words aside, China's actual conduct does not demonstrate much respect for the sovereignty of other countries or diversity of opinions and values. In a telling episode during an ASEAN meeting in Hanoi in 2010 the Chinese foreign minister chided Singapore for making a critical remark, reminding the island's foreign minister that it was a small country. There have been many occasions when China pressured regional countries against entertaining not just the Tibetan spiritual leader the Dalai Lama but authors like Jun Chang who are critical of China. In an audacious extraterritorial move in late 2015 Chinese security services kidnapped and spirited away four publishers—Hong Kong residents (two of them holding foreign passports)—to stand

[29]Yuriko Koike, "What is China's strategy with the AIIB?," Project Syndicate, accessed on January 22, 2016 http://www.weforum.org/agenda/2015/05/what-is-chinas-strategy-with-the-aiib/.

[30]Zhang, Yunling, *China and Asian Regionalism* (Singapore: World Scientific Publishing Co. Pte. Ltd., 2010), 4.

accused in China.[31] Beijing used its economic and military clout to force Southeast Asian countries to repatriate Uighur dissidents.[32] Although most Asian countries have embraced the democratic system and varying degrees of freedom of press and expression, China has shown unrelenting opposition to the inclusion of democratic Taiwan in the Asian community and increasingly clamped down on simple freedom of expression in the mainland.

THE TRUMP FACTOR

With President Donald Trump throwing a gauntlet at China over Taiwan, the need for China to mobilize the region is greater than ever. But rising tension between the United States and China and the unpredictability of Mr. Trump would also make Asians more cautious about responding to China's "Asia for Asians" call.

Mr. Trump, the businessman who prides himself as the most brilliant dealmaker, would also have no time for dealing with Asia as a collective. In his disdain for trade agreements he has rejected the long-negotiated Trans-Pacific Partnership which, ironically, would have united part of prosperous Asia with the United States and could have had the effect of isolating China. The author of the best-selling *Art of the Deal* wants to negotiate with China alone and that too throwing to the wind the long-established policy of One China. While Chinese sovereignty over Taiwan remains a core issue for Beijing, Mr. Trump threatens to reopen the issue if China does not make trade concessions or change its South China Sea policy. That Mr. Trump was keen to reopen the question of Taiwan, at least as a bargaining chip, was clear when he held a phone conversation (the first ever by a US president-elect) with Taiwan's president and justified it as a normal course involving a major trade partner. Since then Mr. Trump has doubled down on the threat by baldly stating in an interview with the *Wall*

[31]Philip We, "Hong Kong bookseller disappearances spark widespread anger and alarm," *Sydney Morning Herald*, January 24, 2016, accessed http://www.smh.com.au/world/hong-kong-bookseller-disappearances-spark-widespread-anger-and-alarm-20160121-gmbfwv.html.

[32]Brian Gruber, "Cambodia Praises Thailand for Deporting Uighurs to China," *Khmer Times*, July 16, 2015. Accessed on January 24 http://www.khmertimeskh.com/news/13382/cambodia-praises-thailand-for-deporting-uighurs-to-china/.

Street Journal that "everything is under negotiation, including One China." But for Beijing One China policy is "non-negotiable." While China has officially not responded to a comment by private citizen Mr. Trump, the state media has warned of China taking off its gloves.

Mr. Trump's nominee for Secretary of State, Rex Tillerson, criticized China's artificial island and base building and angered Beijing by threatening, in effect, a blockade of Chinese-occupied islands in the South China Sea. Whether mere bluster or an actual plan of action, the Trump administration's approach to China and South China is likely to produce two consequences.

In 2016 Laos, Cambodia, the Philippines, and Malaysia cozied up to China seeing it as an inexorably rising power. But against the backdrop of rising tensions between China and the United States, they might reconsider their position and adopt a more neutral stance. The traditional Asian fear of grass being trampled when elephants fight could come into play and make them more cautious about siding with China.

Second, China's increasing muscle-flexing in South China Sea and East Sea vis-à-vis South Korea and Japan and signs of Mr. Trump's lack of concern about regional security could prod countries to strengthen their security cooperation. Already, Australia has initiated moves to strengthen cooperation with Japan, Singapore, and South Korea. This may not be conducive to creating "One Asia" of all democratic countries yet may help to foster a unity of sorts against common threat.

China's dramatic construction of artificial islands in the South China Sea and expansion of its military control in blatant disregard of international law and even the code of conduct it signed with its neighbors makes a mockery of any talk of common destiny. In light of China's comportment with its neighbor, its claim to speak on behalf of Asians can only raise concerns about its motives.

Addressing a security conference in September 2015, Xi Jinping revived the slogan "Asia for the Asians" that Japan had raised in the period leading to its war against the United States. "Matters in Asia ultimately must be taken care of by Asians, Asia's problems ultimately must be resolved by Asians, and Asia's security ultimately must be protected by Asians," Xi said. However, at this time, Asian countries were increasingly worried about China's expansionist moves. While stepping up their military modernization, they were also quietly urging the United States to come to their support. As one scholar noted, "'Asia for the Asians' strategy is not likely to

succeed, in large measure because many regional powers will see it not as 'Asia for the Asians' but as 'Asia for the Chinese'."[33]

Two millennia of Asia's history show that diversity has been its major source of strength. Tolerance and a pragmatic live-and-let-live policy have provided the cultural underpinnings for the region's economic success. Japan's disastrous attempt at turning a culturally "One Asia" into a political tool and claiming leadership of this vast continent remains a cautionary tale for any country harboring similar ambitions. Asia is one and would remain so because of its long connected history as part of a globalized world and not because of the hegemonic efforts by any single country. As we have seen, throughout its long history the Asian continent developed its special identity through its diversity. Growing global connections that ran through trade, religion, and migration, strengthened through port cities and exposure to the world at large, prepared Asia for its role as the world's factory. Any attempt to put the continent into a political straitjacket, opposes the trend of globalization, or coerce it through military means will not only ruin Asia's DNA of open collaboration and tolerance but also produce a backlash.

[33]Scott Harold, "'Asia for the Asians': A Foreign Policy Gloss with Little Appeal to Other Asians," The American Foreign Policy Council Defense Technology Program Brief, February 2015, No, 9.

The Future of Power Politics in East Asia

Ruizhuang Zhang

When the Cold War ended, the world was full of joy and hope. Why? Because the Cold War, albeit cold, was a war-like confrontation between the two superpowers featuring behaviors and traits typical of power politics: mutual distrust, smear campaigns, espionage and sabotage, arms races, covert interference and/or overt invasion of smaller countries, and proxy war. Then all of a sudden, like a miracle, the "evil empire" Soviet Union just disappeared and a brand new era was supposed to open. Under the Pax Americana, led by the "benign hegemon," the United States, trustful interdependence, win-win cooperation, and peaceful coexistence were supposed to replace arms racing caused by "security dilemmas," non-cooperation informed by the "relative gain" theorem, and zero-sum competition, confrontation, and even war.[1]

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[1]"Security dilemma" and "relative gain" are important terms of the Realist school of international relations theory. The former means the enhancement of one state's security automatically leads to increased insecurity of its neighbors regardless. The latter refers to the concern of a state that the relatively gain from their cooperation will help enhance its partners power position more than itself so as to gain strategic advantage. Such concern often prevents states from cooperating.

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Such a liberal euphoria climaxed during the first Persian Gulf War (1990–91) when the UN Security Council almost unanimously authorized the use of "all necessary means" to force Iraq out of Kuwait, a victim of aggression of the former.[2] So it happened: the US-led coalition force (involving thirty six countries) drove the Iraqis out of Kuwait and restored security, order, and peace in that area. This was the first time in human history that the ideal of collective security was realized. No wonder the world was so excited. Should this approach have become normal rather than exceptional, then Woodrow Wilson's dream would come true: an international organization like the United Nations would take care of the security of all states, so each of them would have no need to worry about its own security. Therefore, states would have no need to engaged in arms race and all the ugly actions deemed necessary for national security by power politics. The world would become more orderly, peaceful, and cooperative.

The theory underlying power politics, that is, "Realism," was perceived to move in tandem with the former. As Charles Kegley wrote in 1993: "Realism, rooted in the experience of World War II and the Cold War, is undergoing a crisis of confidence largely because the lessons adduced do not convincingly apply directly to these new realities. The broadened global agenda goes beyond what realism can realistically be expected to address."[3]

Unfortunately, the Iraq-Kuwait war was the first and only time a consensus could be reached among the five permanent members of the Security Council on the use of force against a UN member state. The series of wars in the next two decades shattered such dreams. During the Bosnian War (1992–1995) people everywhere were stunned by the extremity of barbarism of the war crimes: ethnic cleansing, mass rape, and genocide, etc. Many people believed that such atrocities were no longer possible because human nature and behavior had evolved to a new level that precluded such

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[2]UN Security Council passed Resolution 678 on Nov. 29, 1990 with 12 votes for, 2 against (Cuba and Yemen) and one abstention (China). This is a rare case in history that no permanent member cast a veto so as to make UN collective security action possible. See "United Nations Security Council Resolution 678," *Wikipedia*, at: https://en.wikipedia.org/wiki/United_Nations_Security_Council_Resolution_678.

[3]Charles W. Kegley, Jr., "The Neoidealist Moment in International Studies? Realist Myths and the New International Realities," *International Studies Quarterly*, Vol. 37, No. 2 (June 1993), 141.

behavior. Kenneth Waltz responded to this view in 1993 by arguing that: "(T)he behaviors of states, the patterns of their interactions, and the outcomes their interactions produced had been repeated again and again through the centuries despite profound changes in the internal composition of states."[4]

Although the United States and its western European allies employed all sorts of excuses such as "humanitarian intervention" and "responsibility to protect" to justify intervention in the Kosovo War, many people—especially in Russia and China—believed this activity was but a part of a "regime change" scheme whereby the United States attempts to replace disliked regimes with pro-American regimes was just a typical power-political maneuver. But if the Western powers could at least offer some sort of justification for that war, the United States failed completely to come up with any plausible reason for the Iraq War (2003–2011). Yes, Saddam Hussein was a thug, no question about it. But no international law says a power has the right to invade or even destroy another state just because it thinks the latter is ruled by a thug. Unfortunately, the power-politics lesson that the world learned from this war was that if a weaker state does *not* have weapons of mass destruction (WMD), it is more likely to suffer from foreign invasion. That explains why some "rogue countries" by American standard such as Iran (well on its way) and North Korea (already achieved) strove desperately to become nuclear powers. After all, the phrase "might is right" still holds water.

And when we turn to East Asia, the same power political dramas have been staged one after another: China's rise and the rebalancing of the United States, China's assertiveness increasing along with its national capability and the United State's preemptive building of encirclement based on a core alliance nicknamed "NATO of Asia," China's territorial disputes with Japan (over the Diaoyu island) and with a number of neighboring countries over islands in the South China Sea, Japan's territorial disputes with South Korea and with Russia, North Korea's reckless provocation against South Korea and the United States, and most seriously its use of the "Six Party Talk" as a cover for its nuclear build-up. All these developments suggest, like Robert Gilpin said in 1981, "an underlying

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[4]Kenneth N. Waltz, "The Emerging Structure of International Politics," *International Security*, Vol. 18, No. 2 (Fall 1993), 45.

continuity characterizes world politics: The history of Thucydides provides insights today as it did when it was written in the fifth century B.C."[5]

A PRIMER ON POWER POLITICS

Janus-faced power politics

Ever since Machiavelli, power politics has meant by conventional wisdom unscrupulous practice often involving intrigue, manipulation, coercion, and ruthlessness. For some, however, power politics simply means politics based on power, emphasizing the essential importance of power in politics, not how it is practiced. As Victor Hugo commented, "Machiavelli is not an evil genius, nor a demon, nor a cowardly and miserable writer; he is nothing but the fact."[6] This essay follows the latter usage of power politics in a neutral and objective way to refer to politics based on power and nothing more, nothing less.

What then does "politics based on power" mean exactly? Here, it is taken to mean that power remains the central and decisive factor of politics. As Hans Morgenthau points out, "International politics, like all politics, is a struggle for power" whereas power is "man's control over the minds and actions of other men."[7]

Three dimensions of the concept: perspective, reality, and prescription

In this light, power politics may mean three things separately or simultaneously. These are (a), a perspective whereby actors view the world; (b), the reality found in such perspective; and (c), the norms/policies deemed by actors to best fit the world as such. Closely related to power politics is the term realism, often to the point that they are used interchangeably. Realism, however, refers to a theory of international relations whereas power politics may or may not. Like power politics, realism also has its

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[5]Robert Gilpin, *War and Change in World Politics* (New York: Cambridge University Press, 1981), 211.

[6]Victor J. Hugo, *Les Miserables*, trans. Douglas Crawford (New York: Macmillan, 1915), 247.

[7]Hans Morgenthau, *Politics among Nations: the Struggle for Power and Peace* (New York: Alfred A. Knopf, 1948), 13.

primitive and raw version, which has given it a bad name. But it also has a neutral and objective (or theoretical) version, which we adopt in this discourse on international power politics.

A brief introduction of realism in the international arena is therefore necessary. For realists, the nation state was, is, and always will be the basic and major actor in the international political arena. The nation state is held to be a unitary, autonomous, and rational actor whose rationality expresses itself in maximizing its national interest defined as power. Since political power is relative, that is, the increase of one state's power necessarily entails the decrease of that of other states, the struggle for power is necessarily a zero-sum game and a win-win situation is impossible. It follows that international relations are normally characterized by competition, distrust, conflict, and even war.[8] Waltz makes the point that "competition and conflict among states stem directly from the twin facts of life under conditions of anarchy: States in an anarchic order must provide for their own security, and threats or seeming threats to their security abound."[9]

For realists, global interests are and should be divided according to the international distribution of power on the grounds that there is no better alternative way to manage international relations. They hold that any artificial and arbitrary division of interest that is not based on power is bound to be unreliable and unsustainable. This is not to say that a big power can abuse smaller powers at will. Indeed, mature realism upholds norms based on enlightened national self-interest and the prudent use of force. According to this logic, the untrammeled use of power by strong states is somewhat checked by its self-interest.

Realists do not claim that the laws and interpretations of realist theory cover all aspects of international relations. There are, it readily admits, domains, cases, exceptions, and anomalies where other theoretical paradigms work better—they explain or understand international phenomenon more persuasively. Nevertheless, realists claim that its perspective captures the essence of international relations and the exercise of power within these

[8]On the main assumptions and propositions of realism, see Joseph Grieco, "Realist International Theory and the Study of World Politics," in Michael Doyle and G. John Ikenberry, eds., *New Thinking in International Relations Theory* (Boulder: Westview, 1997), 163–201.

[9]Kenneth N. Waltz, "The Origins of War in Neorealist Theory," *Journal of Interdisciplinary History*, Vol. 18, No. 4 (1988), 619.

relations. There might be a liberal order or a constructive trust built up under certain circumstances where ideas, identities, beliefs, norms, and cultures may play a role. But at the end of the day, according to realists, the bottom line remains a function of the exercise of power [10]—as is argued by proponents of power politics in general, not just with respect to international relations between states.

Key elements: power, dominance, and balance of power

While power is held to be the key to international relations, the relative power of a nation state, or its position in the system of international distribution of power, shapes its international behavior. Concurrently, the outcome of international interactions between states is determined basically by the international distribution of power. When a state acquires dominant power over all other states, it tends to establish a hegemonic order that more or less alleviates the effect of international anarchy. Under such order, the hegemon provides public goods, including rules and enforcement, in exchange for other states accepting its legitimacy, following its leadership and playing by the rules it sets up. Such hierarchic order may provide for peace and stability, or at least a semblance of it, for some time.

When there are one or more rising powers, the national strength of which grows faster than that of the hegemonic power, their cumulative capacities may cause a significant change in the international distribution of power. For example, the international system may change from unipolarity to bipolarity or multipolarity. The danger of major conflict and even war increases significantly in the process whereby rising power(s) catch up and even surpass the power of the existing hegemonic power, because the powers that rise want a bigger share of the global interests via their reallocation, whereas the old power wants to keep the status quo. If they cannot solve their disagreement through peaceful means, they may resort

[10]Waltz provides a comprehensive criticism of liberal and constructivist discourses on Post-Cold War international relations. See Kenneth N. Waltz, "Structural Realism after the Cold War," *International Security*, Vol. 25, No. 1 (2000), 5–41.

to force. Thus, war is the worst scenario ensuing from the rise of a new power.[11]

When there is no single dominant power in the world, realists argue that the balance of power operates. To maintain an existing order, major powers would work hard by building strength from domestic resources or by making alliances to prevent any state from gaining dominance. The more the number of great powers involved, the more complicated the balancing game may become.[12]

From a Realist political power perspective, East Asia may face a number of scenarios whereby power politics are played out with very different outcomes that are described in the next section of this chapter. Let's look at what is more likely.

POWER POLITICS IN EAST ASIA

A tradition of power politics (since mid-1800s)

Power politics has been a daily reality for centuries for Korea flanked by two major powers: China and Japan. The latter two states confronted power politics as practiced by Western powers who had pried open their tightly-closed doors with gunboats since the mid-nineteenth century. Since the sixteenth century, Korea had developed and maintained a special and relatively stable tributary relationship with China based on the relative power positions of the two states. The Joseon dynasty had to accept

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[11]Power transition theorists believe that the risk of war between rising and dominant powers will increase when their power approach parity. See A.F.K. Organski and Jacek Kugler, *The War Ledger* (Chicago, IL: The University of Chicago Press, 1980). The hegemonic war theory, proposed by Robert Gilpin, also suggests that a war between rising power and dominant power is likely to occur during the period of systemic change. See Robert Gilpin, *War and Change in World Politics* (New York: Cambridge University Press, 1981), chapter. 5; Robert Gilpin, "The Theory of Hegemonic War," *The Journal of Interdisciplinary History*, Vol. 18, No. 4 (1988), 591–613.

[12]On the dynamics of balance of power, see Kenneth N. Waltz, *Theory of International Politics* (Reading, MA: Addison-Wesley, 1979), chapter 6; Stephen Walt, *The Origins of Alliance* (Ithaca, NY: Cornell University Press, 1987). See also Stuart J. Kaufman, Richard Little and William C. Wohlforth, *The Balance of Power in World History* (New York: Palgrave Macmillan, 2007).

subordination to China in exchange for its support or protection when faced with foreign invasion, internal power struggle, or rebellions. This relationship prevailed until China declined rapidly in the nineteenth century, superseded by the latecomer Japan's speedy rise.

Starting from the last decade of nineteenth century, the newly rising great power Japan had practiced the worst form of power politics—crude violence, aggressive wars, and cruel atrocities—to conquer the neighboring state (Korea) or areas (Taiwan and Manchuria), to invade the larger but weaker neighbor China, and to push the old imperialist Western powers and Russia out of East Asia, all in an attempt to build up the so-called Co-Prosperity Sphere of the Great East Asia, an expansive Japanese empire.

It was the sheer force of American conventional and nuclear military power that eventually destroyed the Japanese ambition and resistance. In the following half century, dazzling games of power politics unfolded in the arena of international relations in East Asia: in two political realignments, two former deadly enemies became allies—Japan and the United States in 1945 and China and the United States in 1971—to counterbalance the power of America's primary rival the then-Soviet Union. Subsequently, the collapse of Soviet Union affected the Sino–US relationship by turning it from one of quasi-allies to potential rivals.

No case exemplifies better the decisive role of power in determining inter-state relations than US–China rapprochement in the 1970s. In the late sixties, the Soviet Union reached "strategic parity" (meaning both sides could assuredly annihilate the other with nuclear weapons, even if attacked first) with the United States so as to cause a moment of panic among Americans who feared the "missile gap." At the same time, relations between the two socialist giants, the former Soviet Union and China, had deteriorated to the point that their militaries clashed in 1969 on the Ussuri River border. At this time, the United States had been trapped in the quagmire of Vietnam for years. Thus, the split of the previously monolithic socialist camp was providential for the United States. By skillfully exploiting this split, the United States significantly changed the global balance of power to its advantage. To this end, the split demanded that the United States choose sides in the global strategic triangle, two sides of which appeared to be irreconcilably hostile to each other.

This strategic choice was manifested in the emergence of contending factions in the US foreign policy elite. One advocated détente with the former Soviet Union, the other rapprochement with China as the United States' overarching foreign policy priority.[13]

Superficially, the answer was apparent: the former Soviet Union was a stable state with normal diplomatic relations with the United States whereas China was a fanatically revolutionary state deeply sunk in the chaotic "Cultural Revolution." Under Chairman Mao Tse-Tung, China had cut off *all* links, including even the civilian postal service, with the United States since the 1949 communist takeover. Although it did not pose an existential threat to the United States like the former Soviet Union, China was a more potent ideological enemy, claiming that it was the center of world revolution by an international proletariat obliged to wipe "American Imperialism and all its lackeys" off the face of Earth. In contrast, under Khrushchev the former Soviet Union pursued its "three peacefuls" toward the United States, indicating that the Soviets wanted to co-exist peacefully with Americans and relied on "peaceful competition" to decide which social system was superior, and to realize communism in Western countries via "peaceful transformation" rather violent revolution. Thus, compared with China's radical, aggressive, and fanatic stance, the former Soviet Union appeared relatively moderate, reasonable, and mature.

So which side did American choose? China! The United States sided with China to contain Soviet expansionism. Why? The answer lies in the keyword of our discourse: power! That is, the real power of the two countries came into play and pushed aside any normative preferences in the American calculus. By the late sixties, the former Soviet Union was a full-fledged military superpower with the strategic capability to destroy the United States even if it were to be attacked first. In comparison, China was relatively weak in all senses, with an economy on the edge of collapse due to the devastating Cultural Revolution, and with almost no strategic nuclear arsenal, and a third class conventional navy and air force, posing

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[13]Banning N. Garrett, "The Strategic Basis of Learning in US Policy toward China, 1949–1988" in George W. Breslauer and Philip E. Tetlock eds., *Learning in US and Soviet Foreign Policy* (Boulder, CO: Westview Press, 1991); Harry Harding, *A Fragile Relationship: The United States and China since 1972* (Washington, D.C.: The Brookings Institution, 1992), 23–4; Henry A. Kissinger, *White House Years* (Boston: Little, Brown, 1979), 163.

almost no threat to the United States and a limited threat to its East Asian allies. China had a formidable army backed by a vast land mass endowing it with strategic depth sufficient to check possible Soviet aggression and to counter American attack. Facing one adversary with a lethal bite but not much bark and another with a loud bark but not much bite, the United States chose to tilt towards China and ignore Chinese anti-American and "anti-imperialist" propaganda, thereby improving its strategic position with respect to the former-Soviet Union.[14]

Thus, power has played a central role in East Asia's international political life for the last 150 years. Other elements that may affect international relations, such as shared ideas, beliefs, norms, and institutions, have been extremely weak or completely absent. Although the four major East Asia countries today, namely China, Japan, and two Koreas, shared a Confucian heritage over more than two millennia, they now have little in common—perhaps even less than what they each share with the United States. Unlike European countries, there is almost no such thing as East Asian community or identity. Power, as always, is the currency of international relations in this area, which leaves very little room for liberal or constructive elements to play a role. In short, power politics is still the name of the game in East Asia international relations.

CURRENT SITUATION: THE CHANGING DISTRIBUTION OF POWER

Since power is the single most important factor in international relations in East Asia, a significant change in a nation's power position and consequent change in the distribution of power is bound to catch the attention of other parties of the power game. Today, the major powers of East Asia are China, the United States, Japan, and South Korea. In contrast, Russia, North Korea, and Vietnam are partial or marginal players. The most prominent phenomenon in East Asia in the past thirty years is the tremendous economic growth of China. Such an increase in power of one state is bound to upset the existing balance of power. This development poses critical questions for all states in the region, but especially for the United States.

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[14]Richard Nixon, *RN: The Memoirs of Richard Nixon* (New York: Filmways, 1978), 562; Kissinger, *ibid*, 182–192; Brzezinski cited in Banning Garret, *ibid*, 237.

How large is the Chinese economy really? How strong is the comprehensive power of the Chinese state? What does China intend to do with its newly acquired power? Will China challenge existing order in the region? Will China threaten vital American interests and its dominance in East Asia in particular? To answer these questions, we have to investigate the nature of Chinese power.

When we talk about national power, we commonly refer to the comprehensive power of a nation, which includes four major components: natural endowment (size of territory and population, geography, natural resources, etc.), economic capability, military strength, and soft power (political stability, national unity, and the appeal of its mainstream values and ideology, etc.). If the economy is the foundation and backbone of national power, then military force is the muscle and fist of it. In this section we examine the status of these different aspects of China's national power.

The paradox of Chinese power

It is undeniable that in the past thirty five years, China's economy has expanded extraordinarily and tremendously. China's GDP, for example, increased at an amazing official 9.83% per year for so long that it surpassed Japan in 2009 to become the second largest economy in the world.[15] China also replaced Germany as the top exporting country in 2009, and it superseded the United States to become number one in merchandise trade in 2012.[16] The total sum of China's foreign exchange reserve passed Japan in 2006 to become the largest in the world, peaking in 2014 at $3,843 billion.[17] Concurrently, China lifted a half billion of its people out of poverty—a stunning accomplishment.

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[15]China's and Japan's GDP in 2009 is 5,059 and 5,035 $USB respectively, at: http://data.worldbank.org/indicator/NY.GDP.MKTP.CD?order=wbapi_data_value_2014+wbapi_data_value+wbapi_data_value-last&sort=desc.

[16]See: http://stat.wto.org/StatisticalProgram/WSDBViewData.aspx?Language=E

[17]People's Bank of China data, at: http://www.pbc.gov.cn/diaochatongjisi/116219/116319/index.html.

Based on this phenomenal success, people started to talk about a "G2,"[18] "Chimerica,"[19] the "Chinese century,"[20] and "China ruling the world"[21] as if China was bound to overtake the United States with the passing of time. The applicability and replicability of the "Chinese model" or "Chinese path" to other parts of the world has also been much discussed.[22] Some have suggested that a new bipolar world is evolving in which China will rival the United States super-power.[23]

Is the rise of China, however, an unquestionable fact beyond all doubt? Has thirty five years of fantastic economic growth benefited the people and enhanced the country not only statistically but also in real terms? Has this growth manifested in negative ways that discount and even offset the great achievement? Is China really qualified to be a full-fledged great power worth worrying about by Americans? Upon careful examination, we find the following caveats apply to the claim that China already ranks as the second great power in the world.

Reliability of the statistics: The official Gross Domestic Product (GDP) is published each year by the Chinese State Bureau of Statistics. In the past decade, the national figures were at odds with the sum of provincial production by between four and 20%.[24] And this is not the only source for statistical error: an HSBC/PKU economist found that the official Chinese GDP figure was overstated by up to 10% due to miscalculation of

[18]Fred Bergsten, "A Partnership of Equals: How should Washington respond to China's Economic Challenge" in *Foreign Affairs*, Jul/Aug 2008.

[19]Naill Ferguson, "Not two countries, but one: Chimerica," Telegraph, May 4, 2007.

[20]Oded Shenkar, *The Chinese Century: The Rising Chinese Economy and Its Impact on the Global Economy* (London: FT Press, 2006).

[21]Martin Jacques, *When China Rules the World: The End of the Western World and the Birth of a New Global Order* (New York, Penguin, 2009, 2012).

[22]Pan Wei and Maya, *eds, Sixty Years of the People's Republic and the China Model* (Triad Press, 2010). Pan and Maya, *Self-Confidence in Path: How China Made It — A Brand New Model of Great Power Rising in Human History* (Beijing United Press, 2013).

[23]Yan Xuetong, "Uni-superpower plus Multi-Powers is heading to China-US Bi-superpowers plus Multi-Powers," *Global Times*, Dec. 30, 2011.

[24]"Central vs. Local GDP: 3 Trillion Difference," *Chinese Business Management*, August 3, 2013, at: https://money.163.com/13/0803/00/95AHQEAD00253B0H.html.

inflation factor.[25] The figures are so problematic that Li Keqiang, now the Chinese premier, openly aired his distrust about them when he was the party secretary of the Liaoning Province. Rather than rely on them, he used his own measurement of the economic activity—electricity output, railway freight tonnage, and business loans, which later were dubbed "Keqiang Index" by *The Economist*. In the meanwhile, the ICP (International Comparison Program) of the World Bank declared in April 2014 that China's GDP in Purchasing Power Parity or PPP would surpass the US GDP by year's end.[26] Ironically, in 2007 the same ICP lowered its estimate of Chinese GDP of 2005 by 40% only one year after its initial publication in 2006.[27]

Moreover, the backward and forward linkages between export-oriented production (such as Barbie dolls assembled in China but sold in the United States for $US 20 from which China earns only 35 cents[28]) and the rest of China's economy may be weak or even negative (by displacing local production that might otherwise have occurred at a given site but foregone due to policies aimed at realizing exports at any cost). Relatedly, in the twenty-eight industrial sectors opened to foreign investment, overseas companies now control more than 70% of the producers in twenty-one of these sectors, and the top five enterprises in all twenty-eight sectors.[29] The goal of industrial development via globalization may have led to

[25]Christopher Balding, "How Badly Flawed is Chinese Economic Data?" at:http://papers.ssrn.com/sol3/papers.cfm?abstract_id=2307054.

[26]"China poised to pass US as world's leading economic power this year," *Financial Times*, April 30, 2014, at: http://www.ft.com/cms/s/0/d79ffff8-cfb7-11e3-9b2b-00144feabdc0.html#axzz347sHp7L1.

[27]World Bank: *2005 International Comparison Program Preliminary Results* (Dec. 2007), at: http://siteresources.worldbank.org/ICPINT/Resources/ICPreportprelim.pdf.

[28]"Chinese Firm Earns 35 Cents while Foreign Boss Gains 20 USD," People's Daily, May 28, 2012, at: http://www.news.xinhuanet.com/fortune/2012-05/28/c_123200455.htm.

[29]Center of Global Merge and Acquisition, *Map of Chinese Industries*, Chinese Economy Press, 2007, at: http://wenku.baidu.com/view/9e1bb40d4a7302768e9939e9.html; *Map of Chinese Industries 2010–2011*, Social Sciences literature Press, 2011; Zuo Pengfei, "Chinese Industries under Foreign Control," May 31, 2012, at: http://www.doc88.com/p-303517065175.html.

foreign control without much local development—a common error in export-oriented economies that China has simply replicated.

Overcoming Poverty: China has at least 1.3 billion people. There is a saying in China that "Any achievement divided by 1.3 billion is tiny whilst any problem times 1.3 billion is colossal." Even the nominal, let alone a corrected GDP figure divided by 1.3 billion leaves China with a per capita GDP that is only ninety-seventh out of 187 economies in the world.[30] The Chinese miracle leaves it with more than 200 million people living under the poverty line—five times more than the equivalent US figure, and more people than that of the United Kingdom, France, and Germany combined.[31] How can a country with such a huge population in poverty be a superpower?

Quantitative versus qualitative growth: China's economic growth has been mainly one of quantitative expansion rather than qualitative upgrading. After three decades, most of its economy is not operating in the advanced sectors of the international division of labor. It depends on labor intensive and severely polluting industries with low productivity and energy efficiency. China's labor productivity is only 6% of that in the United States, 8% of Japan and 25% of Russia. In 2009, China and Japans' share of world GDP were about the same (9% each), but China's share of world consumption of coal and petroleum were 47 and 10% respectively, compared with Japan's 3 percent and 5%.[32] As a result, China's carbon dioxide emission per million dollars of GDP was twelve times higher than Japan and five times higher than the United States, and was ranked fifty-seven out of sixty countries.[33]

Environmental Pollution: China's atmospheric, water, ground, and even underground resources have been polluted to an unimaginable degree. China has seven of the ten most polluted cities worldwide. Of 500

[30]IMF Economic Outlook, April 2014, at: http://en.wikipedia.org/wiki/List_of_countries_by_GDP_(PPP)_per_capita.

[31]"Xi's trip builds bridge to Europe," *China Daily*, April 1, 2014, at: http://www.chinadaily.com.cn/world/2014xivisiteu/2014-04/01/content_17398123.htm.

[32]Wu Ming, "Head of State Bureau of Statistics Blasts True National Situation: 100 Years behind the US!," *Chinese Economy Weekly*, Mar. 29,2011.

[33]Duan and Liu, "Assessment of China's International Competitiveness 2004," at: http://www.sts.org.cn/fxyj/zcfx/documents/20050822.htm.

Chinese cities, only five reached the World Health Organization's recommended air quality levels.[34] Meanwhile, an official report disclosed that 70% of China's rivers are classified in the Hazardous 5 category, that is, they are so badly polluted that their water quality is too poor not only for drinking but even for industrial usage.[35]

Social inequality and political instability: In the last three decades, China's national wealth and average personal income has increased twelve-fold. According to official statistics, China's Gini coefficient rose from 0.16 in 1978 to 0.41 in 2000, already exceeding the international threshold (0.4) above which inequality should be addressed as a matter of urgency. It reached 0.5 in 2008 and then fell to 0.48 in 2013. Private estimates are that the real Gini figure is 0.61.[36] According to the World Bank, 1 percent of China's families own 41 percent of national wealth.[37] The extreme rich-poor polarization of the society has caused popular resentment against social injustice and rampant official corruption. Combined with frequent disturbing incidents, such as the forceful dismantling of family residences for the sake of property development, these trends toward enormous inequality has led to widespread pursuit of formal grievance procedures, mass protests, and even local riots.

All these predicaments of partial and even negative development, residual poverty, and rising inequality, not only make China's reckless economic growth strategy unsustainable but confronts it with an irreversibly devastated natural environment and a potentially explosive social polarization. Eventually the true costs of this development strategy must be paid, and unsurprisingly, China's economic growth has slowed down in recent years.

[34]Liang Jialin, "China has seven of ten worst polluted cities of the world," January 15, 2013, at: http://news.qq.com/a/20130115/000007.htm.
[35]State Bureau of Sea and Ocean: "70% of Chinese Rivers Classified as Hazardous Fifth at Entrance to Sea", November 22, 2013, at: http://china.caixin.com/2013-11-22/100608228.html.
[36]"Gini Coefficient Still High, Rich-Poor Gap Still Huge," New Observer, No.374, January 21,2014, at: http://news.sina.com.cn/newobserv/pass/.
[37]*Ibid*.

Comprehensive national power also encompasses what is called "soft power," a phrase coined by Joseph Nye.[38] If hard power means the capability to control the action of others by coercion and/or inducement, then soft power refers to the capability to shape preferences via the attraction and appeal of culture, values, and policies. Domestically, a state's soft power takes the form of legitimacy and efficiency of governance; consensus on beliefs, values, goals, and national identity; and national unity as well. Internationally, soft power is embodied in a role model provided for the world, a set of appealing political values and ideology and a global strategy and foreign policies that attract numerous followers. Unfortunately, China is not faring well in any of these aspects.

Former French President Sarkozy once said that China "would never be seen as a superpower unless it improves its moral authority,"[39] while a prominent Russian political commentator pointed out that China does not have the kind of ideology that once drove the United Kingdom, the United States, and the former Soviet Union to become a world super-power.[40] Not only does China lack an ideology befitting a world power; it does not even have a set of values for domestic consumption. In the past thirty-five years or so, China has exhibited an ideological and moral "vacuum" wherein many people have no belief, no values, and no principles other than worship of money. As such the state has no means to motivate and mobilize the population when the state needs them most; and it does not have any idealistic appeal to the rest of the world to accept it as a leading power. Lacking a spiritual bond, or a centripetal force to hold the nation together, Chinese citizens cannot find what the state stands for and with what they can identify. As a result, China's elites—the powerful, the wealthy, the best and the brightest—all try to immigrate to foreign lands, or at least to adopt a foreign citizenship. According to a report on China's immigration, China's immigrants to foreign lands have increased

[38]See, Joseph Nye, *Soft Power: The Means to Success in World Politics* (New York: Public Affairs, 2004).

[39]"Beiing Turns up the Heat (again) on Sarkozy," *The Economist*, December 5, 2008.

[40]"Russian Expert: China Lacks Ideology of a World Power," *The Global Times*, February 23, 2012.

by 129% since 1990 to a total of 9.34 million by 2012.[41] One might call this a no-confidence vote with feet. What makes it a serious problem is that the emigrants include the top layers of the society from which leadership is drawn in all sectors. Meanwhile, the Chinese government spends more on maintaining domestic stability than on the national defense without achieving resolution of the underlying grievances. There is simply no normal mechanism to channel or relieve grievance and resentment against social injustice and rampant corruption.

Now let us take a look at the military aspect. Since the "Reform and Opening Up," along with the rapid growth of economy, the Chinese military has experienced a tremendous increase in quantity and quality. According to official sources, China's military expenditure has increased from $9.97 to $131.9 billion between 1978 and 2014, with an annual growth rate of 7.4%.[42] Western sources found these figures under-reported and provide their own estimate. For instance, the US Defense Department and the Stockholm International Peace Research Institute set China's military expenditure in 2014 at $216.4 billion, much higher than the Chinese figure.[43] The Chinese figure of annual growth rate for the past thirty some years appears to be much lower than most people's impression, and there is a good reason for that anomaly. In the 1980's, according to Deng Xiaoping's "Taking economic development as the first priority of all tasks facing the country" guideline, China's military experienced a period of "stagnation" when the official annual growth rate of expenditure was only 1.78% between 1978 and 1985. But, after the national economy took off and gained momentum, the Chinese military was granted a period of

[41]"Report says China's Immigrant near 10 Million and Money Outflow 2.8 Trillion" *Observer*, at: http://www.ft.com/cms/s/0/d79ffff8-cfb7-11e3-9b2b-00144feabdc0.html#axzz347sHp7L1.

[42]"Survey of Chinese Military Expenditure, 1950–2014," *Netease Data Collection/360 Personal Library*, at: http://www.360doc.com/content/14/0314/16/9073112_360565390.shtml.

[43]"Military and Security Developments Involving the People's Republic of China 2015," *Annual Report to Congress*, at: http://www.defense.gov/Portals/1/Documents/pubs/2015_China_Military_Power_Report.pdf; SIPRI Military Expenditure Database, at: http://www.sipri.org/research/armaments/milex/milex_database.

"compensational development" when, the annual growth rate of its outlay jumped to 14.6% between 1999 and 2009.[44]

In the past several years as China gained self-confidence from being the "world number two" power, it has re-doubled its efforts for an all-out military buildup and modernization, featuring especially its 4th generation jetfighters J-20 and J-31 and the launch of China's first aircraft carrier Liaoning. Despite these spectacles, China still lags far behind the United States—the genuine superpower in military capabilities. First, China's military spending is only one fifth that of the United States in 2015 ($134.5 billion versus $620.6 billion respectively).[45] Given the recently exposed serious corruption of so many high-ranking People's Liberation Army generals, which may be the tip of an iceberg, one may seriously doubt how much China has really spent on the military buildup. Second, China's military industries still have many blank spots in critical technology and materials such as those for making airplane engines that have to depend on imports. Moreover, the gap between the United States and Chinese strategic naval forces is far more than simply the American advantage in numbers (10: 1). Without the most sophisticated electronic systems for navigation, command, control, communication, and weapons deployment found aboard American vessels, an aircraft carrier is not much more than just a big ship. When Chen Binde, the chief of the General Staff of the PLA visited America in 2011, he told his audience in a speech at the National Defense University that China's naval force is at least 20 years behind the US Navy.[46]

Strategically, China is even further behind. It is estimated that in 2015, China had about 400 nuclear warheads, of which only dozens can reach the continental America carried by the old Dongfeng-5 and the late models

[44]Liang Jialin, "China has seven," 2013, *op cit.*

[45]State Bureau of Sea and Ocean: "70% of Chinese Rivers," 2013, *op cit*; *National Defense Budget Estimate for FY 2016 (Green book)*, Office of the Undersecretary of Defense, March, 2015, at: http://comptroller.defense.gov/Portals/45/Documents/defbudget/fy2015/FY15_Green_Book.pdf.

[46]"Chief of Staff: Chinese Military too backward, Will Never Challenge US." *The Huffington Post*, May 18, 2011, at: http://www.huffingtonpost.com/archive/2011-5-18.

of Dongfeng-31/31A/41.[47] In contrast, the United States possesses 7,260 in all.[48] The United States not only enjoys an overwhelming superiority in its nuclear arsenal, but it is also better poised strategically. As a true global superpower, the United States maintains 598 military bases in about forty countries all over the world,[49] whereas China has just begun to seek its first footholds in Africa and Indian Ocean.[50] Especially in East Asia, the United States has had a very strong military presence in Japan (109 bases, 37 thousand troops) and South Korea (eighty-three bases, 28 thousand troops), let alone the mighty 7th fleet stationed in the West Pacific.[51] Since President Obama's strategic "rebalancing" began, the United States has diversified its military presence to the Philippines, Singapore, and Australia to close the crescent surrounding the Chinese coastline, a move giving the United States great strategic advantage.

For all these reasons, China is not as strong and powerful as it may appear. Mao Zedong once called the United States a "paper tiger." Half a century later, the "paper tiger" looks like being genuine whereas China itself has become a "giant with clay feet." China is nowhere near a superpower in the full sense of the word. Overestimating China's power is harmful. It fans false national pride and blind euphoria and encourages baseless ambition and assertiveness in China itself. Externally, it sounds a premature alarm as to the extent of China's power and its intentions with regard to the United States and the current world order.

[47]"China is Proud of itself for its Nuclear Arsenal," (Am.) *Strategic Page Website*, in (CN) *Reference News Net*, January 18, 2016, at: http://www.cankaoxiaoxi.com/mil/20160118/1055649.shtml.

[48]Shannon Kile and Phillip Schell, *Nuclear forces 2015*, Stockholm International Peace Research Institute; the data comes from: http://www.sipri.org/research/armaments/nuclear-forces.

[49]US Department of Defense, Base Structure Report, FY 2013 Baseline, at: http://military.people.com.cn/n/2014/0505/c52960-24977297.html

[50]"Why China is So Eager to Set Up Its First Overseas military Base?" *Takunpao* (Hong Kong), May 14, 2015 at: http://news.takungpao.com/world/roll/2015-05/2998749.html.

[51]*Ibid*.

Alleged decline of the Unites States

Many pundits refer to the "American decline" or the "end of the American Century" with rising China looming in the background. Joseph Nye, a renowned American scholar, suggests this argument is specious. In absolute terms, he asserts the United States is not declining. He admits that China and other rising powers are gaining in relative terms, but insufficiently to change the balance of power significantly.[52] Whether measured by economic, military, or soft power, China is distant from overtaking the United States—even if it could sustain its momentum which, for all the reasons adduced in the previous section, is highly questionable. For the foreseeable future, the United States will continue to be the primary superpower in East Asia as well as in world arena.

On previous occasions when the "American decline" thesis took flight quickly, it collided with strategic reality. The "missile gap" of the sixties evaporated when the American nuclear force was compared with the nascent Soviet force. Similarly in the eighties, many Americans worried that Japan had overtaken their country in high-tech industries such as automobile and semiconductor.[53] This time, the United States will remain the hegemonic superpower for fundamental reasons intrinsic to the characteristics of American nation, state and social system.

Domestic conditions for power accumulation: The United States displays a stable and secure political system that enables peaceful reform and continuous social innovation and development. In its entire history, the United States has had only two significant political crises, namely the Civil War and the Vietnam War. Otherwise, the society has basically been in an orderly and peaceful condition, allowing political/social reform to unfold gradually even when some significant changes occurred. Most importantly, the American social system is able to adjust to, manage, and eventually resolve severe social and economic problems that otherwise would threaten

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[52]See Joseph S. Nye Jr., *Is the American Century Over?* (Cambridge, UK: Polity Press, 2015).

[53]Paul Kennedy, *The Rise and Fall of the Great Powers: Economic Change and Military Conflict from 1500 to 2000* (New York: Random House, 1987); Samuel P. Huntington, "Coping With the Lippmann Gap," Foreign Affairs, Vol. 66, No. 3 (1987), 453–477; Robert O. Keohane, *After Hegemony: Cooperation and Discord in the World Political Economy* (Princeton, NJ: Princeton University Press, 1984).

the foundations of social stability in the United States. Roosevelt's New Deal, Johnson's Great Society, Reagan's conservative rollback, and the recent "quantitative easing" measures to overcome the global financial crisis in 2008–2015 exemplify such policy adjustment.

Scientific and technological innovation: The United States revitalizes its economy constantly with never-ending renovation. In the eighties, even as the American decline school was most vocal, Americans created totally new digital industries based on personal computers and the Internet. Even as the dot-com era bubble burst, new Internet firms redefined the industrial and service economy in the world of telephony and social media. Far from decline, American innovation is accelerating, draining brains from all over the world to sustain its competitive edge. Moreover, some traditional industries have been resurrected recently in the United States.

In sum, a resurgent United States is almost certain to maintain its leading position in overall national power for the foreseeable future as well as its regional dominance.

Other balancing powers: Japan, South Korea, and others

Japan's power assets are no match for China. It has a much smaller territory and population and less natural resources. Its economy is no longer bigger than China, and its military force is also much smaller. However, Japan is far ahead in terms of quality that substitutes for mere quantity. Japanese military forces are far better equipped and trained. Short of all-out war, it is impossible to determine the relative overall national power of such a pair of countries. Rather, we can only estimate them to be roughly equal in national capability.

South Korea is an extraordinary power. It is supposed to be a small or at most a mid-sized country. But over the last five decades, it has lifted itself from a war-torn economic catastrophe to a high-tech industrial power-house with quite strong overall national power that carries weight in the global political-economy. Thus, South Korea is a serious player in all respects when it comes to power politics in East Asia.

In contrast, North Korea is weak in overall national strength and capricious in its foreign policies. It is a de facto nuclear armed state now although its legitimacy is still denied by the nuclear weapons states designated by the Nuclear Non-Proliferation Treaty. Its nuclear and strategic forces are too primitive and weak to have any real impact on the balance of power in the region, except providing a sense of security for the North

Koreans psychologically and limited leverage by direct threat to Seoul, South Korea, in the inter-Korean balance of power. Since its power is insignificant to the East Asia balance of power and its behavior hard to predict, it is to be omitted from further discussion.

Russia is militarily strong but economically weak. Thus, it cannot be counted as a full-fledged great power at the global or regional level. Also, it views itself still as a European country wherein its strategic center of gravity lies in the West rather than the Far East. In short, it has some weight in East Asian power politics and cannot be ignored even if it is not powerful enough to shape most outcomes.

Mongolia is simply not significant enough in terms of power to be included in the equation.

Vietnam is more of a South-East Asia country than an East Asia one. Its economic power is rising and its military power has been formidable given its size. When it is involved in East Asia politics, it cannot be neglected.

The future of power politics in East Asia

Future distribution of power and strategic alignment

For the foreseeable future, the United States will continue to be the sole superpower in this region. China and Japan will trail in the second tier. South Korea, Russia, and Vietnam will remain mostly in the background owing to their power position and/or regional relevance.

The United States wants to keep its dominance as long as possible. For this purpose it seeks to contain China (although this term has never been used officially). To this end, the United States relies on its existing allies including Japan and South Korea, and on Vietnam and India, each of which have a role in the new encirclement of China. Japan wants to continue as a leading US ally, in large part to check its major rival, China. So long as the United States remains dominant, Japan can take free-ride for its national security while expanding its own influence in other areas such as economic and civil cooperation. But the Japanese ambition is not limited to remaining a subordinate ally. Since the end of the Cold War, Japan has aspired to recover its "normal state" status removed by the victorious Allies at the end of World War II. Article 9 of the Japanese Constitution (which was drafted by the American Occupation Authority) stipulates that Japan may maintain only a "self-defense force" which cannot be sent abroad under any circumstances. Yet in September 2015 the Japanese Diet passed

the so-called "Security and Peace Preservation Legislation" promoted by Prime Minister Shinzo Abe that allows the Japanese military to operate overseas for "collective self-defense." To many observers, this phrase is simply a euphemism for "sending troops to help Americans fighting China" in the worst case scenario. This is why the United States has not objected to the dismantling of restrictions imposed on Japan's military power by Abe. Indeed, the United States desires to have the formidable Japanese military forces on its side if a military conflict with China should occur. Henceforth, Japan will be embroiled directly as a great power in its own right in East Asian power politics, backed by its resurgent ability to project military force beyond its own borders. South Korea's strategic position is more complicated than Japan's due to its location in a nexus of relations between the United States, Japan, and China. Its first priority is to remain an American ally. But South Korea is also acutely aware of the importance of its relations with China both as an economic partner and as a major player in the Peninsula affairs. Because both South Korea and Japan are US allies, there is a limited linkage between them via a security partnership, at least tacitly so. Conversely, like China, South Korea holds that its historical grievances with Japan's past aggression have not been addressed adequately, which constantly undermines any attempt at a strategic alignment between the two American allies. Thus, South Korea must maneuver subtly among the three great powers, the United States, China, and Japan.

Given the obvious expansion of its national power, China wants more say in the regional affairs, especially those where its national interests are at stake. Unfortunately, China's potential rivals have used various tactics to isolate it from its neighbors. In fact, by exploiting China's dispute with neighboring countries over territorial waters in the South China Sea, the United States and Japan have tacitly or explicitly supported these countries in their dispute with China. They have even extended support to India (in its own territorial dispute with China), so as to form a de facto "East Asia NATO" aimed at checking and balancing China.

In turn, Russia is subjected to economic sanctions imposed by the US-led Western allies, with the relationship between the two sides nose-diving to a record low. This development has pushed Russia and China closer to each other, all with the United States as a potential common enemy. It is premature to determine whether a new Sino-Russian alliance is in the making or if this is simply a convenient alignment that will not stand the test of time.

China's view on the desirability or otherwise of US dominance or simply presence in East Asia has shifted remarkably in recent decades. In the early years of the Cold War, China opposed bitterly US dominance in East Asia, especially US military presence in Japan and South Korea. Such an attitude changed 180 degrees upon the Sino-US rapprochement when Nixon met with then-Premier of China Zhou Enlai, saying: "The United States can get out of Japanese waters, but others will still fish there. If the United States is gone from Asia, gone from Japan, our protests, no matter how loud, would be like firing an empty cannon. We would have no effect, because thousands of miles away is just too far to be heard."[54] Thereafter, China not only accepted but even encouraged America's presence in East Asia to counter-balance the Soviet threat. It turned out to be a correct strategic decision because, later on during the Sino-Vietnamese War in 1979, with the US military presence in East Asia ready to check the former-Soviet Union, China was free to prosecute the war without worrying Soviet move in the North.

Since the collapse of the Soviet Union, China's attitude toward the presence of the United States in East Asia has changed again, only this time to become ambivalent and ambiguous. In principle, China is opposed to an American presence, especially military presence, in East Asia because it is a form of hegemonism. In reality, Chinese strategists recognize that an American presence may not be to China's disadvantage. If American dominance maintains regional order and peace (by keeping Russia out, Japan down, and peace in the Korean Peninsula) and if China itself does not have the capability to replace American hegemonic power with its own, then better the United States remain present than have nothing but a vacuum or anarchy. Of course, the unstated premise of this view is that US dominance does not tread on the toe of Chinese vital national interests. A tacit understanding to this effect was broken only rarely in the past two decades, and only two of the collisions developed into public crises: the 1997 Taiwan Strait crisis and the EP3 incident in 2001. Otherwise, the status quo works pretty well for both powers, at least until recently when the South China Sea crisis broke out.

As this chapter is written, the South China Sea crisis is unfolding. In late 2015, US naval ships voyaged through the South China Sea and sometimes approached islands under Chinese control. Chinese navy sent their own

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[54]R. Nixon, *RN: The Memoirs, 1978, op cit*, 567.

vessels to escort the US ships resulting in a contentious stand-off with those ships. Each side accused the other party of dangerous provocation and asked it to stop its vessels from endangering the other. Although this constant probing contains the risk of military confrontation, the situation is not as bad as it may appear for the following reasons. First, claims made by each side are not mutually exclusive: the Chinese want to declare sovereignty over the islands that the United States does not contradict directly, while the Americans want to reaffirm their right of free passage through international waters, which China does not dispute either. Thus, each party may do what they must and leave the other party alone while avoiding accidental war until the situation cools down. Second, neither country seeks to resolve the issues by military means. For example, when tensions in the South China Sea were high, the US Pacific Commander in Chief Admiral Harry Harris still went to Beijing for talks with China's senior military leaders, and the navies of China and the United States continued to conduct joint military exercises.

FUTURE POWER POLITICS IN EAST ASIA: HEGEMONIC ORDER MAINTAINED THROUGH BALANCE OF POWER

For all these reasons, power politics in East Asia will remain one of hegemonic order maintained through the balance of power.

As we noted at the outset, great powers use the balance of power as a strategy to prevent the emergence of a superpower by switching partners and reforming alliances. Thus, the balance of power strategy is used in the *absence* of hegemony and for the purpose of preempting hegemony.

According to the classical international relations theories, the most prevalent strategy under hegemony is "bandwagoning," that is, the following of the superpower's leadership by the lesser powers.[55] If balancing is employed, then it must be by the lesser powers allying against the superpower. In other words, the hegemon does not normally use the balancing strategy.

But in East Asia, US hegemony will be weak because the United States no longer presents overwhelming superiority in national power over the

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[55]Kristen P. Williams, Steven E. Lobell, and Neal G. Jesse, eds., *Beyond Great Powers and Hegemons: Why Secondary States Support, Follow, or Challenge* (Stanford, CA: Stanford University Press, 2012).

secondary power (China) and thus needs to form alliances to reconstitute absolute advantage, albeit of a different kind than one that is unilateral in origin. Thus, the United States will consolidate its existing alliances and form new types of strategic partnerships with countries in or near the region to balance the rising power of China.

In response, China may have to give up its posture of not entering into alliances and explore the possibility of forming a partnership with Russia—not one just in name but a substantial one to balance the US-led alliance. If so, then the resulting outcome would be a global balance of power in which the United States would be dominant but decreasingly hegemonic over time.

SINO-US RELATIONS: IS IT POSSIBLE TO AVOID THE THUCYDIDES TRAP?

The most often asked question about East Asian power politics is whether China and the United States can avoid the Thucydides Trap, that is, the historical fate of a rising power facing a status quo power that ends in a fatal conflict and eventually escalates into war.[56] Thucydides is an ancient Greek historian who in his famous book the *Peloponnesian War* revealed the cause of that war: "It was the rise of Athens and the fear that this inspired in Sparta that made war inevitable."[57] So many similar wars occurred in human history that about two years ago, the American political scientist Graham Allison coined the term "Thucydides trap" to suggest an ostensible law that has borne itself out throughout history: "In 11 of 15 cases since 1500 where a rising power emerged to challenge a ruling power, war occurred."[58] The law can be readily applied to the two world wars started by Germany, one in 1914 and one in 1939.

However, this worst-case scenario of war between these two powers is highly unlikely to occur for the following reasons: First, China will not reach strategic parity with the United States in the foreseeable future.

[56]Graham Allison, "Avoiding Thucydides's Trap," *Financial Times*, August 22, 2012. See also Graham Allison, "The Thucydides Trap" in Richard N. Rosecrance and Steven E. Miller, eds, *The Next Great War? The Roots of World War I and the Risk of U.S.-China Conflict* (Cambridge: The MIT Press, 2015), 73–79.
[57]Graham Allison, "Avoiding Thucydides's Trap," 2012, *op cit.*
[58]*Ibid.*

Second, China's acquisition of a secure retaliatory strike capability greatly reduces, if not completely eliminates, the probability of deliberate war between the two nuclear powers. Third, China seeks to forge a special relationship with the United States that will reform the current world order to reflect vital Chinese interests. Although the two countries were no longer strategically aligned after the former Soviet Union collapsed, they have become economically intertwined. Indeed, America has played the role of tutor and role model for China. Its influence permeates every aspect of Chinese society and daily life. Although Chinese leaders are angered on occasion when pressed hard by the United States over human rights, and despite Chinese official rhetoric against hegemonism, many Chinese leaders harbor a positive feeling toward the United States. Otherwise, it is impossible to explain why China put one third of its foreign exchange reserves in US treasury securities and why so many Chinese leaders send their children and grandchildren not only to study but also to live in the United States. With family, savings, and properties in the United States, it is well-nigh impossible for Chinese officials and businessmen to imagine a war between the two counties.

A major cause of hegemonic war is the rising power's dissatisfaction against the old world order based on the past configuration of world power. China doesn't seem to have such a problem. It has been a beneficiary of and has great vested interests in both the political and economic order of the world. Politically, China is one of the five permanent members of the UN Security Council and has vowed repeatedly to uphold international order and norms based on the UN Charter. China's positive attitude toward the United Nations as a guarantor of international peace and order can be seen in the fact that China contributes the second largest funding (next to the US) to the UN peace-keeping operation (UNPKO) while provides most troops for UNPKO missions worldwide among the five permanent members of the UN Security Council.[59]

Economically, China's reform and opening-up policies in the past thirty five years have aimed at its merge into the international economic system that consists of the World Bank, the International Monetary Fund (IMF), and the World Trade Organization. The United States chose to allow these

[59]Xinhua News Agency, http://news.qq.com/a/20160530/037746.htm.

US-led international regimes to co-opt rather than exclude China. As a result, China has become an integral part of the system, not only having benefited greatly from its membership in those regimes, but turning itself into a benefactor of those institutions. Moreover, along with the increase of China's contribution to those institutions, its voting power in them has grown quite fast—second only to the United States and Japan. In November 2015, the IMF Board decided to let the RMB, the currency of PRC, join the US dollar, the Euro, the Japanese Yen, and the Pound Sterling to become one of the IMF's Special Drawing Rights basket currencies. In other words, Chinese Yuan has been accepted as one of the hard currencies that can be exchanged freely all over the world. This further consolidates China's position as an inner circle member of the world economic order. As such, if China had any significant change to make to the current system, it's clear that it is much easier and more efficient to work *through* the system from within than to work against it from without. The Chinese government has advocated a "New International Economic and Political Order" for many years, but it is so far rhetoric without substance in line with China's investment in the global status quo.

China Is domestic-oriented and risk-Averse

Just as personality may affect an individual's behavior, so a national characteristic may modify a state's external behavior. Western international relations theories tell us, when a state becomes a superpower, it will always seek to create its own hegemony over other powers. However, China may have a different logic of behavior. In the fifteenth century, much earlier than the Western voyages of "Great Discovery," Zhen He's "treasure fleet" crossed the South Pacific and the Indian Ocean to reach as far as Indonesian Islands, the Arab Peninsula, and East Africa. Instead of colonizing these lands, Ming China burnt all its ships and banned ocean-going voyages after the seventh expedition was completed. Likewise, Chinese used the gunpowder they invented in the ninth century to make fireworks, not firearms like the Europeans several centuries later who went on to use them to conquer and colonize the world. In the Chinese classics, there are

many teachings by the sages preaching the virtue of being obedient, complacent, appeasing, and risk-averse, in contrast to Western virtues such as being brave, aggressive, adventurous, and pioneering. These teachings often advise readers to avoid being number one and not to stand out in contrast to the Western idea of constant rivalry to achieve supremacy. The corollary is that China may not be interested in challenging the United States for world leadership or dominant influence should its national power ever equal that of the United States—at least, so long as it is not forced to do so.

Conclusion

The future of East Asia's political situation depends mostly on the tendency of Sino-US relations. In this chapter, I showed how and why China's comprehensive national capability will remain a distant second relative to that of the United States even the gap between the two may shrink if China can keep its growth momentum. If we add American allied power to the equation, the United States will enjoy a significant advantage vis a vis China in the distribution of power in the region.

Under such circumstance, China's strategic pursuits will likely focus on realizing the following objectives:

(1) More political independence, meaning less interference and pressure from the United States on Chinese domestic affairs (such as its human rights performance) and how it handles the Taiwan issue, which China takes as a domestic affair. On this matter, a plausible estimate is that the United States will gradually ease its pressure on China's political situation and intervene less on the Taiwan issue so long as the mainlanders refrain from using force given the islanders refrain from claiming independence.

(2) Military buildup, especially for a modern blue-water navy. The United States has done its utmost to prevent China from gaining the necessary high technology for this purpose, but it has not been very successful. There is not much the United States could do except strengthen the containing encirclement around China.

(3)   To use the newly acquired military capacity to get an upper hand in its territorial disputes with its neighbors over South China Sea islands. If China refrains from outright military action and keeps possible skirmishes on the sea at a small scale and low intensity, then the United States is unlikely to become deeply involved in a military manner. The precondition Americans set for China is the right to free navigation in South China Sea, which China does not challenge.

Facing such a China, the first priority on the US agenda in this region will be to maintain its dominance and leadership, which China has neither intention nor capability to challenge in the near future. A second goal of the Unites States, which helps achieve the first, is to contain China from expanding its sphere of influence with any means available including coalition building. China has tried very hard to get rid of the isolation and hostility from its neighbors, but has not been very successful so far and there is no sign of a quick change on this front. A third goal of the United States is to maintain its strategic and military superiority in this region so as to deter any expansionist military exploration by China. Given the huge gap between the military forces of the two countries, there is not much China could do to change the situation in the short term.

In sum, the United States wants to maintain the status quo in the East Asia whereas China wants to see some change. The original and dynamic source of the change is in the balance of power or the distribution of power in the region. Then a change in the distribution of interest and sphere of influence should follow according to the new balance of power. The key to a peaceful and smooth transition of power and interest is that the rising power is not to push too hard and too fast for change while the existing power is not overly resistant and obstructive to such change. Only if the rising power allows the redistribution of interest to lag half a beat behind the pace of redistribution of power, and the existing power refrains from procrastinating and just lets the transition play itself out, can the new and old powers avoid conflict.

The Trump Factor

Among all the moods that people harbor about Donald Trump's presidency around the world, such as anger, frustration, or expectation, anxiety is probably the pre-eminent. People are anxious because Mr. Trump has

zero experience with statecraft and public policy-making, especially in the domain of foreign affairs, and also because his ideas about US foreign policy have been unconventional, erratic, and sometimes self-contradictory. What does this mean for the future of East Asia international relations? Uncertainty and turbulence, I am afraid, and more power politics judged from Mr. Trump"s belief in "peace through strength."

Take his China policy for example. Mr. Trump holds deep grievance against China, accusing it of currency manipulation, "stealing" from and even "raping" the United States with unfair trade practice,[60] and violation of international law with its reclamation of South China Sea islets and reefs, and so forth. Mr. Trump has never tried to hide his hardline position toward China, threatening repeatedly with tough measures to be taken against China. The most reckless venture is his playing fire with the "One China" principle that for the past four decades has been the bedrock of Sino-US relations, arguably the most important bilateral relations in today's world. Not long after his electoral victory Mr. Trump took a congratulatory phone call from the "president" of Taiwan, signaling an official contact which has been a political taboo observed by all US administrations since 1979.

Unlike Hilary Clinton or the neocons, however, Mr. Trump's toughness against China is not ideological or value-driven but out of pure interest calculation. In his response to Beijing's strong protest and grave warning about the phone call, Mr. Trump retorted "I don't know why we have to be bound by the One China policy unless we make a deal with China on other things." It appears that to Mr. Trump, a business man, anything can be traded off as a bargaining chip as revealed in his remarks recently "Everything is under negotiation including One China."[61] If this is the true character of Mr. Trump politics, then the future of Sino-US relations may not be as gloomy as it appears thus far. So long as the will to bargain exists, the prospect of compromise remains hopeful.

[60]BBC News, "Trump accuses China of 'raping' US with unfair trade policy, May 2, 2016, at: http://www.bbc.com/news/election-us-2016-36185012.

[61]China Daily, "Trump playing with fire with his Taiwan game: China Daily editorial," January 15, 2017, at: http://www.chinadaily.com.cn/world/2017-01/15/content_27959479.htm.

Perhaps exactly because of such understanding, Beijing's response to Mr. Trump's provoking rhetoric has been extraordinary self-restraint. In contrast to the high-pitched rhetoric typical of the past, comments on the "phone call incident" and Mr. Trump's words regarding Taiwan by the Chinese foreign ministry have been low-keyed and much measured, probably in the hope that some kind of deal can be made with Mr. Trump after he enters the White House to preempt a true crisis over the Taiwan issue. One sign of such thinking is that China sent one of its business magnates Jack Ma to meet Mr. Trump in New York promising to help create a million jobs for Americans.

Another explanation for Beijing's restrained reaction lies in China's hope that the historical drama would replay itself in which most of Mr. Trump's predecessors from Carter to Reagan to Clinton to G. W. Bush all swallowed their hawkish words against China during their electoral campaign after they settled in the seat of the President. The need to face and to handle the reality of the international affairs sobered them while the presidential responsibility to safeguard the American national interest brought them back to the rational trajectory just like what a strong magnetic field does to a particle. They all ended up getting along well with China, well, basically.

As for the other two significant players in the East Asia politics, namely Japan and South Korea, it is more likely that Mr. Trump would follow the same pattern as with China, i.e., coming back to a stern reality regardless of his sensational campaign rhetoric. Mr. Trump accused these two ally states of unfair trade practices as well as not paying their fair share for the security protection provided by the United States. He threatened with retaliation in trade that together with the same measures he plans to take against other countries, including China, may lead to an all-out trade war. And should Mr. Trump really withdraw American military protection for both allies, the United States would have to face the dire consequences that they cannot but rely on their own defense. That may lead to a large-scale military buildup by each of them, which may in turn cause an intensive arms race in the region. It is not unimaginable that in such context the two states may go nuclear and that would help further undermine the

non-proliferation regime, giving states like Iran more justification to develop its own nuclear capacity. Is this the scenario President Trump would like to witness?

After all, let's cross our fingers for the hope that Mr. Trump is just a big mouth who loves bluff and sensation and will be brought back to sanity by his presidential obligations inside the White House.

The Future of Liberal Order in East Asia

G. John Ikenberry

Introduction

What is the future of liberal international order in East Asia? The region is certainly in transition. But in what direction is it headed? Is it moving in a liberal direction—toward a more open and loosely rule-based order organized around shared principles and multilateral cooperation? Or is it moving in the opposite direction—toward conflict, fragmentation, balancing, and competing spheres of influence? The fate of the region is increasingly tied to the way in which the United States and China compete and cooperate over the terms of regional and global order. As China rises in power, is it beginning to advance a rival illiberal vision of order for the region or is it seeking greater stakes and leadership in the existing system? China and the United States seem destined to struggle for influence and hegemony in East Asia. In this struggle, will liberal internationalism rise or fall?

During the half century of American global leadership, the United States has championed a liberal-oriented world order. A liberal world order is marked by openness, sovereign equality, respect for human rights, the rule

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of law, democratic accountability, and collective efforts to keep the peace. It is an order in which international institutions and multilateral frameworks provide the foundation for efforts to manage interdependence and common global problems. The alternatives to liberal internationalism are orders that are closed and imperial, organized around spheres of influence, blocs, and geopolitical zones. Liberal international order has come in many varieties over the last two centuries, and it has co-existed with other forms of order, such as empire and colonialism. In the post–1945 era, the United States supported liberal order through "hegemonic" leadership. The high water mark of liberal international order was the decade after the end of the Cold War. The collapse of the Soviet Union and the unraveling of international communism spelled the end to the grand rivals of liberal internationalism. States across the world were making transitions to democratic rule, pursuing trade-led development and signing on to expanding realms of multilateral cooperation.

Today, however, the future of liberal international order—in East Asia and globally—is increasingly in doubt.[1] The United States position in the world has weakened and democracies around the world are troubled. In the meantime, the "problems of interdependence," such as global warming and nuclear proliferation, have become more complex and threatening. These challenges are emerging precisely as the world is moving through a global power transition, led by the rise of China. The old liberal international order was led by the United States, along with its partners in Western Europe and Japan. The diffusion of power away from these "incumbent" states has weakened the leadership coalition of the old order. Increasingly, the future of liberal international order depends on China and "the rest." Will they engage the incumbent powers, seeking to reform and rise up within a liberal-oriented system, or seek to build rival regional and global partnerships and institutions?

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[1]There is a large body of writings which have forecast the end or unraveling of liberal international order. For a theoretical overview, see Stephen Haggard, "Liberal Pessimism: International Relations Theory and the Emerging Powers," *Asia and the Pacific Policy Studies*, Vol. 1, No. 1 (2013), pp. 1–17. On the decline of American liberal hegemony, see Amitav Acharya, *The End of American World Order* (Cambridge: Polity Press, 2014); and Simon Reich and Richard Ned Lebow, *Good-Bye Hegemony! Power and Influence in the Global System* (Princeton: Princeton University Press, 2014).

In this chapter, I explore these questions. I argue that, remarkably, there are powerful forces that are simultaneously undermining and reinforcing liberal international order. The old foundations of American-led liberal order are weakening, but new constituencies and demands for open and loosely rule-based relations are also emerging. The "problems of interdependence" are creating pressures for states to renegotiate and renew governance institutions. A critical question within this shifting mix of forces, pressures, and transitions is China. Does it seek to resist and undermine liberal international rules and institutions or not? Has two decades of Chinese integration into the world economy and regional system brought it closer to a stakeholder role in the system—or is its growing power and wealth creating new opportunities for it to work around and oppose liberal international order? My argument is that China is deeply ambivalent, and, as a result, it will continue to look for alternatives to the old liberal order, even as it engages and seeks gains from operating within that order. In the end, the future of liberal international order will depend less on China''s choices than on the ability of the United States and the world's democracies to reform, renegotiate, and renew the open, multilateral system of governance.

The chapter begins with a discussion of the varieties of international order, placing liberal internationalism—and its varieties—within a wider historical and conceptual context. Next I look at the "global balance sheet" of forces that are both undermining and reinforcing liberal international order. Finally, I offer some ideas about how the United States and China might find ways to agree on common principles and rules that reinforce openness and cooperation within a reformed regional and global order.

Varieties of International Order

Over the last half century—what has often been called the "American century"—the United States was leader and defender of a broad coalition of liberal democratic states. In the shadow of the Cold War, these states built a far-flung liberal-oriented international order. This postwar system was organized around a set of ideas: open trade, multilateral institutions, alliances, clients and strategic partners, and American leadership. The Bretton Woods institutions, General Agreement on Tariffs and Trade, (and later the World Trade Organization), the United Nations, and various functional institutions provided the bulwark for an open and managed postwar world economy and global order. An American alliance system

provided a framework for regional security in East Asia and Europe. This sprawling order was different than past international orders—it was neither an empire nor a simple balance of power system. It was a particular type of liberal international order. It had the markings of liberal internationalism— that is, it was open and at least loosely rule-based. It had layers upon layers of regional and global institutions—economic, political, and security-oriented—that facilitated cooperation and problem solving. But it was also a hierarchical order, with the United States as a "first among equals" leader. It was a liberal hegemonic system.[2]

The American-led system can be thought of as one type of liberal international order. What distinguishes liberal international order from other types of order is that it is—in its basic architecture—open and at least loosely rule-based. Openness means that states have access to each other's societies for trade, investment, exchange, etc. Rule-based relations means that order is not simply based on power but on some minimum level of agreed-upon rules and norms. There is a consensual quality to the relationships, even if power and constraints on choice still infuse the order. These rules and norms are also, at least to some degree, multilateral. That is, they apply equally to all the states that are in the order. As John Ruggie argues, "multilateralism is an institutional form that coordinates relations among three or more states on the basis of generalized principles of conduct: that is, principles which specify appropriate conduct for a class of actions..."[3] It is this sort of principled ordering of international relationships that allows states to establish a mutually acceptable "playing field," encouraging cooperation, diffuse reciprocity, and collective action. In this sense, the basic foundation or architectural principles of liberal international order are openness and multilateral rule-based relations.

Three further observations can be made about liberal international order. First, liberal order rests on a system of sovereign states. Indeed, a stable system of sovereign territorial states seems to be a foundational necessity for the construction of liberal internationalism. The Westphalian system emerged in Europe in the early modern era before the rise of liberalism. But the geopolitical breakthrough of the idea of sovereign equality and a

[2]See G. John Ikenberry, *Liberal Leviathan: The Origins, Crisis, and Transformation of the American World Order* (Princeton: Princeton University Press, 2011).

[3]John Gerard Ruggie, *ed., Multilateralism Matters: The Theory and Praxis of an Institutional Form* (New York: Columbia University Press, 1993), p. 10.

decentralized system of territorial states provided the necessary foundation for subsequent experiments at building open, liberal multilateral relations. In this sense, the liberal international "project" depends on the successful pursuit of the Westphalian "project," that is, on the building and stable operation of a system of sovereign states. It is on this foundation that property rights, reciprocity, and the rule of law are established. Liberal international order is not premised on overturning Westphalian sovereignty. It is premised on the establishment of a stable system of territorial states organized around the principle of sovereign equality.

Second, the actual historical or real-world character of liberal international order has varied across eras as states have built upon this basic foundation. In the 19th century, liberal order was mostly limited to the Atlantic world, manifest in a British-led system of free trade, the gold standard, and freedom of the seas. After World War I, Woodrow Wilson sought to build liberal international order around open trade, collective security, and the League of Nations. After World War II, the United States found itself building a more elaborate system of open, multilateral-based relations. Regional and global multilateral institutions were built. American leaders and allies articulated visions of a cooperative political order based on the policy architecture of new institutions, such as the United Nations, the International Monetary Fund, and the World Bank. "These institutions," as Elizabeth Borgwardt argues, "set up mechanisms for promoting collective security, stabilizing and coordinating international currency transactions and economic development, and for advancing ideas about international justice."[4]

In this sense, liberal internationalism has—and can—take on a variety of forms. Building on the basic architecture of openness and rules, it can take on more or less "social purpose." It can be a stripped down system of rules and institutions, with a thin layer of open trade and institutionalized cooperation, or it can be a much more ambitious system organized to protect and advance human rights and progressive social values. It can be more or less organized around a core of liberal democratic states. Generally speaking, the more ambitious and elaborate the "social purposes" advanced by the liberal international order, the more demanding "entry" into the liberal order will be. In a minimalist liberal international order, illiberal or

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[4]Elizabeth Borgwardt, *A New Deal for the World: America's Vision for Human Rights* (Cambridge: Harvard University Press, 2005), p. 8.

non-liberal states can participate, while those with more elaborate and progressive social purposes might find their participation difficult or impossible.[5]

Third, liberal orders—like other types of orders—can be more or less hierarchical. The Wilsonian vision of liberal order was relatively non-hierarchical. Liberal democracies had pride of place in this order, but the League of Nations did not build an elaborate system of rights and privileges for the great powers. In this sense, it was a relatively "flat" international order. The post–1945 international order created institutional structures, most importantly the United Nations Security Council, that gave the great powers more rights and authority. Within the American-led postwar system, the United States emerged as a "hegemonic leader," taking on special rights and responsibilities for running the order. It was a hierarchical order with liberal characteristics. In its relations with Europe and Japan, hierarchical relations were tempered with shared democratic values, norms of reciprocity, and common interests. The United States exercised more traditional forms of domination outside of the Western democratic world. The point is that hierarchical relations can take different forms—ranging from consensual to coercive—and liberal international order can be more or less tied to the hegemonic leadership of a powerful state. In all these ways, liberal international order can take different shapes.

International and regional order can also be organized along non-liberal lines. In these circumstances, relations among states would be built around spheres of influence, blocs, and imperial zones. Powerful states would dominate and control—directly or indirectly—other states. The most obvious and explicit illiberal orders are traditional empires. In an empire, one state controls the affairs of another. As Michael Doyle notes, empire is the "effective control, whether formal or informal, of a subordinate society by an imperial society."[6] Empire—in all its various forms—has actually been the dominant form of political order from the ancient times to the modern era. Until the twentieth century, most of the world's peoples lived in empires and other sorts of imperial spheres and holdings.

[5]For a discussion of varieties of liberal international order, see G. John Ikenberry, "Liberal Internationalism 3.0: America and the Dilemmas of Liberal World Order," *Perspectives on Politics*, Vol. 7, No. 1 (April 2007), pp. 71–87.
[6]Michael W. Doyle, *Empires* (Ithaca: Cornell University Press, 1996), p. 30.

Illiberal orders can also take the form of less formal imperial hierarchies. Great powers in various regions and historical eras have dominated weaker peoples and societies through "spheres of influence." A sphere of influence is a "determinate region within which a single external power exerts a predominant influence, which limits the independence or freedom of action of political entities within it."[7] A great power does not formally control the weaker polities, but it asserts exclusive or near-exclusive rights within its neighboring geographical area. Other great powers are denied or have limited access to these areas. It is a regional system in which a great power projects influence and control onto other polities. Russia''s proclaimed "sphere of interest" in its near abroad is an example of this sort of traditional assertion of great power domination. Indeed, one of the major causes of discord between Russia and the West is the unwillingness of European or American leaders to acknowledge Putin's claimed rights to a zone or sphere of influence in the Ukraine and Georgia. The idea of spheres of influence is a very old one in world politics. It is a sort of "suzerain system," as Martin Wight notes, where a powerful state "asserts unique claims which the others formally or tacitly accept."[8]

Illiberal orders can be even more informal and decentralized. Various forms of state-to-state trading arrangements and exclusive bilateral economic deals between leading states and weaker and peripheral states are examples. These sorts of preferential economic ties cut against open market relations and non-discriminatory rules and relations. When these sorts of exclusive economic relations are between a great power and weaker states, economic dependence can foster political dependence as well. Germany''s economic relationship with Eastern European states in the 1930s is the classic example.[9] More generally, these sorts of exclusive and state-to-state commercial relations come at the expense of open and multilateral systems of politics and economics.

Finally, illiberal order can simply be manifest in the breakdown of openness and multilateral rules and institutions. In this sense, the alternative to liberal international order is not just empires, spheres, blocs, and exclusive

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[7]Paul Keal, *Unspoken Rules and Superpowers* (London: Macmillan, 1983), p. 15.

[8]Quoted in Susanna Hast, *Sphere of Influence in International Relations: History, Theory and Politics* (Ashgate: Surrey, 2014), p. 32.

[9]Albert O. Hirschman, *National Power and the Structure of Foreign Trade* (1945, expanded edition, University of California Press, Berkeley, 1980).

relations. The alternative can also be simply a breakdown of order itself. Protectionism, ad hoc relations, fragmentation of rules and relations—these are ways in which world politics can become less liberal internationalist. Liberal internationalism is not replaced with rival forms of order. There is just less order. The 1930s is the best example of this breakdown in open and rule-based relations. The system itself collapsed, and relations between states —large and small—became less open and orderly.

In East Asia, the most obvious threat to an open, rule-based order would be a Chinese-led sphere of influence. Countries in Northeast and Southeast Asia would increasingly be tied to China for trade and investment. This economic "hub and spokes" pattern might be reinforced by preferential terms of economic exchange. Other leading states—including the United States—would find it increasingly difficult to gain access and compete with a China-centered regional economy. Regional trade and investment would intensify at the expense of trans-regional trade and investment. This sphere of influence system would be further intensified if China succeeded in replacing the United States as the primary security patron in the region. As I note below, there are important limits on the incentives—and capabilities—of China to build such a full-scale sphere of influence in East Asia.

Rise and Decline of Liberal International Order

Liberal international order is a relatively recent phenomenon in world politics. It came of age in the era after World War II. The United States and its liberal democratic partners and allies formed the core of this order, and with the end of the Cold War, it spread in one way or another to all regions of the world. At the heart of this order were liberal democratic states. The growth of American power in the twentieth century helped usher in a new period of modernization and progress for many parts of the world. The community of advanced industrial democracies enjoyed increases in prosperity, as well as unprecedented peace, achieved through reconciliation and the overcoming of historical rivalries. As the democratic world expanded—both in wealth and numbers—the resulting global democratic alliance had sufficient aggregate resources and the ideological appeal to contain and ultimately convert adversaries. At the same time, the capitalist system defended by the United States contributed to the emergence of a sizeable and prosperous middle class across the Western democratic world. Improvements in standards of living legitimized the wider American-led order. The liberal order

championed institutions, regimes, and international law to manage transnational challenges. With the end of the Cold War and the general collapse of communism, the number of democracies grew rapidly. Countries in Eastern Europe, East Asia, Latin America, and elsewhere connected to this open and loosely-rule based system, pursuing trade-oriented strategies of development and undertaking political transitions.

This high-tide of liberal internationalism has now peaked. The first decades of the post-Cold War era seemed to be a period when "all good things went together." Globalization, democracy, American power, economic growth, great power cooperation, human rights, UN and NATO—everything that America believed in and promoted seemed to be advancing. Few make this argument today. Even Francis Fukuyama, the author of the famous pronouncement of the "end of history," has now written a book about "political decay."[10]

These observations allow us to ask the question: in today's East Asia and the wider global system, is liberal international order coming or going? Is China engaging and rising up within an evolving liberal international order and increasingly seeking alternatives to it? Will a world that is less dominated by the United States and the West be "ess liberal" or simply liberal in new ways?

Sources of Weakness and Strength in Liberal Order

A variety of global shifts are making it harder for the United States and its partners to underwrite and lead the postwar liberal international order.

First, the unipolar moment is ending. A global power transition is underway. The United States remains the most powerful state in the system, but power is diffusing. In the 1990s, the United States had 30% of world GNP, and now it has roughly 22%, a change driven mostly by the rise of China. This power transition has several implications for the organization and leadership of international order. The United States will not have the full range of power capabilities that it had in early decades to shape and influence global relations. It will need increasingly to build coalitions and exercise leadership within wider groupings of like-minded states.

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[10]Francis Fukuyama, *Political Order and Political Decay: From the Industrial Revolution to the Globalization of Democracy* (New York: Farrar, Straus and Giroux, 2014).

In the background, the global power transition injects new uncertainties into world politics. As power shifts, states are forced to recalculate their interests and hedge their bets. This can make great power relations more unpredictable and unstable.

Second, the liberal democratic states that are the building blocks of the American-led international order are increasingly troubled. The older Western democracies are experiencing rising inequality, economic stagnation, fiscal crisis, and political gridlock. In the United States, partisan politics has become increasingly polarized. The rise of radical right-wing politics within the Republican parties, symbolized by the Tea Party Movement and popular figures such as Donald Trump and Ted Cruz, have undermined old traditions of bipartisanship. The newer and poorer democracies, meanwhile, are burdened by corruption, backsliding, and rising inequality. The great "third wave" of democratization seems to have peaked, and it may be receding.[11] As democracies fail to address their problems, their legitimacy is diminished, opening up challenges from nationalist, populist, and anti-immigrant movements. The weakness of these liberal democracies erodes the political foundation upon which liberal international order rests.

Third, Europe and Japan are weakening. For most of the postwar era, the United States has relied on Western Europe and Japan as partners in underwriting and leading the liberal international order. Today, Japan and the European Union are struggling. As one Chinese scholar remarked recently at a public seminar, "the United States is not in decline, but the West is." He is referring mostly to Europe, but also to Japan. As these traditional partners weaken, it makes it more difficult for the United States to exercise leadership.

Fourth, China and Russia are increasingly emerging as rivals, challenging old arrangements in their neighborhoods. In the first two decades after the Cold War, China and Russia mostly accommodated themselves to the American-led international order. But they are now challengers in various

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[11]For discussions of troubles encountered by contemporary democracies, see Joshua Kurlantzick, *Democracy in Retreat: The Revolt of the Middle Class and the Worldwide Decline of Representative Government* (New Haven: Yale University Press, 2013); and David Runciman, *The Confidence Gap: A History of Democracy in Crisis from World War I to the Present* (Princeton: Princeton University Press, 2013).

ways. How profound this challenge is remains open for debate. Clearly, however, Putin is not Gorbachev or Yeltsin, and Xi is not Hu or Jiang. Russia has thrown up a challenge to order in Europe and Putin has articulated a vision of a Russia-centered Eurasian sphere of influence. China also is putting pressure on older security relations and alliances in East Asia. This is not a new Cold War. But China and Russia have moved into a position where they are more directly challenging old geopolitical and liberal internationalist understandings. These new conflicts are emerging while the United States continues to seek Chinese and Russian cooperation on a range of global and regional issues, such as global warming and nuclear proliferation.

Fifth, regional orders are either in transition or breaking down. Obviously, the Middle East is the most dramatic instance. But East Asia is also undergoing a long-term transition. One might describe this as a transition from a "hegemonic" to a "balance of power" order. For half a century, the United States led the region, and around it economic and security relations were organized. It still remains the dominant security presence in the region. But essentially, all of America''s security partners in East Asia are now tied to China for trade and investment. It is a striking transition. In the past, South Korea, Japan, Australia, and the Association of Southeast Asian Nations (ASEAN) countries all had the United States as their leading trade partner. Now it is China. So these countries are, in effect, "tied to the Eagle for security and the Dragon for economics."[12] This changes the dynamics. The United States increasingly has to compete with China for loyalties and partners.

Sixth, the 2008 financial crisis has altered the way that countries around the world look at aspects of the liberal international order. For most of the postwar era, the United States was the source of stability and growth in the world economy. It supported the governance mechanisms that brought Western governments and the wider array of capitalist and developing countries into the management of the global trade, monetary, and financial system. This critique of the United States is two-fold. In the wake of the 2008 financial crisis, the United States is seen as a less reliable leader. The financial crisis began in the United States—and so it is seen more as a source of instability than as a dependable hegemonic leader. The critique is

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[12]See G. John Ikenberry, "Between the Eagle and the Dragon: America, China, and Middle State Strategies in East Asia," *Political Science Quarterly* (Spring 2016).

also about the specific brand of economic neo-liberalism that the United States has championed in recent decades. Among democracies, the United States finds itself as an outlier—a neo-liberal state in a world of democracies who deeply resist this orientation. These circumstances make it harder for the United States to reorganize and rebuild the global coalition that supports the liberal international order.

There are also underlying factors and circumstances that are creating strength and opportunities for the United States and its partners as leaders of a renegotiated and expanded liberal international order.

First, there is no grand ideological alternative to liberal international order. China does not have a "model" that the rest of the world is seeking to adopt: Nor does Russia. These are authoritarian capitalist states. But this type of state does not translate into a broad set of alternative ideas for the organization of world politics. China does not seek to purvey a revolutionary set of ideas. In many ways, it is conservative—and it is the United States and the liberal democratic world, that are wielding the more dynamic and expansive set of ideas. Indeed, the hostility and antagonism that China and Russia exhibit to the United States and the "Western world order" reflects insecurity that they feel as regimes operating in a global liberal capitalist system. For Russia, this insecurity is seen in the threat Putin feels from a Ukraine that might move westward and join Europe. This is not so much a geopolitical threat as a threat to the viability or legitimacy of Putin's authoritarian order. China, too, worries about threats to the regime from liberal-democratic movements on its borders. These are conservative reactionary dynamics, and not states projecting new ideas into the global system around which broad coalitions can be built.

Second, there are limits on the ability of China and Russia to build illiberal spheres of influence within their regions. China and Russia are both surrounded by regions populated with democracies. This common circumstance discomforts them, as I noted. But it also places limits on their ability to project power and create spheres of influence. The democratic character of states across Eurasia has been deeply geopolitically "unkind" to China and Russia. In Eastern and Central Europe—Russia's near abroad —post-Soviet states and old allies have made democratic transitions and integrated into the Western and global order. In East Asia, China, too, is surrounded by democracies. In the mid–1980s, India and Japan were the only Asian democracies. But democratic transitions in the Philippines, South Korea, Taiwan, Thailand, Mongolia, and Indonesia have transformed the region. Burma has also made cautious steps toward multiparty

government. These countries, together with Australia and New Zealand, have tilted China's neighborhood decidedly in the direction of liberal democracy. It has become harder for authoritarian states to pursue old-style coercive policies to establish regional domination.

Third, America's global alliance system remains a major world presence. In one study, the United States has military partnerships with over sixty countries, while China has one or two and Russia has eight. The United States does seem to have a unique capacity and willingness to build security partnerships. China, on the other hand, does not have much experience in the give and take of security alliances. These American-led alliances provide stability to regional and global relations, and they provide some influence for the United States as it seeks to lead the wider liberal international order.

Fourth, geography also reinforces America's capacities for influence and leadership. The United States is the only great power that is not neighbored by other great powers. This fact has had several implications. Geographical remoteness has made the rise of American power during the 20th century less threatening. Remarkably, the United States became a world power without triggering war or a counter-balancing coalition by the other great powers. And even after the Cold War, when the United States was truly unipolar, other great powers—who were oceans away—did not balance against it. None of the other major states—including Russia and China— has this geographical advantage. Each lives in a crowded geopolitical neighborhood where shifts in power are routinely met with counter-balancing. China is discovering this today as its growing power is greeted by hedging and balancing reactions, manifest by surrounding states as they engage in military modernization and the reinforcement of alliances. Likewise, America's off-shore geographical position has led other states to worry more about abandonment than domination. States in Europe and Asia have sought to draw the United States into playing economic and security roles within their regions. They have looked for ways to increase American military commitments to help solve regional security dilemmas. At least in Asia, Europe, and the Middle East, they have been less worried about American military domination. For decades to come, the countries in various regions will seek out American security assistance.

Fifth, although the world''s democracies are experiencing troubles, they do constitute a real and potential source of support for liberal international order. Notwithstanding their number and diversity, democracies are increasingly interdependent. They have forged new connections through rising trade, international development initiatives, migration across

borders, and environmental linages. In this sense, they are all "in it together"—they face common problems, and so there are corresponding opportunities for them to work in tandem. The Western and non-Western democracies face similar domestic problems associated with their increasingly convergent and complex industrial economies. Many are grappling with rising income inequality, fiscal imbalances, chronic unemployment, and the provision of health care, education, and welfare. In one sense, these common problems make it more difficult for the wide world of democracies to step up and support an open and multilateral system of liberal order. On the other hand, such an order—renegotiated and reformed—is the sort of international environment that these states need as they grapple with their problems.

Sixth, the liberal international order is not simply an American-led order. It is a wider system of relations that offer states a variety of tools and supports. Rising states may not share all the values and interests of the United States and the other established stakeholders. But they are not, in reality, wielding revisionist ideas of global order. Rising states—such as China, India, and Brazil—are emerging from a post-imperial and post-colonial history, and they harbor grievances and suspicions about "the West." But they are not advancing ideas for international order that require a fundamental break with the existing system. Indeed, these countries do want what the old multilateral order enshrined at its core: openness and rules. Openness allows them to have access to the global system and the markets and societies of other countries. This openness is what has propelled them upward. Rules are important to rising states because they want to have international frameworks that help them protect their growing global interests. They have wealth and other national "equities" to safeguard. This core interest shared by Western and rising states is worth building on as states seek new ways to cooperate. Rising states are more eager to gain authority within an open and loosely rule-based system than to tear that system down.[13] In the case of China, this commitment to the existing liberal-oriented order can be seen in various ways, such as the Chinese government's massive purchases of U.S. bonds, investments in industries and real estate in the West, and the decision of Chinese elites to send their children to the United States for education.

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[13]See Ikenberry, *Liberal Leviathan*, Chapter Seven

Struggles Over Regional and International Order

This balance sheet of sources of decline and support for liberal international order suggests several possibilities. First, neither China nor the United States will be able to dictate the future of relations within East Asia or in the wider system. A great deal will depend on what states "in between" these rival hegemonic states decide to do. Will they seek to participate in and strengthen the existing order or acquiesce in an emerging China-centered regional sphere of influence? The choices that middle states make will presumably depend on how they value the American-led security system and their assessments of China's evolving approach toward regional order. Japan, South Korea, and other states in Southeast Asia are not likely to want to make a definitive choice between two competing hegemonic leaders. They will want the benefits of good economic relations with China *and* good security ties with the United States. They will hedge against two undesirable future possibilities: (1) one in which China seeks to impose an old-style coercive sphere of influence on the region, and (2) one in which the United States reduces its security commitments and withdraws from the region. These sorts of uncertainties mean that the middle states of East Asia will want a regional system in which both the United States and China are involved—and this means that a collapse of order based on open and loosely rule-based relations driven by the rise of China is not likely.

Second, a regional order in which China and the United States compete for leadership and influence will have its own dynamics. Both states will have incentives to be "good" hegemonic leaders. Both states will face strategic constraints on pursuing aggressive policies aimed at domination. China''s great constraint is the possibility of self-encirclement. If it pushes too hard to dominate the region—for example, in maritime and other territorial disputes—it will trigger intensified forms of backlash and counter-balancing. It has already tasted this sort of response to its actions starting in 2010. So it will need to find ways to signal restraint and commitment to working within agreed upon regional rules and institutions. The United States will also find it difficult to pursue aggressive policies of containment and exclusion toward China. States in the region will not want to follow the United States down this path. The result will be outcomes that isolate the United States rather than China. Together, these dynamics offer the opportunity for hegemonic competition to generate beneficial outcomes for the region. Both China and the United States will have incentives to provide public goods and defend a region that is open

and inclusive. China will have incentives to pay respect to liberal-style arrangements of regional and global order.

Third, China will have incentives to engage in various forms of "institutional statecraft." It will want to turn its growing economic capabilities into political influence and leadership. How can it do this without generating backlash and counter-balancing? To some extent, it will need to signal its intentions by operating within existing regional and global institutions. But it will also want to seek new ways to establish itself as a regional leader. The Asian Infrastructure Development Bank (AIIB) is an example of this. It has offered to lead a regional effort to provide loans for infrastructure development. It has an abundance of financial resources to do so. The AIIB provides a vehicle for China to establish itself as a regional public goods provider. It simultaneously provides an outlet for excess Chinese construction and heavy industry capacity, builds closer relations with countries across the region, and lays the foundation for the future projection of Chinese maritime and strategic influence. But doing infrastructure lending in a multilateral framework facilitates reassurance and cooperation with neighboring states. If the governance arrangement of the AIIB is shared with other stakeholders, it is hard for this institution to be a vehicle to undermine the existing liberal-oriented multilateral system. Indeed, one virtue of this initiative from a Chinese perspective is that it increases its leverage on existing institutions—such as the World Bank and International Monetary Fund (IMF)—for greater Chinese voting rights and leadership.

Fourth, the United States faces a future in which its leadership will increasingly depend on building regional and international coalitions. In a declining unipolar era, the United States cannot simply depend on its predominance to facilitate cooperation and liberal-oriented order. Of course, even in the old days of American hegemonic leadership, the United States had strategic partnerships, most importantly Germany and Japan. But this old trilateral system of leadership is eroding. The United States will need to cultivate new partners and alignments of states, mostly from the non-Western developing world. To do so, the United States will need to direct its leadership in new ways, focusing on problems that these non-Western states face. This means pivoting away from the "neo-liberal" agenda of open markets and unregulated capital. It means looking for ways to integrate rising non-Western developing states into the existing multilateral institutions.

Overall, the future of liberal order IMF in East Asia and globally—will focus on the renegotiation of multilateral institutions and the principles of governance. The watch words will be openness, transparency, best practice, etc. China will not be able to build a rival set of institutions. If China wants to lead regional development institutions, it will need to abide by widely accepted principles and rules of governance. The United States will need to accommodate China''s efforts to gain authority and status within regional and global institutions. In effect, China and the United States will find themselves engaged in ongoing mutual adjustments, or what Henry Kissinger calls "co-evolution."[14] The struggles within East Asia between China and the United States over the terms of regional order will have implications for the evolution of global order, and vice versa. Out of this complex and unfolding diplomatic-institutional process, the next era of liberal internationalism will be forged.

Conclusion

Liberal international order—within East Asia and beyond—is not disappearing. It remains at the core of the contemporary global system because, in the final analysis, there are not really any good alternative types of order. There is a reason that non-Western rising states are not revisionist. A world of closed blocs or regions will not advance their interests. States have interests in shifting costs on to others, to free ride, and to shirk responsibilities. But they are able to get away with doing this because the overall global system itself remains relatively open and stable. Even China and Russia are better seen as "spoilers" within the existing global order than "revisionist" states. They have joined the World Trade Organization and benefit from an open system that safeguards their sovereignty and authority. Under conditions of rising economic and security interdependence, the countries of the world have a growing—not declining—interest in multilateral governance. Under these conditions, the benefits of greater institutionalized cooperation grow relative to the costs of lost autonomy associated with making binding international commitments. The benefits that states gain from operating in an open system outweigh the costs of multilateral governance.

[14]See Henry Kissinger, *On China* (New York: Penguin, 2011).

Within East Asia, a variety of regional orders are possible, consistent with the ongoing evolution of liberal internationalism at the global level. The region could be more or less integrated, institutionalized, and cooperative. In the security realm, even if the American alliance system remains, there are a variety of ways that a wider system of security cooperation could evolve, with more or less comprehensive rules and mechanisms for regional-wide management of security challenges. The future of North Korea remains a major uncertainty and the current crisis in relations between North Korea and its neighbors, driven by its ongoing development of nuclear weapons and missile technologies, shapes and limits the possibilities for new forms of regional security cooperation. In the economic area, regional order in the decades ahead could be more or less open, integrated, and managed by regional-wide governance mechanisms. Trade and investment patterns could become more or less tied to a system of Chinese regional hegemony or to American-led trans-Pacific flows. In these ways, an open and loosely-rule based regional order in East Asia could evolve in various directions.[15]

The alternative to an open, multilateral system is not some sort of twenty-first century Chinese tribute system or regional empire. The alternative is not even some sort of illiberal multilateral order, whatever that might look like. The main alternative is disorder. To be sure, there are many variants between "order" and "disorder." A post-American liberal order—in East Asia and globally—could take a variety of forms. A fragmented and chaotic global system is possible, but it is not an outcome any major state in the system should welcome. After all the pessimism about the weakening and breakdown of the existing system, we are still left with a shared interest in a stable system of global governance. From the first decade after World War II to the first decade of the t-first century, the world lived through its "multilateral moment." We may never return to this golden era of multilateralism, but the world is going to need to discover new ways to muddle through.

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[15]For depictions of the range of possible regional "futures" in East Asia, see U.S. National Intelligence Council, Global Trends 2030, Alternative Worlds (Washington, D.C.: National Intelligence Council, 2012), pp. 75–76, and Peter Hayes, Policy Forum – "Six Party Talks and Multilateral Security Cooperation," NAPSNet Policy Forum, June 10, 2014.

LIVING WITH THE CONSEQUENCES OF TRUMP

The election of Donald Trump to the American presidency raises new and troubling questions about the future of the American-led liberal international order and the East Asian region. Together with the British decision to leave the European Union, the rise of a nationalist-populist in the United States represents a major break with the long trajectory of postwar American administrations. For the first time since the 1940s, an American president has made a pronouncement as a candidate of one of the major parties about trade, alliances, torture, immigration, race and religion, and constitutional rights that – if implemented –would effectively end America's role as the embodiment and guarantor of liberal democracy.

This is a surprising turn of events. In the first decades after the end of the Cold War, a long "liberal moment" emerged. It was a time when, from an American point of view, all "good things" seemed to go together: globalization, democracy, human rights, economic growth, great power accommodation, and the great postwar institutions – the United Nations, the Bretton Woods regime, and American alliance partnerships. But this liberal moment has ended, and done so rather abruptly. At first, the challenges seemed to be primarily from China and Russia – the great illiberal rivals to the Western-oriented world order. But more recently, the challenges have come from within the liberal democratic world, challenges that are rising out of liberal democracy itself. This can be seen in the "new authoritarianism" in countries spreading across the globe – in Hungary, Poland, Turkey, Thailand, and the Philippines. In South Korea and elsewhere, established leaders are also in trouble. But the rise of populist and backlash nationalism movements in Western Europe and the United States has raised the stakes even higher. The crisis is coming from within the old democracies, not from the outside.

The election of President Trump has made it necessary for everyone to reassess and recalibrate their positions – not least international relations scholars. The problems of liberal international order are clearly more deeply rooted than the cyclical challenges of economic growth and political leadership. We might even be at a sort of historical "inflection point" where the international order itself rapidly gives way to something new. Is the liberal international era over?

Certainly Mr. Trump has voiced skepticism of open trade, multilateralism, and international institutions—the "stuff" of liberal internationalism. Trump seems to look at trade deals as inherently adversarial and "zero-sum." He has questioned the utility of the United Nations and global climate agreements. He has even questioned the ongoing relevance of the U.S. alliance network, including NATO. If these views prevail, the next four years could see a slow spiral downward in American hegemonic leadership and support for postwar global and regional institutional arrangements. The world would see an America that is far less willing to lend either its still-significant resources, both material and ideational, in defense of the liberal international order and the institutions that form part of its foundational structure. It is difficult to imagine a more favorable scenario for China and other rising states to reshape the current order.

Yet, as I have argued in this chapter, China is already extensively integrated into the existing order as a stakeholder, embracing many of its rules, institutions, and norms. And, for the most part, it does not appear to want to take on the many burdens of leadership. Particularly in the realm of international trade, China has benefited greatly from the development of the World Trade Organization regime and would likely suffer major losses from a global return to protectionism or any other policies that harmed global economic growth. Accordingly, it may be in Beijing's interest to play a greater role in underwriting certain aspects of the status quo, whether through enhanced participation, authority, and support for existing institutions, or through the building of new institutions that are, in the long run, consistent with liberal principles.

Where it continues to offer benefits, Beijing could ironically become one of the biggest defenders of the status quo. The flipside, however, is that where China views the institutional framework as harmful to its interests, it will find opportunities to push against the old order, particularly if the United States is not willing to push back. It could do this from inside exiting global and regional institutions or step forward with new institutional proposals. The big question is if the United States steps back from leadership of the liberal order will others step up? As we have noted, Europe is itself preoccupied with its own troubles. Other countries – Japan, South Korea, Canada, and the middle tier liberal democracies – might find

themselves forced to do more. But it is also possible that a decline of American leadership could lead other countries to begin to look for alternatives to the existing order, searching for regional safe havens and reluctant geopolitical accommodations with China and Russia. If this becomes the pattern, the global order surely will evolve into something new–and less liberal.

National Identities and Bilateral Relations in East Asia Over the Next Decade: Will the Downward Spiral Continue?

Gilbert Rozman

From 2005–when Japan was demonized by massive Chinese demonstrations and Roh Moo-hyun's vitriolic rhetoric—emotions that evoke pained historical memory have been expressed at a much higher pitch in Northeast Asia than over the prior decades. Despite some calming of tempers later in the 2000s, an even sharper spike in emotional energy has been unleashed across the region over the past few years, not least because of Abe Shinzo's provocative defiance of past conventions. Is this a sign of worse to come or can we expect the identity gaps in bilateral relations to play a less prominent role a decade hence? Looking ahead, this analysis explores three perspectives: 1) differentiating national identity from nationalism, while linking the evolving expressions of identity in China, Japan, and South Korea to international relations; 2) specifying various dimensions of national identity—not just historical memory—that are affecting external relations with an eye to how their impact may be changing; and 3) anticipating factors that could affect the impact of identities on regional bilateral

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The Asan Forum, Washington, DC, USA

relations, keeping in mind the factors that left an imprint over the recent decade. Although the emphasis here is on three countries, the way identities are expressed toward the United States and its policies is unavoidably included too. National identities have wreaked havoc on diplomacy in East Asia, especially over the past few years. They demand keen attention if bilateral relations are to improve.

NATIONAL IDENTITIES, NATIONALISM, AND INTERNATIONAL RELATIONS IN EAST ASIA

Nationalism is a widely employed term, not easy to make precise or to disaggregate into specific dimensions. Recent social science writings have gravitated to the term "national identity" for more systematic analysis. Yet, even that concept has elicited diverse interpretations, complicating comparisons and clarity about how to apply it to explanations of bilateral relationships. These are surmountable problems if we are consistent in the framework applied to various countries and wide-ranging in the factors in each relationship that we investigate, one by one, for their impact.[1] The study of international relations through the prism of national identities keeps advancing, reflecting growing interest especially in China, Japan, and South Korea. Historical memory is an important dimension of identity, but if it stands alone, one can draw a misleading impression about the emotional roots of bilateral distrust. It is a critical focus of national identity, especially in East Asia, and often becomes the trigger for mutual antipathy, but other dimensions of identity broaden the picture.

In 2012–2015, Xi Jinping's "China Dream" aggravated the spike in identity that already was intensifying under Hu Jintao, especially from the time of the Beijing Olympics in 2008. In 2013–2015, Abe Shinzo's "normal Japan" brought to the forefront the sprouts of identity exposed under Koizumi Junichiro and Abe's prior stint as prime minister. And in 2013–2015, Park Geun-hye's "comfort women first" demands on Japan sparked greater emphasis on national identity in Korea's foreign policy than seen under Lee Myung-bak, although in 2012 his visit to Dokdo (Takeshima to Japanese) had raised the stakes. The late December 2015

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[1]Gilbert Rozman, *ed, East Asian National Identities: Common Roots and Chinese Exceptionalism* (Washington, DC and Stanford, CA: Woodrow Wilson Center Press and Stanford University Press, 2012).

agreement with Abe for a "final and irreversible resolution" of the issue could change the atmosphere if a Korean backlash could be contained. While the focus often has centered on individual symbols of identity and one or two bilateral relationships of each country under a specific national leader, the sustained rise in emotional themes that trump pragmatic diplomacy behooves us to examine the overall character of national identities in each state and the full range of national identity gaps operating in each of several bilateral relationships. For example, China's identity gap with Japan should be seen within the context of its gaps with the United States and even South Korea, while the gaps of Japan and South Korea with their neighbors also deserve to be interpreted in regard to their US gaps.

The essence of the problem of national identity gaps driving countries further apart is insecurity as the crutches of earlier identities have increasingly been pulled away. Transference of blame overwhelms appeals for mutual trust. Clinging to embedded notions of identity manipulated to stir greater distrust in another country or in the establishment in one's own country, when it loses control of the identity narrative, has become the prevailing trend in Northeast Asia. US leadership to forge a shared identity within the international community has proven inadequate, partly due to existing national identity gaps with the United States—even in allies boosting ties in the security realm, as in the case of Japan and South Korea. On each dimension of identity, US articulation of a shared identity has fallen short of the task of rallying states together, but the principal problem is bilateral gaps that only keep widening. US aspirations usually focus on narrowing gaps, between allies or with adversaries, but US-led globalization appears to have a disconcerting effect, widening the gaps. Determined leaders, notably Xi and Abe, have been disdainful of Obama's appeals.

Prevailing approaches to international relations treated national identities not as driving forces, such as realism and liberalism, but as complicating factors within the amorphous category of constructivism. Especially when it comes to East Asia, they have a track record of repeatedly misjudging developments since prior to the end of the Cold War.[2] While realist pessimism has spread of late, the ups and downs of East Asian relations demonstrate its inconsistent fit in explaining recent developments. Liberal optimism experienced a heyday in the 1990s and, briefly, early in the 2000s

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[2]Gilbert Rozman, *ed., Misjudging Asia: International Relations Theory and Asian Studies over Half a Century* (New York: Palgrave Macmillan, 2015).

for this region before its inability to account for ongoing developments was exposed. Domestic media in China, Japan, and South Korea leave no doubt that perceptions of relations between countries are deeply steeped in identity issues.[3] They approach bilateral relations through many prisms, making simplistic talk of rising nationalism a clumsy approximation of the assumptions and perceptions that guide thinking. To look ahead a decade we are well advised to separate these multiple dimensions that comprise national identity in search of evidence for how each will fare before eyeing bilateral relations from the viewpoint of how these identity dimensions may matter.

Six Dimensions of National Identity

The arguments here draw on a six-dimensional framework for the analysis of the national identities of East Asia and its application to bilateral relations: China and Japan, Japan and South Korea, China and South Korea, and China and the United States with some notice also to Japan-US and South Korea-US relations.[4] The format is: 1) to cover each dimension of national identity; and 2) under each dimension, to review China, Japan, and South Korea. Coverage of bilateral relations proceeds in the following section, as identity narratives are explored as a force in foreign relations.

Ideology is the overriding driver of national identities when countries insist that no points of view are acceptable except those that conform to a narrowly defined and dogmatic agenda. This was the case under communism until new thinking spread in the 1980s in the Soviet Union and China. Obsessed with conformity to policies and rhetoric derived from ideological buzzwords, China and the Soviet Union demonized each other, causing the Sino-Soviet split. While not as prominent today in the states we examine as in traditional communism, the ideological dimension is growing in relevance. It draws a red line that is crossed at one's peril about a country's overall virtue, about a despicable international force, and about certain unassailable ideas.

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[3]See the four Country Report sections in each issue of *The Asan Forum* for coverage of inflammatory and often demonizing articles on bilateral relations in East Asia.

[4]Gilbert Rozman, *ed., National Identities and Bilateral Relations: Widening Gaps in East Asia and Chinese Demonization of the United States* (Washington, DC and Stanford, CA: Woodrow Wilson Center Press and Stanford University Press, 2013).

History (the temporal dimension) is a part of national identity that treats periods in the past in a one-sided manner, excluding alternative ways of thinking. Glorification of particular events and leaders creates symbols that serve to anchor identity. Even if pride is typically spread across many periods, it is accompanied by accusations of humiliation or, at least, "abnormality" in other periods, when national identity could not be fully manifested. East Asian states pay close attention to historical memories.

Sectoral identity is a composite category (political, economic, and cultural) that rises when a country enjoys a spike in confidence, but it may also intensify through quite conscious cultivation of a sense of uniqueness. The spike in East Asian countries has been closely linked to a popular image of their recent rise as an "economic miracle." The political counterpart of such economic confidence is imbued with claims of not only a state capable of guiding society toward prosperity, but also of a harmonious society and state-society relationship. Inevitably, one also finds insistence that the civilization that has produced such economic growth and harmony is superior too.

Vertical identity can be linked to sectoral identity, clarifying how harmony has been achieved at the expense of civil society and international involvement, e.g., through NGOs. In East Asia it denies the legitimacy of ethnic identities, insisting on the single validity of what is essentially portrayed as a homogeneous mass. This dimension is a sociological narrative dismissive of class conflict or international citizens, boosting a shared sense of nationhood through a largely top-down sense of maintaining order.

International relations are seen through the lens of *horizontal identity*, looking out at the United States, the regional community, neighbors whose pasts intersect in the most memorable manner, and the international community. In East Asia there are identity issues around every corner as states peer across at their neighbors. China poses huge identity issues, not least of all for Japan. No matter how strong realist reasons have become for embracing or rejecting the United States, we should not overlook the identity divides that shape thinking about that country. In the 2000s appeals for a regional community suggested that this could become an identity focus without clarity on whether that would be at the expense of ties to the international community or as reinforcement of such bonds. If we add South Korean attitudes to North Korea, Japanese attitudes toward South Korea, and various attitudes toward Russia to the mix, we can appreciate how bilateral relations readily stir emotions.

Finally, we posit an *intensity* dimension of national identity to register the strength of this force to shape thinking. Interest groups may be inclined to perceive relations with other countries in terms of realist threats and balance of power or economic opportunities and integration or protection, but others insist on weighing also the extent to which the country in question should be trusted or feared. For this, we can estimate the size of an identity gap, the degree of change occurring, and the impact of the gap on actual relations. There is a general awareness that gaps have widened in East Asia as the intensity of various countries' identities have been growing of late.

DIMENSIONS OF NATIONAL IDENTITY AND THEIR EFFECT ON EXTERNAL RELATIONS

Over the decade 2005–2015 foreign relations in East Asia have been reconceptualized as an overlapping mosaic of bilateral national identity gaps. That has obscured the two compelling, realist struggles in this region: the joint opposition to North Korea's rising threat capacity and balance of power maneuvering over its future; and the way China's rapid rise as an economic and military power is causing other states to hedge and draw together. The picture becomes much more complex if we keep our eyes fixed not only on pairs of countries that allow emotional symbols of relations to obscure these realist concerns, but on the different elements behind these identity gaps. This requires a breakdown into the various dimensions of national identity.

The Ideological Dimension

In China ideology—a combination of socialism, sinocentrism with Confucianism in tow, and anti-imperialism—has become more prominent in writings and in official pronouncements of the past decade, increasingly so under Xi. This resurgence of ideology can be linked to rising confidence, notably in 2008 with the global financial crisis and the Beijing Olympics, and leadership consolidation. While confidence may be shaken by economic trouble or US revitalization and successful rebalancing, few anticipate much, if any, reversal in the conditions that nurtured it. Xi's hold on power, backed by his anti-corruption campaign and intensified censorship and repression of potential or real dissidents, also does not appear to be in

doubt. Some have perceived a shift from socialism to Confucianism, but that is a misreading of the cautious embrace of a one-sided grasp of Confucianism. Insistence on socialism's primacy (including more symbols drawn from its history) is more visible under Xi. Sinocentric emphasis on centrality in the new schemes of "Asia for the Asians" is unmistakable, and there has been no drop in accusations against US hegemonism equated with imperialism and anti-communism (Cold War mentality, outdated alliances aimed at containment, etc.). The censorship under Xi makes it less likely that rising ideological identity will be challenged. Ideology is, arguably, the nucleus of the "China Dream," Xi's signature contribution to thought. Indeed, in the fall of 2015, the goal of building communism has been revived with an attendant ideological campaign explicitly linked to Mao's "Yanan" control over the arts, literature, the media, and dissent in education and in the communist party.[5]

Many in the United States/ West naively anticipated after the end of the Cold War—as some had expected with the Soviet Union in the period of "peaceful coexistence"/detente and with China after normalization in 1979—an end to communist ideology in all respects and convergence in facing regional and global challenges from joint economic growth to management of nuclear weapons threats such as North Korea or climate change. Liberal optimism about convergence is a recurrent theme in the relationship with China to the 2010s, as if the absence of traditional communism results in no ideological barriers or in a shared ideology in support of freedom of markets, mobility, information, and individual pursuit of dignity. Yet, convergence is anathema to China's leaders, leading to a conscious effort, gathering greater force under Xi Jinping, to inculcate an ideology hostile to even the slightest sign of it.[6] By 2015 hopes for convergence in identity had been dashed, leaving narrow areas of agreement—such as in countering climate change—as the focus for cooperation.

Ideology in Japan is more complicated. Abe has long led a revisionist movement that conceives of "normal Japan" as a country whose history of war must not be labeled aggression, whose progressive opposition must be demonized as masochistic, and whose external relations must minimize

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[5]Jack Hu, "The Dark Historical Context Surrounding Chinese President Xi's Art Speech," *Hong Kong Free Press*, October 26, 2015.

[6]China's Xi Calls for Tighter Ideological Control in Universities," Reuters, December 29, 2014.

apologies. The revisionist agenda is a deep-rooted, as well as longstanding, set of demands that deserves to be treated as an ideology. Yet, most Japanese do not believe in it.[7] Even as Abe has gained support through Abenomics and a proactive response to China, while playing on symbols of national identity, it is unclear if he has left a legacy for sustained pursuit of revisionism. He has moved the bar in that direction, but most national newspapers doubt his ideology. While Abe tries to combine revisionism and realism,[8] often to the detriment of the latter, his successors may find greater reason to emphasize the latter instead of the former. Even so, the 20-year advance of the ideology Abe favors leaves it in the driver's seat.

US expectations of convergence with Japan were strong in the 1950s–1970s, appeared to be thwarted in the 1980s, and have intermittently grown since the 1990s. Yet, the rejection of modernization theory in the mid-60s as threatening convergence and the sharp spike in the ideology of the right in the 1980s, revealing optimism that the time had come vigorously to oppose convergence, are indicative of misplaced hopes by Western observers. As Abe has strengthened alliance ties, he has fortified Japan with a stronger dose of ideology, keeping the threat of convergence further at bay despite generalizations about closer coordination in championing universal values. Abe's ideology is meant to boost Japan as a fortress apart from Asia, insisting on a past and future positive role as distinctive from the West, if supportive of it. In this strategy clearly there can be little room for finding common identity with South Korea.

South Korea is the least ideological of the three, major East Asian countries. The pull of pursuing reunification and the preoccupation with blaming Japan as well as faith in the uniqueness of Korean civilization and its destiny are emotional anchors that carry the seeds of ideology.[9] Yet, the struggle for power between conservatives and progressives has left Koreans coping with two rival worldviews on reunification, if not on Japan and Korean civilization, depriving them of sustained construction of an identity

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[7]Abe's poll numbers have fluctuated but they were down in the second half of 2015.

[8]Gilbert Rozman, "Realism vs. Revisionism in Abe's Foreign Policy in 2014," *The Asan Forum*, Vol. 3, No. 1. (2015).

[9]Gi-Wook Shin has led in exploring the impact of Korea's identity on views of the outside world, as in *One Alliance, Two Lenses: U.S.-Korea Relations in a New Era* (Stanford, CA: Stanford University Press, 2010.

responsive to recent anxieties, unlike in China and Japan. Democratization undercut the conservative approach, while failed appeals to North Korea have left the progressives in limbo. Other dimensions of national identity have filled this gap. Koreans have a strong sense of national identity, but not ideological momentum as in Xi's China, for saving communism, and in Abe's Japan, to resuscitate revisionism.

As in Japan, progressive ideologies—albeit not pacifist—have kept many Koreans wary of convergence, making US ideology and society seem quite alien. Conservatives had their own ideology under Park Chung-hee—beyond anti-communism–, as a cult of Korean distinctiveness checked the appeal of convergence. Repeated resistance to US leadership in the "model alliance," such as anti-Americanism in 2002–2003 and the demonstrations against opening the country to US beef in 2008, are difficult to grasp without awareness of such resistance. Unreceptive to embracing the US worldview, many fear a threat to the essence of what makes them Koreans. Similar to China and Japan, an activist foreign policy, putting one's own country in the forefront, is a strong sign that national identity is struggling against diminished autonomy in an era of rising globalization and intensifying polarization in East Asia.

The Temporal Dimension

After the climax of the 70th anniversary statements and parades, the brouhaha over history seems to have faded. For a time it appeared that history overwhelmed every other dimension of identity, and arguments about 1945 shaped thinking about the rest of history. While Abe has put some stress on Japan's unique, peaceful postwar record, his disdain for the thinking behind it leads him to concentrate on vindicating the prewar era, albeit regretting elements of it. After all, "normal Japan" has come to mean shaking off the "masochistic" postwar view of history in favor of pride in what preceded. Xi goes further in obliterating the factual record of the Maoist era in favor of an idealized and distorted view of the glorious victory achieved in 1945 as part of the international struggle against fascism more in tandem with the Soviet Union in the communist cause than with the United States in the cause of freedom. Whereas in the 1950s–1960s Japanese mainly treated pre-1945 and post-1945 as two opposed eras and Chinese communists demanded that premodern and Nationalist China be seen as in sharp contradiction to the world they were constructing, Xi surpasses Abe in reversing the verdict on the past—insisting that Confucian

China's regional order and harmonious ethnic relations serve as a model. Meanwhile, Park has drawn on the "comfort women" issue to keep the focus on Japan's mishandling of the legacy of 1945 to the extent that Koreans see a move to collective self-defense as a revival of militarization. Moreover, her push to replace history textbooks with standardized state-approved versions is reopening wounds about how the past should be viewed: conservatives intent on overturning leftist, supposedly pro-North Korean, thinking, and progressives wary of a return to the whitewashed censorship of her father. Yet, history has lost force in Korean identity, as the bonds with North Korea have faded along with revival of Confucianism and insistence on common descent from Tangun.

Even as 1945 remains the centerpiece in historical consciousness, the emphasis has been shifting from Japanese revisionist thinking to Chinese and Russian legitimizing of Mao and Stalin and their legacies as well as of arrangements in the international order deemed favorable to their countries. Abe's blatant moves have distracted the world's attention from the overlapping Xi-Putin historical narrative of May 9 and September 3, 2015. As Alison Kaufman explains, Xi unites in one overarching narrative a history that is Marxist, Chinese, nationalist, and global.[10] In 1945, communism gave China—along with the Soviet Union–the strength to overturn fascism, resources from China's past were revived in the battle to overcome imperialism, nationalist emotions were stirred that would continue to guide China, and its rise on the global stage had commenced. With scant regard for truth about what transpired in 1945 or the Cold War era to follow, this narrative leads to putting North Korea on the side of a continuing world struggle against South Korea, distorting the reality of the Korean War. It refuses to recognize postwar and today's Japan as having the right of defense in the face of a changing balance of power. Moreover, it extends to 1989 as if there were no far-reaching divide at the end of the Cold War and the Sino-US competition is embedded in history and irreconcilable identities. Chinese demonization of South Korean history is less noticed but is consistent with a dichotomous view of history.[11]

[10]Alison Kaufman, "Xi Jinping as Historian: Marxist, Chinese, Nationalist, and Global," *The Asan Forum*, Vol. 3, No. 5 (2015).

[11]Gilbert Rozman, "History as an Arena of Sino-Korean Conflict and the Role of the United States," *Asian Perspective*, Vol. 36, No. 2 (Spring 2012), pp. 287–308.

John Fitzgerald advances a far-reaching interpretation of China's "anti-fascist war narrative," which was showcased in 2015, as a statement about national identity that treats the war with Japan in 1931–1945 as part of a long-run competition with liberal democracies, once led by the Soviet Union and now by China in what is a renewed struggle with the West. He discloses that the Chinese Communist Party's legitimacy is presented as a function of historical memories. Whereas most attention has centered on memories of the war with Japan and increasing scrutiny is turning to linkages of this period to the entire "century of humiliation," Fitzgerald extends the analysis to the current era of the "China Dream of National Rejuvenation," in which China aims to restore the position it enjoyed at the height of its empire. This narrative revives historical dichotomies between: socialism and capitalism, sovereign peoples and imperialist nations, and Marxism-Leninism-Maoism and liberal democracies. In this context, China has framed anniversaries, especially of 1945, around long-term imperialist designs of the United States and Japan's "fascist revival."[12] This sobering analysis of recent rhetoric, points to growing polarization.

US interest in history is largely defensive—a response to claims that shock many from their complaisance that the past can be set aside in order to concentrate on ways to increase understanding for the future. Yet, as seen when Americans have been asked to apologize, for example, for the two atomic bombings in Japan, the backlash is unmistakable. Struggling to get Tokyo and Seoul to think less about history and slow to awaken to Beijing's historical challenge, the United States has often tried to change the topic. Its stumbling efforts to manage historical issues in ROK-Japan relations showed this, but in 2014–2015 US diplomacy scored a success by working closely with ROK and Japanese officials to manage the spillover of their dispute over history into security and, finally, to reach a deal on "comfort women."

The Sectoral Dimension

This composite dimension, of political, economic, and cultural identity, spikes when a country views itself as a model—political order, economic

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[12]John Fitzgerald, "China''s Anti-Fascist War Narrative: Seventy Years on and the War with Japan Is Not Over," *The Asan Forum*, Vol. 3, No. 6 (2015).

growth, and harmony are proclaimed to be superior. After two decades of near stagnation economically and of rapid turnover of political leaders, Japanese no longer were trumpeting *Nihonjinron*, their cultural leitmotif of the bubble era, but cultural separateness remains strong. Koreans had also lost confidence, after the Asian financial crisis and proliferation of immigrant wives, in bloodlines as the core of identity, but their sense of a distinct identity also remained strong. Only China today has a full panoply of sectoral pride, from communist party contrasts to western societies to assumptions about further economic growth faster than others to civilizational superiority juxtaposed against the widely showcased flaws of Western civilization. East Asian spikes have favored this dimension, especially cultural confidence, but today China stands quite apart.

Culture superiority is where one finds the deepest residue of national identity. In Japan in the 1950s, South Korea in the 1950s–1960s, and China in the 1980s, when many feared a spiritual vacuum as core beliefs were under assault, the first force to revive was reaffirmation of civilizational distinctiveness in opposition to supposed threats. Cultural diffusion from the United States had to be countered, proponents of national identity agreed. China, Japan, and South Korea each have revitalized its own distinct identity; so that US cultural power does not pose that kind of threat today. In China, however, we can anticipate intensification of the battle over cultural and political identity, widening the gap further with the United States. This has been the pattern under Xi Jinping, intensifying in 2015, with no prospect of a reversal soon.

China's claim to economic superiority may, before long, go the way of Japan's claims. Political superiority is not an easy sell, given the focus on serious corruption. Talk of cultural superiority is harder to uproot, especially when inculcation is intensifying along with censorship of evidence to the contrary. Even when other arguments for distinctiveness lose ground, we see in China, as well as Japan and South Korea, that the hold of cultural claims is not broken. As new warnings about spies appear, ties to the outside world, especially the West, are viewed with more suspicion. This clearly sets China apart from US allies, despite the contradictory fact that Chinese students are most numerous in foreign universities and have been very welcome there. Given the hold of cultural identity and its availability to anchor other aspects of identity, the chance of narrowing identity gaps is substantially lowered. Illusions in this age of unprecedented information flows, that some alternative identity,—regional Asian values, universal values–could serve to balance a narrow sense of one's own culture have

been dispelled. Apprehensiveness at a time of globalization and new insecurity is overwhelming trust in new identity markers, leaving an opening for aggravating alarm that one's cultural roots are in danger, which elites are using for narrow ends.

The Vertical Dimension

State-centered expressions of identity are characteristic of East Asia, leaving scant room for civil society, ethnic minorities, and NGOs focused on international society to offer alternatives. In Japan's "vertical society" family and firm were perched in a neat hierarchy under what some dubbed "Japan, Inc." Although patriotism had been downplayed since 1945, a homogeneous "new middle mass" preempted space for other identities. That is slow to diminish. In South Korea, the democratic movement and rise of NGOs posed a more serious challenge, but the strong presidential system has kept the focus on solidarity with Koreanness even as conservatives battle with progressives. This too is enduring. In China the Confucian legacy combined with the communist legacy, now reinforced by Xi Jinping's "China Dream" vision and tighter censorship and control, leaves little room for alternative identities. Ethnic groups, religious groups, and civic groups are being increasingly coerced into conformity on all matters of national identity. China's extreme vertical order allows decentralized economic initiatives, but otherwise is foremost in boosting this identity dimension.

One aspect of the identity transition, reflecting the rise of civil society, is welcoming "citizenship" rather than ethnic bloodlines as the foundation of state-society bonds. The struggle between the two is detailed by Chung-In Moon, who sees the transition unfolding in South Korea after democratization.[13] Japan too has made this shift, but it does not appear to diminish close identity with the state above other identities.

China, Japan, and South Korea all compare self-images of state-society relations with the US image. The state looms high in their mix of identities, contrasting with attacks against the state long perceived in the United States and, even more so today, given the Tea Party's impact. Individualism deemed to flourish to reckless abandon—via rights to own guns, legal

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[13]Chung-In Moon, 'Unraveling National Identity in South Korea: *Minjok and Gukmin*,' in Gilbert Rozman, ed., *East Asian National Identities*, pp. 219–37.

empowerment, rejection of group orientation, and, most of all, severe limits on the central state—stands in contrast to their own identities. If Japanese and South Koreans subscribe to the general concept of human rights and sharply diverge from China in respect for US advocacy of universal values, this does not mean that such relatively homogeneous societies with a strong sense of the state do not have wide identity gaps with their ally. Even as civil society strengthens some over the coming decade, these gaps are unlikely to narrow greatly. Indeed, extreme images from the US politics of late could contribute to further widening. The battle over US identity, exposed in the presidential race of 2015–2016, poses a barrier to US leadership in developing a shared sense of identity in opposition to the identity of China, as it more coercively roots out various potential human rights challengers.

The Horizontal Dimension

This dimension can be divided into identity with international society, identity with regionalism, and identity with the United States. More specificity about the impact of identity gaps in bilateral relations with neighboring states comes in the next section. Japan and South Korea increasingly embrace international society under the lead of the United States and a tighter alliance with the United States, but their identities are also expressed in some form of regionalism empowering them. For Abe and the media that support him, the enduring claim to "Asianism" requires downplaying Japan's secondary role and engaging Southeast Asian states and India largely in alignment with US initiatives. It also has been couched in narrow pursuit of the return of the "Northern Territories" and of news on abductees, conveniently at odds with US foreign policy and redolent of an independent approach to Asianism, purportedly in opposition to China. For a close US ally, Japan's refusal to follow the US lead on South Korea is, perhaps, the clearest sign of its determination to stake out an autonomous image in Asian foreign policy.

South Korea also approaches regionalism by distancing itself from US policy, but it justifies this as a necessary response to the threat from North Korea and the need for support in reunification. As in the case of Japan, conservative leaders downplay the identity aspirations of regional strategies separate from US ones—in contrast to Roh Moo-hyun and Hatoyama Yukio over the last decade. NAPCI (Northeast Asia Peace and Cooperation Initiative) is presented as a low-key regional forum totally consistent with a

strong alliance, but it places Seoul at the center in talks about some (non-traditional only?) security matters involving Washington and Beijing. The Eurasian Initiative and the CJK trilateral forum are also venues centered on Seoul, which highlight its voice on Northeast Asian affairs. Freed from the heavy weight of Cold War one-sided dependency on a single ally, Koreans hold tightly to the comfort of taking the initiative on both peninsular and regional matters.

For China, steeped in Sinocentric "Central Kingdom" and messianic communist logic, this dimension of national identity has enormous importance. The "One Belt, One Road" agenda presumes China as the hub with spokes heading to the west and the southwest. Challenges to the international order have grown increasingly pointed, although not yet positing a rival order centered on China. The identity gap with the United States covers all dimensions, while denigrating its "Cold War mentality" in sustaining alliances in Asia accused of "containing" China. Japan and South Korea are often accused of acceding to Western identity in both of their US and China policies.

The horizontal dimension is likely to see further widening of the Sino-US gap and some narrowing of the Japanese-US gap, particularly if Abe's successors find that no separate agenda in Asia is sustainable and the value of the alliance keeps growing. In a decade South Korea is the most difficult of the three countries to predict in regard to this dimension. Much depends on North Korea. Assuming no collapse and closer ties to China and Russia, but continued Chinese jockeying to make Seoul reliant on its good graces in order to manage Pyongyang, the dilemma will not only be how to avoid crossing China's red lines that would lead it closer to Pyongyang but also how to conceptualize the widening Sino-US rift in South Korean identity. The fallback to a Cold War type of polarization disempowering Seoul would prove very difficult. More likely are a series of tug-of-wars over regional tensions, striving to avoid committing to the US-Japan side while actually clinging to it. These internal struggles could play out when splits arise on crises over North Korea, the South China Sea, or bilateral Sino-US issues.

The Intensity Dimension

National identities grow more intense as confidence rises in a country's economic model and what is alleged to contribute to it. Japan's "bubble economy" proved that convergence in identity with the West was not

accompanying modernization or the sense of a vital alliance only growing stronger, both of which some had theorized, but was the source of a spike in claims about superior national identity. Once the bubble burst and Japanese lost confidence in the superiority of their economy and their "vertical society," instead of convergence finally intensifying, the vacuum was filled by conscious efforts to compensate for weaknesses through mobilizing the public behind symbols of national identity. Similarly, when South Korea's claim to be succeeding Japan as the model Asian growth engine and democracy crashed with the Asian financial crisis, it took little time for a new spike in identity to be aroused by progressive leaders bent on using the North Korean nuclear crisis to put Seoul at the center of regional diplomacy as well as becoming its economic hub. China's spike from economic dynamism is only now beginning to recede, but the effort to boost its claims to superiority in opposition to the West is much further along. It is bound to be accelerated as economic growth slows, given the aspirations already unleashed.

What accounts for the high intensity of national identities in East Asian states? The Confucian heritage, the combination of rapid modernization and emotional distance from the West, and the communist obsession with identity, have all been mentioned as factors. Despite a shared Confucian heritage, China, Japan, and South Korea all see themselves as centers of distinct civilization. Also, even as progressives in Japan and South Korea were strongly influenced by Marxist thinking, the sharp internal divide between conservatives and progressives made the struggle over the identity of their nation more compelling. There is no reason to think that developments now under way are undermining the preoccupation with national identity. Especially, the obsession with symbols of wide gaps with neighbors keeps identities in the spotlight.

The Evolving Impact of National Identity Gaps on Regional Bilateral Relations

I use the concept "national identity gaps" to refer to the degree to which identities, as viewed through the sum of the various dimensions, diverge, and these gaps are widening or narrowing. Reviewing changes in these gaps builds a foundation for estimating how bilateral relations will change in the coming period. While many are keeping their eyes on Abe as the main force shaping national identity responses in East Asia, the starting point in this

analysis is Xi Jinping, whose longer tenure and increasingly unfettered control of China politics and media complement China's growing power to oblige other states to respond to its policies and identity quest. Yet, Abe's impact matters, and I start with the case of Japan-ROK relations of late.

ROK-Japanese relations failed to meet the intelligence-sharing and deterrence aims that US officials deemed important in 2013–2015, although matters improved some in 2015. Given ROK attentiveness to China's security concerns, one could argue that it was not the identity gap with Japan that caused this problem, but few would agree. Indeed, US officials fretted about the identity gap that kept Park from any summit with Abe alone until November 2015 and gave frequent advice on what each leader should say to end the impasse over historical memory. Bolstered by the fact that the "comfort women" issue appeared to be resolved by the end of 2015, there was a sense that a turning point had been reached in separating security from history in the relationship and in diminishing the prominence of history, backed by a sense that US involvement would follow any new setback. Given the deepening divide in identity over a number of years,[14] pursuit of shared interests under US leadership is insufficient to turn the tide without Abe sticking to a course of restraint and Park rallying the majority of Koreans who think that it is time to rebuild ties to Japan. But Park failed to persuade the nation.

The national identity gap between China and Japan has, arguably, been much less serious in interfering with strategic choices, even if it has the potential to cause new problems.[15] Whatever Chinese charge about the revival of Japanese militarization or Abe's revisionism, it is unlikely to have caused China's aggressive behavior. In 2010 and again in 2012 the Senkaku/Diaoyu issue was used in China to stir emotions that demonize Japan, but these disputes preceded Abe's return as prime minister and did not reflect new Japanese military assertiveness, as Chinese sources insisted.[16] Neither has alarmism about China, at times exceeding US alarm, led

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[14] Cheol Hee Park, "National Identities and South Korea-Japan Relations," in Gilbert Rozman, ed., *National Identities and Bilateral Relations, op cit*, pp. 45–63.

[15] Ming Wan, "National Identities and Sino-Japanese Relations," in Gilbert Rozman, ed., *National Identities and Bilateral Relations, op cit*, pp. 65-93.

[16] Chung-In Moon and Seung-won Suh, "Historical Analogy and Demonization of Others: Memory of 1930s' Japanese Militarism and Its Contemporary Implications," *Korean Observer*, Vol. 46, No. 3 (August 2015), pp. 423–59.

to more assertive moves by Japan than would be readily explicable by legitimate perceptions of threat. China has, however, left a mood of demonization with potential to limit public receptivity to pragmatic accommodations ahead. Should Japan follow the US lead in sending ships to test the principle of freedom of navigation, be caught in an inadvertent collision, or be targeted by China's leadership to divert public attention, there is genuine concern that the identity gap that has been aroused would complicate any diplomacy considerably. If Taiwan were to be in the crossroads, the problem would be further exacerbated. Identity poses a serious threat to future bilateral relations.

Sino-South Korean relations face more of a threat from national identity than many have recognized. The shock in 2004 when South Koreans became aware of China's view of Goguryo as part of its own history and national identity has never receded. Although in this chapter there has been no separate coverage of North Korea's sense of national identity, awareness that South Korea continues to compete with it over which side of the peninsula embodies a more faithful version of Korea's legacy must not be overlooked, especially given China's inclination to play a role in settling this.

China's support for the North Korean state and regime has both a realist, balance-of-power element and a national identity, anti "color revolution" and pro-socialist, element. If Pyongyang turns to diplomacy, Beijing's thinking will come more to the surface. Already, when relations with Seoul were cool in 2008–2011, there was a sharp widening in the bilateral identity gap as seen on the Chinese side.[17] This is likely to be a forerunner of a future divide in a polarized regional environment.

The Sino-US identity gap was extreme for two decades to 1971—wider than the US-Soviet gap–, it narrowed despite some setbacks until a sharp widening from June 4, 1989, and then it fluctuated for two decades before sustained widening from 2009. Fear of convergence on the Chinese side, which operated in the Mao era and seemed to diminish in the Deng era to 1989, intensified after both Tiananmen demonstrations that year and the collapse of the Soviet Union and its communist party. Insistence on widening the gap—demonizing the United States, forging a more distinct

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[17]Scott Snyder and See-Won Byun, "National Identities and Sino-South Korean Relations," in Gilbert Rozman, ed., *National Identities and Bilateral Relations, op cit*, pp. 95–126.

identity in China, and intensifying belief in that identity—is the hallmark of the Xi leadership.

Widening the gap between Japan and South Korea serves China's purposes as well. The temporal dimension has been most suitable for that, especially during the time of the Abe-Park confrontations and the 70th anniversary year. This Japan-ROK gap will most likely not be as easy to exploit over the remaining years of Xi's tenure. In the case of the Japan-US gap, Americans are focused on security ties and have little interest in discussing historical memory or other national identity differences with Japan, especially given the preoccupation with China. While some in Abe's camp may be inclined, at some point, to challenge the United States on historical memory, this seems improbable in the regional environment over the next decade. South Koreans may be less averse to pointing to a ROK-US gap if relations with North Korea begin to thaw and Washington is blamed for preferring a divided peninsula, feeding into progressive charges against past US misconduct in dealing with the peninsula. For China, diplomacy over North Korea could offer further opportunity to play on the historical divides between Seoul and Tokyo, as between Seoul and Washington.

The Sino-US national identity gap gives the two global behemoths reason to press both Japan and South Korea to draw closer to their side.[18] On freedom of navigation, Washington wants Seoul to affirm the principle more clearly in regard to China's behavior in the South China Sea. On the expansion of US-Japanese strategic ties to affirm a values-based regional framework, China opposes South Korea adhering to this "NATO of the East." An example of the challenges ahead is how to address North Korea's human rights record at the United Nations, when Washington welcomes the most forthright condemnation and Beijing opposes any criticism, while Pyongyang is holding open the possibility of cooperation with Seoul on matters such as family reunions. Seoul may hesitate to offend Pyongyang at a delicate time or, generally, to go beyond vague support for a values-based alliance when it comes to these targets.

[18]See articles by William Callahan, Ming Wan, See-Won Byun, and Gilbert Rozman in "China's National Identity and the Sino-U.S. National Identity Gap: Views from Four Countries," in Gilbert Rozman, ed., Joint U.S.-Korea Academic Studies—Asia's Uncertain Future: Korea, China's Aggressiveness, and New Leadership (Washington, DC: Korea Economic Institute, 2013), pp. 66–111.

Anticipating Changes in National Identity and Their Impact to 2025

On October 20, 2015 Genron NPO issued an extensive public opinion survey on Asia a decade hence, covering views in Japan, the United States, China, and South Korea, including on Russia, the EU, and India, which are omitted from the discussion here. There was general agreement that China's influence will rise, while US influence will remain unchanged, a recipe for military conflict, the possibility of which Americans view as caused by China's growing military clout and Chinese by the US military presence. A slight improvement in Sino-Japanese mutual images from about 90% negative a year earlier—with about 10% more Chinese distrusting Japan and 10% more Japanese declaring that relations are not good —found Japanese looking for liberal means to increase trust (closer economic ties, cultural exchanges, and cooperation on economic problems) in comparison to Chinese stress on dealing with political and security problems. A striking difference appeared in views of whether China acts responsibly on international issues: only 15% of Japanese say "yes," compared to 34% of Americans and 71% of South Koreans. Another sharp divide is seen in views of whether Japan has shared values and should increase its international influence: Americans agree that it does, but Chinese disagree, and South Koreans are split. Throughout the polling results, there is an impression of US-Japan overlapping thinking about the coming decade, China on the opposite side, and South Korea divided in thinking about China and Japan. In anticipating a ROK-Japan conflict over territory 54% of Koreans as opposed to 23% of Japanese see a possibility. Only 16% of Koreans trust Japanese as opposed to 70% of Americans. In contrast, while 56% of Koreans say that they trust Chinese, 8% of Japanese and 34% of Americans do.[19]

A snapshot of public opinion data in the fall of 2015 gives an impression of current national identity gaps in East Asia. On whether Japan should become a permanent member of the Security Council, 71% of Japanese agreed (22% had no opinion), 73% of Americans agreed (20% were opposed versus only 8% of Japanese), but only 19% of Koreans and 9% of Chinese did. ROK-Japan distrust, rooted in national identity, looms as a

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[19]See "Nichibeichukan 4kakoku kyodo yoron chosa," October 20, 2015, at: www.genron-npo.net/world/archives/6002.html.

complicating factor in managing Sino-Japanese and Sino-US divisions over the coming decade. It adds a layer of complexity to the polarization in identities that is gathering momentum.

Two directly opposed arguments are widely raised in explanations for why there is a spike in national identity. On the one hand, as in the interpretations of Japan in the 1980s and a majority of those of China in the 2010s, observers find hubris at work; as East Asian great powers contrast their record of economic growth with that of the United States as well as other states, they attribute the difference to superiority in the sectoral dimension of not only their economic system, but their political system and their civilization too. Pride in success breeds pride in elements of one's nation's identity. Japanese elaborated on state-society relations, i.e., the vertical dimension, to the point of romanticizing the "vertical society," "homogeneous society," and "new middle mass" society as a population socialized to march in lockstep under enlightened official administration and enterprise management. China's official narrative expressed comparable adulation for communist party guidance of society, bringing about a "harmonious society." Censoring expressions of discontent or the evidence for why it would be justified, China's media went further than Japan's in making the case for intensified national identity as a reflection of boundless success.

Some commentaries on intense South Korean national identity likewise cite success, e.g., in the mid-1990s, notably in contrast to the collapse of the "bubble economy" in Japan and of national identity arrogance based on it and of the command economy in North Korea, or even in the early 2000s after a dramatic recovery from the Asian financial crisis. Not being a great power and depending heavily on the United States and increasingly on China as well, South Korea did not have the conditions Japan had for its spike, when much of the world looked to Japan for inspiration, and, even more, China had, when it started to challenge US leadership more aggressively.

Alternatively, analysts of national identity point to situations when failure serves to turn leaders or their rivals to deflect attention by championing national identity or by widening identity gaps with countries seen as scapegoats or convenient targets. The success of Japanese conservatives, who long were known as pragmatist heirs to the Yoshida Doctrine, in reestablishing their hold on power more on the basis of the force restoring "normal Japan" through a spike in national identity than of the force for reform, is a case in point. As China's economy slows ahead, some have

started to predict a further top-down spike in national identity to boost legitimacy anew.

A third interpretation of why spikes in national identity occur attributes greater continuity to the responses to both success and failure, looks to our era as a time when global forces and social disruptions boost the potential for identity spikes, and gives more credit to strategies to mobilize the public around symbols of identity. The strategies of Abe Shinzo and Xi Jinping, build on past spikes linked to success and, at the same time, are seen as warding off disillusionment with strong identity rhetoric. In Japan, the "China threat" is invoked to draw a sharp identity contrast, while the Chinese demonize Japan and warn of US "containment" in making identity appeals.

The enduring hope of many in the West in the Cold War was that modernization and "peaceful coexistence" would combine to transform Soviet national identity. Summit meetings, emphasis on shared pursuit of stability and solutions to global problems, mutual understanding cultivated through exchanges and information flows, a more educated and urbanized Soviet population, and the overall awareness of the danger of nuclear war were cited as causes for convergence of perspectives and shifts on both sides in identity rather than demonizing the other side as the crux of national identity. Similar hopes have infused Sino-US relations, bolstered by more forces of integration, less obstructed flows of information, and greater urgency of the global challenges both sides face. Looking back to the 1960s–1970s, what lessons should we draw about why hopes for identity convergence were dashed and what leaders can do differently to bring about a different outcome for Sino-US relations in the 2020s?

Changing national identity flies in the face of leaders and elites who fear challenges to their legitimacy. The Brezhnev leadership redoubled efforts to promote socialist identity, as they defined it, while intensifying attacks on the ideas that threatened to cast doubt on that identity. They insisted that the ideological struggle is intensifying in the stage of "developed socialism." Some types of censorship were reinforced. In these respects, Xi Jinping's leadership is following the Soviet path. Accusations over the alleged plots by the West aimed at cultural imperialism are really not new. What is most distinctive is the case for a national identity that can ward off the challenge.

The negative case intensified after detente gave a lift to US-Soviet relations and in the wake of Obama's election, raising hopes similar to those raised by detente 40 years earlier. Arguably, fear of a narrowing

identity gap frightened the leadership in both communist-led countries for similar reasons. A sense of common purpose was deemed threatening, since the essence of communist identity is the sharpest divide possible between capitalism and socialism, imperialism and anti-imperialism.

A decade from now the Sino-US identity divide will have added a clearer ideological component, reflecting more polarized great power competition. Useful to China in blocking convergence and easy to grasp by the American public, accustomed from the Cold War to sharpen an international dichotomy, this sharp identity divide will be hard to avoid. Xi will likely be in power for most of this time, and his proclivity to boost ideology is clear. The Japanese drift toward ideology is more problematic since it clashes with closer US strategic ties and faces a post-Abe backlash. Opposition leadership is critical, but so far it lacks credibility. South Korea's shift away from ideology is most probable, especially if unification is not drawing nearer. Much depends on whether the US response to China is a broad defense of universal values or is mired in Tea Party isolationist rhetoric that demonizes rather than keeps a balance that can bridge diverse thinking in the Indo-Pacific region and leave an ideological bridge to China. Yet, while US inspiration is essential, it is not sufficient in the face of the ideological barriers against increasing convergence to replace anti-communism as a magnet of shared identity on behalf of the principles or norms of an international community.

A decade hence—the 80th anniversary year—Japan is less likely to apologize and South Korea is less likely to be obsessed about it. History will be less distracting in the face of urgent matters and US promotion of a shared ideology, including an historical component. The "comfort women" will be gone, Abe's vindication of the past will have overreached, and China's historical challenge will have refocused attention. The drift toward ideological polarization will be echoed in historical memory to some degree, although the absence of progress in resolving differences in memory will have a nagging negative impact on relations with the United States and, even more, on ROK-Japan relations. Identity will still mar pursuit of interests.

Japanese revisionists may yet provoke a historical shock by pointing to the Tokyo Tribunal or the San Francisco Peace Treaty as "victor's justice." More likely over the next decade is more direct Chinese criticism of the US and Western history of imperialism and hegemonism with specific examples that symbolize the wide gap in US eyes. Chinese targeting of Japan could turn more to the United States, citing historical grievances such as

responsibility for keeping Taiwan separate and Cold War containment of China. Chinese publications often depict world history as a struggle between "harmonious" China and the "rapacious, imperialist" West, which is primed to be invoked more conspicuously as China either grows more confident of its power or suffers setbacks in popular support that needs to be motivated anew.

In 2025 the Chinese "bubble" will likely have been burst, revealing that its claims to a superior economic model are not sustainable. China's insistence on a communist political order and civilizational superiority, in contrast, are likely to be reinforced, partly in compensation. Tightening censorship already exposes the defensiveness on these aspects of identity. More uncertain is what will happen to civilizational pride in Japan and South Korea after China's economic spillover fades and their own demographic time bombs have explosive effects. Globalization appears to result in a backlash of cultural awakening, but if US relations keep improving, the focus on resistance to U.S.-led international identity could be reduced. Still, past predictions of cultural convergence have proven incorrect.

From 2015 until nearly 2025 China's trajectory under Xi Jinping seems to be in no doubt, as the party-state monopolizes identity. South Korea is the most international society with its stress on "Global Korea," its students going abroad, and its shift from Koreanness to civic identity gathering pace in recent decades. Its religious diversity and political contentiousness also open the door to more challenges to a top-down construction of identity. If this transition remains uncertain, it is even more so in Japan, where the internationalization of society has slowed and Abe has countered his embrace of international society in security ties to the United States and TPP with reinforcement of state identity through education and the media. Given these contradictory trends and Japan's democracy, by 2025 civil society may strengthen.

A national identity perspective, recognizing China's role as the driving force in gap widening, leaves little ambiguity about the polarizing Sino-US division intensifying to 2025 and the powerful thrust of the horizontal dimension toward narrowing the US-Japan gap. South Korea faces a challenging environment—striving to continue to narrow the gap with the United States, struggling to keep its gap with Japan under control so it does not grow isolated as the US-Japan divide narrows, and seeking, at all costs, to keep its gap with China from widening. It will face, in realist terms, the problem of different threat perceptions and strategic priorities,

but identity should be included in analysis as well, since it has proven in 2012–2015 to have an effect too.

CONCLUSION

The decade 2005–2015 saw the hardening of China and Japan's interpretations of the anniversary of the end of WWII, reflecting the transformation of national identities, as approved by political elites, public opinion, and leaders more assertive than any who had preceded them in the post-Cold War period. The security situation bodes ill for reversing this shift. The political environment favors the LDP, given the disarray of the progressives in Japan, and the right wing of the LDP has solidified its control. In China Xi Jinping is set to remain president to 2023, and there is no sign of a rival to interfere with his selection of a successor to join the Political Standing Committee in 2017. In Japan there is considerable dissatisfaction with Abe and advocates of a more passive foreign policy, but chances are low for a sharp challenge to identity on any of the dimensions specified here. In China orchestration of a consistent message about identity keeps intensifying with no counter narrative tolerated. Furthermore, polarization of the global discussion of national identities can be expected to occur as Sino-US relations increasingly resemble Soviet-US relations as an ideological split.

South Korea with its own internal identity divide faces a challenging environment, as it seeks to become the pivot of triangles that skirt identity issues: the US-ROK-Japan alliance triangle, separated from the ROK-Japan history divide; the Sino-ROK-Japan economic triangle separated from the Sino-Japan all-around divide; and the Sino-ROK-US North Korean management triangle separated from the Sino-US divide. It may strive mightily to boost these three triangles as oases in the desert of tense identity gaps. Apart from being tugged in different directions by its partners in each triangle, Seoul will have to steer a steady course in the face of challenges from its progressives, who become more outspoken against US and Japanese thinking, and its conservatives, who grow more worried that ties to the United States are fraying.

On all dimensions of national identity the prognosis is not encouraging for narrower identity gaps between China and Japan or the United States. Ideology is reviving as China's choice, raising the prospect that it will become the US choice too. History is an obsession of Xi Jinping, seen through a polarizing prism. Civilizational differences are being essentialized

in Chinese writings. The threat of universal values and color revolutions has been interpreted in China as requiring sweeping measures to raise state identity and obliterate civil society identities. Despite some progress on global problem solving, as in the case of climate change, international relations—the world system, regionalism, the role of the United States, etc. —show that the region's main identity divides keep hardening. This is the situation that threatens to complicate diplomacy, focused on expanding shared interests, a lot over the coming decade.

Economic integration on Chinese terms, such as through "One Road, One Belt," looks more problematic, given China's recent slowdown. The notion that it could "March to the West" while forging a "community of common destiny" with Southeast Asia and beyond has lost credibility, even if it is likely to be repeated as an aspiration. At the same time, renewed interest in community-building with South Korea and also Japan, even if that means putting less stress on bilateral identity gaps when they appear to interfere with economic objectives, cannot be ruled out. To make gains in a three-way FTA and a stronger CJK trilateral agenda may require some trade-off to reduce the impact of identity gaps on investments, trade, and other economic ties. It is not clear how this duality—reminiscent of the "Asian Paradox" or "economics hot, politics cold"—would be sustained or would lead to a genuine sense of one destiny for the region. The conditions for regionalism in the true sense of the term are still not in sight, as identity gaps on all dimensions have yet to show signs of narrowing.

THE TRUMP FACTOR

Donald Trump is likely to have a far-reaching impact on national identities in East Asia and the way they affect bilateral relations. His thinking about national identity in the United States will diminish the moral authority of his country and impugn the ideals of an international community. Allies rallied around the notion that they were part of a US-led endeavor in support of universal values, democracy, human rights, and the "gold stan-dard" of free trade, as exemplified by the Trans-Pacific Partnership. Seeing the United States disregard these ideals and resort to crass national interest as defined by a narcissist with scant interest in precedents and multilater-alism, Japanese and South Koreans as well as others who embraced the beacon of US leadership can now be expected to look more to their own

narrow identity narratives as an alternative. The leavening effect of a shared identity narrative will be seriously compromised.

Although the decline of the US model opens the door to greater Chinese influence, it is doubtful that China's leaders can seize the opportunity. Their narrative of national identity has little appeal to neighboring nations. Increasing polarization in relations with the United States will lead many countries—above all, Japan—to stick closely to the US side. Despite President Trump's unappealing image, the durability of the US image will keep other nations from straying far as they appeal for greater US engagement in East Asia and more consideration of their own priorities. When the Sino-US identity gap was narrower they had more room to maneuver diplomatically. Now that it is widening and Mr. Trump is in charge they will have more space to proceed on their own identity agendas, as in Abe's quest for constitutional reform, but less likelihood of finding a common identity with other US allies and partners, as in Japan-South Korean relations.

CHAPTER 6

Toward an East Asian Economic Community: Opportunities and Challenges

Choong Yong Ahn

INTRODUCTION

The Asian economy is in the middle of a historic transition. The center of gravity of the world economy is shifting to "rising Asia" from the "falling West," heralding the advent of the "Asian Century" or "Renaissance of Asia".[1] In this trend, East Asian economies have played the dominant role. China, Japan, the Association of Southeast Asian Nations (or ASEAN) ten member economies, India, and South Korea (hereafter Korea) are all located in a broader East Asia. In particular, East Asia's high-performing miracle economies[2] after being humiliated helplessly by international hedge funds during the 1997 Asian financial crisis, awakened an "East Asian Identity" by acting collectively to overcome unprecedented regional financial shocks.

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[1]Asian Development Bank, *Asia 2050: Realizing Asian Century* (Manila: Asian Development Bank, 2011).
[2]World Bank, *The East Asian Miracle* (New York: Oxford University Press, 1993).

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Since then, East Asian regionalism has ushered in a variety of regional cooperation entities. After seeing the stalled World Trade Organization (WTO) Doha round and proliferation of bilateral and plurilateral free trade agreements, East Asia's intra and extra regional initiatives for the free movement of goods, services, finance, and investments have started to take concrete, formal forms. This process is leading to an East Asian version of a future economic community where a group of individual economies in sub-regions aim to achieve greater integration. However, because countries still pursue active export-oriented development strategies inherited from the past, East Asia's belated regionalism will emphasize historical linkages with the United States and other leading extra regional economies, creating a distinctively "open regionalism."

Rising Asia has been fueled by China's emergence as the second-largest economy in the world. China's rapid growth asserts the need for a new type of major power relationship with the United States. There has been much discussion on how China will use its influence on regional and global affairs. In the past four decades, by becoming a global superpower,[3] China triggered the Asian Century. But looking forward, the Asian Century is by no means preordained, given the great diversity in the economic development and management system of Asian economies as well as inherent security conflicts, both internally and externally.

With China's growth in strength and influence, the United States has been pressuring government leaders to assume more global responsibilities. Since China's purchasing power parity or PPP-based Gross Domestic Product (GDP) overtook that of the United States in 2015, according to statistics from the International Monetary Fund (IMF), China has stepped up and assumed responsibility for upholding global economic standards and sustainable peace and security. At the same time, however, it is challenging the United States for regional and global leadership.

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[3]A country must meet three criteria to become a global super economic power. First, it must be large enough to significantly affect the world economy. Second, it must be dynamic enough to contribute importantly to global growth. Third, it must be sufficiently open to trade and capital flows to have a major impact on the global economy. For details of China's rise as a G-2 super economic power, see C. Fred Bergsten, et al, *China's Rise: Challenges and Opportunities*, Peterson Institute for International Economic Policy and Center for Strategic and International Studies, 2008, 9–10.

As a result, the competition for hegemonic leadership in the Asia-Pacific region between China's "Chinese Dream" and the United States' "Pivot to Asia" policy (premised in turn on Japan's return to being a "normal" country) has become intense. In some respects, the two great powers appear to be on a collision course, causing a new wave of nationalism and heightened hegemonic rivalry in the region, including maritime territorial disputes in Asia. Economically, US President Barack Obama holds that the United States, not China, should write the rules for the world's fastest-growing region,[4] even as the US-led Trans-Pacific Partnership (TPP) negotiations wrapped up in October of 2015. This American posture implies that the United States, together with its allies, especially Japan, will attempt to check China's looming dominance in the Asian Century. This power confrontation, combined with legacies of colonial occupation and subsequent wars in Asia, have brought about the "Asian Paradox," that is, the discrepancy between growing intra-regional economic interdependence on the one hand, and backward political and security cooperation on the other.

Short of war, however, assuredly the Asian economy, with the broadest manufacturing base in the world, a huge consumer market, and the largest population globally, will serve as a robust engine for global as well as regional economic growth. Both rising China and rapidly growing India, with the first and second-largest population in the world respectively, alongside that of the ASEAN states, are expected to lead regional and global growth.

In contrast to other developing countries, East Asia's newly industrializing economies have performed so well that their achievements have often been referred to as the East Asian Miracle. This miraculous growth began in the early 1960s through the adoption of an outward and export-based development strategy basically using the markets of industrialized countries, headed by the United States. Thus, East Asia's high-growth economies, with their open trade orientation, had not felt an urgency to develop systematic intra-regional economic cooperation until the eruption of the

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[4]Katz argues that President Obama is hinting at the unspoken risk that China will lead a mercantilist race to the bottom based on subsidized national champion industries, basically state-owned enterprises. For details, see Sherman Katz, *Progress in TPP on Abuses of State Capitalism*, European Council for International Political Economy, ECIPE Bulletin No. 8, 2015, 1–2.

Asian financial crisis in 1997–1998.[5] Shaped by this history, East Asia's pursuit of a regional economic community is likely to proceed on the basis of an open regionalism to maintain its traditional trade and investment linkages with extra-regional economies. East Asia's roadmap for a regional economic community, therefore, must address its formal free trade issues with key economies outside East Asia.[6]

During the Asian financial crisis, some East Asian economies, including Korea, undertook IMF-led restructuring programs as a condition of financial aid extended by the IMF. This restructuring process expedited a sense of East Asian economic community beyond natural functional integration on the basis of geographic proximity and different factor endowments. The integration process of the European Union and formation of the North American Free Trade Agreement between Canada, the United States, and Mexico also helped East Asia to launch the Chiang Mai Initiative (CMI) in 2000, a regional self-help financial architecture.

The CMI movement ushered in a more systematic concept of intra-regional economic cooperation in East Asia while recognizing the latter's inherent economic linkages with extra-regional economies in the Pacific Rim. For this purpose, East Asian economies have created a complex web of free trade agreements (FTAs) among intra-regional and extra-regional economies to ensure sustainable and robust development not only for individual economies, but also for regional common prosperity. Recently, the most notable in this regard have been the mega free trade deals, such as the Regional Comprehensive Economic Agreement (RCEP) and the TPP, in which major East Asian economies have been involved. Both of these mega free trade deals are likely to shape East Asia's regionalism in the years to come. In addition to trade integration efforts, China launched the Asian Infrastructure Investment Bank (AIIB) in 2015,

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[5]The Association of Southeast Asian Nations (ASEAN) was exceptional in that it was launched in 1967 primarily for security reasons during the Vietnam and Cold Wars but gradually developed into an economic cooperation body.

[6]Through the pursuit of "trade for development," East Asia would still benefit more than any other region from global liberalization because of the wide scope of intraregional trade among what are very diverse economies. The potential gains to the region from global liberalization are estimated to be hundreds of billions of dollars by 2015. See Kathie Krumm and Homi Kharas, *eds, East Asia Integrates: A Trade policy Agenda for Shared Growth* (Washington DC: World Bank andOxford University Press, 2004).

a multilateral development initiative with the ability to significantly impact the evolution of East Asian regionalism.

Given East Asia's ongoing economic regionalism in an unfolding "Asian Century," how can East Asian economies address opportunities and challenges to realize an East Asian economic community? How will competition among the great powers, especially between the United States and China, affect the integration process of the East Asian economic community? What should smaller economies do to prepare for this likely future economic community? This essay attempts to shed light on these questions. Section II describes the concept of economic community, the economic profile of East Asia vis-a-vis other major economic blocs, a functional and natural integration process, and formal integration efforts made, especially after the Asian financial crisis. Section III presents basic characteristics of the two great free trade deals, namely the TPP and RCEP. Section IV discusses the impact of the China-led Asian Infrastructure Investment Bank (AIIB) on East Asian integration in relation to the Asian Development Bank (ADB) and the World Bank. Section V presents alternative scenarios or paths toward an East Asian economic community. Section VI concludes with a summary of policy implications.

Concept of Economic Community and East Asia's Functional Integration

To discuss integration processes in East Asia, it is first necessary to define the concept of economic community in terms of regional integration. It is also necessary to describe a dynamic change already underway in the regional economic profile of East Asia, in particular, increasingly closer economic interactions between intra-regional economies in the absence of formal integration architecture in East Asia.

Definition of Economic Community

This essay broadly defines economic community as a regional and sub-regional group of economies that aim to achieve economic integration. Regional integration has been defined as the process through which national states within a region increase their level of interactions under common institutions and rules related to economic, security, political, and social and

cultural issues.[7] Regional integration is organized through supra-national institutional structures or intergovernmental decision-making, or a combination of both. In this context, economic integration involves unifying economic policies through the partial or full abolition of tariff and non-tariff barriers to trade, investments, and factor movement across borders. It ranges typically from preferential trade arrangements, to custom unions, to fuller economic integration with some diverse forms, including capital and labor movement, and finally to a supra-national entity as seen in the European Union.[8] Due to the information and communication technology revolution, however, an emerging tendency of creating complex webs of FTAs with extra-regional economies and regional value chains has blurred the classical sequencing of regional integration process. The scope and degree of policy harmonization determines various stages of integration. In the course of upgrading and deepening of economic integration, economic communities naturally evolve over time into political unions.

Here, East Asia is defined to include China, Japan, Korea, and ASEAN's ten member economies. When East Asia's formal integration architecture is viewed as an open regional framework, it also includes extra-regional countries like India, Australia, and New Zealand. These sixteen economies (ASEAN, China, Japan, Korea, India, Australia, and New Zealand) are negotiating the RCEP, a free trade mega-deal to discuss ongoing intra-regional integration issues. In October 2015, meanwhile, the twelve Pacific Rim economies concluded the TPP[9] agreement, hitherto the largest FTA in the world.

[7]For details, see H. van Ginkel, H. and L. Van Langenhove, "Introduction and Context" in Hans van Ginkel, Julius Court and Luk Van Langenhove (Eds.), *Integrating Africa: Perspectives on Regional Integration and Development* (Tokyo: UNU Press, 2003), 1–9.

[8]Bela Balassa provided the sequencing of economic integration from preferential trading area or free trade area, to custom unions, common market, economic union (economic and monetary union), and finally to complete economic integration. See Bela Balassa, "Trade Creation and Trade Diversion in the European Common Market," *The Economic Journal*, vol. 77, (1977), 1–21.

[9]The TPP member countries include the United States, Japan, Canada, Mexico, Australia, New Zealand, Peru, Chile, Vietnam, Malaysia, Brunei, and Singapore. Historically, the TPP is an expansion of the Trans-Pacific Strategic Economic Partnership (TPSEP) Agreement, which was signed by Brunei, Chile, New Zealand, and Singapore in 2005 on the sidelines of APEC meetings but gained great momentum after being joined by the United States in 2008 and Japan in 2013.

In the past half century, East Asian economies outperformed the rest of the world's emerging economies.[10] The first-tier East Asian miracle economies, namely Korea, Taiwan, Hong Kong, and Singapore, had adopted export-oriented, outward-looking development strategies beginning in the early 1960s in contrast to other developing countries. The second-tier high-performing economies, including Malaysia, Thailand, and Indonesia, have also followed a similar export-based path for economic development. These second-tier economies are resource rich, whereas the first tier is resource poor. As a result, they have interacted with each other in ways that deepened trade linkages on the basis of comparative advantage, starting from the horizontal division of labor and moving onto the vertical division, even in the absence of formal integration schemes. Recently, intra-regional trade linkages in East Asia have evolved naturally into formidable global value chains. In addition, functional integration on soft regionalism has been accelerated through various formal free trade deals in the region.

East Asia's Rise as the Driver of World Economic Growth

East Asia in a narrower sense is defined here as China, Japan, and Korea (a grouping referred to hereafter CJK), plus ASEAN. As shown in Table 6.1, East Asia's economic size rose 1.0%, from 23.2% of the world GDP in 1994 to 24.2% in 2014, whereas the NAFTA share declined from 30.4% to 26.3% over the same period. The European Union or EU15 economies' GDP share also dropped from 28.8 to 21.9%. On the trade side, however, East Asia's share of global trade (exports and imports) increased dramatically, from 37.7% to 59.5%, while NAFTA's trade share declined from 38.0 to 30.4% over the same period. This suggests that in the past decade, East Asia has been the main force in global trade expansion, outstripping that of NAFTA and the EU15. In this regard, China in the past four decades has

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[10]For the high performance of and factors responsible for the miracle East Asian economies in the early 1960s through the early 1990, see World Bank, *The East Asian Miracle: Economic Growth and Public Policy, op cit.*

Table 6.1 Economic profile of Major Economic Groups in Global Shares (Unit: %)

Year	Group	Population	GDP	Exports	Imports	Outbound FDI	Inbound FDI
1994	CJK	24.2	21.2	14.2	11.1	14.0	8.0
	ASEAN	8.4	2.0	6.1	6.3	8.0	3.9
	EU15	6.6	28.8	39.3	37.2	30.2	42.3
	NAFTA	6.8	30.4	17.1	20.9	25.2	29.3
2014	CJK	21.2	21.0	18.9	17.3	11.4	19.2
	ASEAN	8.6	3.2	6.8	6.5	10.8	5.9
	EU15	5.6	21.9	28.2	27.3	17.2	19.6
	NAFTA	6.6	26.3	13.1	17.3	13.8	29.1

Source World Bank, World Development Indicators; WTO International Trade Statistics: UNCTAD FDI Statistics, various years

played a critical role in the economic rise of East Asia by exhibiting a 10.0% average annual GDP growth rate since adopting an open door policy in 1978, until 2012.[11]

On the foreign direct investment (FDI) side, inbound FDI to CJK increased significantly during the two decades between 1994 and 2014 mainly by China's upsurge, jumping from 8.0 to 19.2%. The UNCTAD report indicated that China has surpassed the United States to become the largest FDI recipient in the world. FDI inflows to China reached $129 billion in 2014 while its FDI outflows recoded $116 billion. Inbound FDI flows have been increasingly concentrated on the service sector, such as retail, transport and finance, climbing to 55.0%, while that of manufacturing dropped to 33.0% due to rising labor costs.[12]

Intra-regional trade among East Asian economies–CJK, ASEAN, and RCEP–deepened significantly during the period between 1992 and 2014 while the intra-regional trade index of the EU15 declined. The intra-regional trade index of NAFTA has remained almost constant over the same period (Table 6.2).

Noteworthy in Table 6.3 is how Japan and Korea's dependence on intra-CJK trilateral trade increased substantially over the 1992–2014 period while China's index declined significantly through diversifying international trade with the rest of the world. Together, Tables 6.2 and 6.3

[11]*China Statistical Year Book*, 2012.

[12]For the description of FDI flows and their characteristics in East Asia, see the UNCTAD *World Investment Report* 2015, Geneva: UNCTAD, 2015, 40–45.

Table 6.2 Intra-regional Trade Dependence (Unit: %)

Year	CJK	ASEAN	NAFTA	EU15	RCEP
1992	14.0	18.5	39.7	65.2	35.1
1995	18.6	21.0	42.0	61.7	40.3
2000	20.3	22.7	46.8	60.0	40.6
2005	23.7	24.9	43.0	58.3	43.0
2010	22.1	24.6	40.0	56.1	44.1
2014	19.1	24.0	41.9	54.5	42.6

Source IMF (2015), Direction of Trade Statistics

Table 6.3 CJK Intra-Regional Trade Dependence of China, Japan, Korea (Unit %)

Year	Korea		China		Japan	
	Export	Import	Export	Import	Export	Import
1992	18.4	27.9	16.5	19.9	8.7	12.3
2000	22.5	27.8	21.2	28.7	12.8	19.9
2005	30.1	33.3	15.6	26.9	21.3	25.8
2010	34.3	34.7	12.0	22.5	27.5	26.2
2014	31.0	27.4	10.7	18.0	25.8	26.4

Source World Bank, World Development Indicators; UNCTAD FDI Statistics, WTO International Trade Statistics

show that China's rise as a global trade power has increased not only intra-regional trade linkages in East Asia, but also global trade as a whole.

East Asian economies historically followed the East Asian flying geese model led by Japan until the early 1990s. But China's sustained growth, based on export-oriented manufacturing and infrastructure investment, upgraded East Asia's economic profile globally. With China's recent and rapid rise in wages, labor-intensive manufacturing activities by multinational firms began to shift to India, Vietnam, and Myanmar.

China's rise as the world's highest economically performing country over the past two decades has also brought an urgency of territorial rescaling and trans-border linkages to the cities and regions of Northeast Asia. The emergence of mega-regions along China's coastal area triggered major territorial and structural adjustments in all the countries and sub-national regions or inter-local cities, as evident in the Pan Yellow Sea

circle, Mekong delta, and Pan East Sea circle.[13] As participants in this bottom-up integration process, most economies in East Asia have been involved in developing supra-regions within national boundaries as well as cross-border regions. This approach reflects the changing paradigm of regional policies within nation-states in response to increasing economic globalism and regionalism.

Given the other top-down ongoing bilateral, sub-regional, and regional trade integration efforts, East Asian economies have woven complex free trade agreements. By 2013, RCEP member states had enacted no less than 156 FTAs with global trading partners to ride on the winds of prevailing regionalism.[14]

As an urgent reaction to the Asian financial crisis in 1997–1998, East Asia institutionalized a self-help mechanism for financial aid through the CMI. This began as a series of bilateral currency swap arrangements after ASEAN plus CJK met in 2000 in Chiangmai, Thailand, at an annual meeting of the ADB to manage a regional liquidity shortage and to facilitate collaborations with other international financial arrangements and organizations like the IMF.

The CMI draws from a foreign exchange reserves pool worth US$120 billion at the beginning of 2010. But that pool was expanded to $240 billion in 2012. Thus, East Asia created a financial integration mechanism ahead of formal trade integration. After being shocked by the sudden outflow of international hedge funds during the Asian financial crisis, East Asian economies agreed to set up a formal regional financial institution. The CMI did not live up to expectations during the 2008 global financial crisis.[15] As a result, policymakers realized the CMI needed a reserve pooling arrangement to multi-lateralize the initiative, as shown in Table 6.4. Hence, the CMIM (CMI multi-lateralization) was founded to increase its bailout capacity when critically needed.

[13]For details, Choong Yong Ahn, "Can Asia save the Sinking world Economy?" *Global Asia*, vol. 52, No. 4, Winter (2011) 34–45.

[14]See Asia Development Bank, Asia Regional Integration Center, *ADB Integration Indicators*, (Manila: Asian Development Bank, 2013).

[15]For example, instead of seeking CMI liquidity provision, Korea and Singapore used the U.S. Federal Reserve as their way of securing liquidity.

Table 6.4 Contribution and maximum benefit amount for CMI multi-lateralization

Nation		Contribution		Maximum benefits	
		Amount (US$ billion)	Share (%)	Ratio (times)	Amount (US$ billion)
Korea		19.2	16.0	1	19.2
China (including Hong Kong)		38.4	32.0	0.5	19.2
Japan		38.4	32.0	0.5	19.2
Total		96.0	80.0	–	57.6
Big	Indonesia	4.77	3.97	2.5	11.92
	Malaysia	4.77	3.97	2.5	11.92
	Thailand	4.77	3.97	2.5	11.92
	Singapore	4.77	3.97	2.5	11.92
	Philippines	3.68	3.07	2.5	9.2
	Total	22.76	18.9	–	56.9
Small	Brunei	0.03	0.02	5	0.15
	Cambodia	0.12	0.10	5	0.6
	Laos	0.03	0.02	5	0.15
	Myanmar	0.06	0.05	5	0.3
	Vietnam	1.00	0.83	5	5.0
	Total	1.24	1.0	–	6.2
ASEAN Total		24.0	20.0	–	63.1
Grand Total		120.0	100	–	120.7

Source http://en.wikipedia.org/wiki/Chiang_Mai_Initiative

EMERGING GLOBAL VALUE CHAINS

Over the past 30 years, growing technological progress and the related complexity of production processes, trade liberalization, and lower transportation and communication costs have reshaped the landscape of global trade. In particular, production has become increasingly fragmented as a result of growing regional and global value chains (GVCs), with components and parts crossing numerous international borders as market forces dictate.[16] This trend has resulted in faster growth in intermediate inputs than in the trade of final goods. This new pattern of production has also been prevalent in Asia. The IMF provided empirical evidence that, from

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[16]For details about the Global Value Chain phenomenon, see IMF, *Regional Economic Outlook: Asia and Pacific, Stabilizing and Outperforming Other Regions*, World Economic and Financial Survey, April 2015, 73–92.

1995 to 2013, Asia's trade in intermediate goods grew by a factor of six, while trade in final goods grew almost four-fold. This trend in Asia compares with fourfold and threefold increases of trade in intermediate and final goods, respectively, in the rest of the world.[17]

IMF evidence also suggests that integration into GVCs brings benefits to participating economies beyond those traditionally associated with international trade in final goods. This outcome was made feasible by exploiting finer competitive advantages and economies of scale and scope. The rise of GVCs has two important macroeconomic implications. One relates to the increase in interconnectedness among countries. The other relates to the impact of the exchange rate, which could be dampened or amplified depending on an economy's position in the GVC because the import of intermediate goods in a GVC are also inputs into exports. A standard GVC encompasses a number of production stages, from upstream product conception to midstream assembly and finally down-stream branding and marketing.

Given the growing interconnectedness of countries through GVCs and joint ventures, free trade deals have reinforced trade and intra-regional cross-border FDI flows in East Asia to take advantage of geographical proximity, differential factor endowments, and the attractiveness of huge consumer markets. Yamano *et al.*[18] show the Asian trade network is increasingly fragmented and results in higher dependence on supplies of goods and services between ASEAN and East Asian countries on the basis of the OECD input-output Bilateral Trade Databases.[19] As a result, the production fragmentation of major companies on the one hand, and cross-border investments in the form of joint ventures among multinational firms and local ones on the other, have been more visible. This pattern is likely to be a characteristic of a viable East Asian economic community.

[17]See IMF, *Regional Economic Outlook: Asia and Pacific, Stabilizing and Outperforming Other Regions*, World Economic and Financial Survey, April 2015, 73.

[18]Norihiko Yamano *et al*, "Fragmentation and Changes in the Asian Trade Network," Economic Research Institute for ASEAN and East Asia (ERIA), Policy Brief, No 2011–01, January, 2011.

[19]For details, see Norihiko Yamano *et al*, "Fragmentation and Changes," 2011, *op cit*, 1–7.

Joint ventures among multinational companies originating in different countries have also become more common and aim to realize win-win solutions in global competitions. Despite ongoing diplomatic uneasiness about historical issues between Korea and Japan, the companies of the two countries have continued to conduct joint investments to maximize their complementarity. Participation in GVCs and joint ventures have been an important driving force to increase FDI across nations, especially in East Asia.

The case of Japan's Fuji Xerox participating in GVCs in Japan, Korea, and China is illustrated in Fig. 6.1. The mother company in Japan specializes in product design and research and development (R&D) whereas subsidiary companies in Korea and China produce input devices and output devices, respectively, while carrying out related R&D. Final assembly occurs at three locations and final goods are stored in the Singapore distribution center to meet demand in ASEAN and other regional economies. In the process of deepening GVCs, both input and output devices in finer technological segmentation increasingly cross the borders of the three countries.
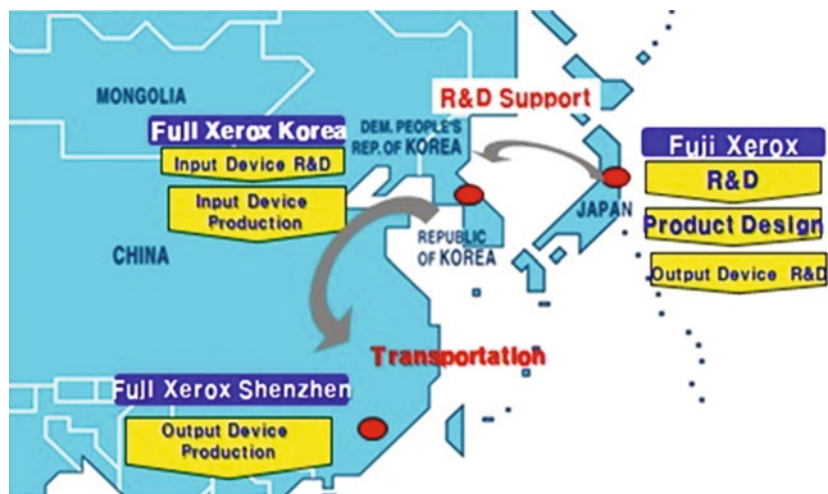
Fig. 6.1   Global Value Chains in Northeast Asia: The Case of Fuji Xerox. *Source* PPT material on "Aftercare Services and FDI Inducement in 2012" Office of the Foreign Investment Ombudsman, KOTRA, Korea

Table 6.5 Joint Ventures between Korean and Japanese Parts and Materials Companies

Company	Project	Amount (US$ million)	Period
Samsung Electronics Sumitomo Chemical	Joint Plant for High-Tech Touch Panel & LED Parts	120	July 2011
Hyundai Motors DENSO	R&D Center for Automotive Parts (HV module)	54	Feb 2011
SK Global Chemical JX Nippon Oil & Energy Corp	Joint Plant for Paraxylene & Lubricating Oil	550	2011–2012
Samsung Electronics Hodogaya Chemical	R&D Center for OLED Materials	340	May 2011
Hyundai Oil Bank COSMO OIL	Joint Plant for BTX (Aromotics)	250	2010–2012
GS Caltex JX Nippon Oil & Energy Corp	Joint Plant for LIB Anodes & Carbon Materials	9	2011
POSCO Mitsubishi Chemical	Joint Plant for Artificial Graphite (Pitch Cokes)	170	Early 2012
GS Caltex Tokai Carbon	Joint Plant for High Purity Isotropic Graphite	25	Early 2012

Source FDI report, Invest Korea, Korea Trade-Investment Promotion Agency, 2011

It is noteworthy that, amid recent diplomatic and security conflicts between Korea and Japan, some of their leading conglomerates agreed to develop joint ventures in the electronics, chemicals, and energy-related industries, as shown in Table 6.5. The motivation for corporate connectivity through joint ventures with sizable investment is to combine mutual strengths to increase overall market shares, which generates a win-win outcome for both countries.

EAST ASIA'S EXTRA-REGIONAL DEPENDENCE

Until the mid-1990s, East Asia's economic rise was aided by the United States' "unlimited" absorption of East Asia-made products through its free trade regime and vast consumer market. The United States' trade with

Table 6.6   US Trade with China, Japan, Korea, and ASEAN (Unit: US $ billion)

Year	China		Japan		Korea		ASEAN	
	Export	Import	Export	Import	Export	Import	Export	Import
1990	4.8	15.2	48.6	89.7	14.4	18.5	28.0	23.6
1995	11.7	45.6	64.3	123.6	25.4	24.2	59.8	50.3
2000	16.3	100.0	65.3	146.6	27.9	40.3	81.0	51.6
2005	41.8	243.5	55.4	138.1	27.7	43.8	94.0	61.0
2010	91.9	365.0	60.5	120.6	38.8	48.9	100.3	84.0
2011	104.0	399.4	65.7	128.9	43.4	56.7	105.6	94.1
2012	110.5	425.6	70.0	146.4	42.3	58.9	92.2	109.3
2013	122.0	440.4	65.1	138.5	41.6	62.2	92.8	115.1
2014	124.0	466.7	67.0	133.9	44.5	69.6	89.2	128.4

Source IMF, Direction of Trade Statistics and International Trade Statistics of Korea International Trade Association, Various Years

Japan, Korea, and ASEAN until the mid-1990s was substantial, but recorded a sizable deficit against its major Asian trading partners. Thus, it became critical for East Asian economies to adjust to long-standing global trade disparities by striking an optimal balance.[20]

Given the ongoing new normal phenomenon where East Asian economies have become more robust and powerful, the United States has shifted its foreign trade and security focus to Asia through its "Pivot" or rebalancing towards Asia, especially vis-a-vis rising China in the G2 framework.

Today, China is the largest trading partner of the United States. It has the largest US dollar denominated foreign exchange reserves, amounting to US$3.5 trillion in December 2015. China has registered phenomenal economic growth in the past 40 years, averaging nearly 10.0% a year. At the nuclear-security summit in early 2010, President Obama hoped to ensure another 50 years of growth between the two countries.

[20]For details on the trade imbalance issues between the United States and major Asian economies, see Choong Yong Ahn, "Can Asia save the Sinking world Economy?" *op cit*, 2011, 34–45.

EAST ASIA'S FREE TRADE MEGA DEALS

Since the WTO began to implement the Doha Development Agenda in 2001, regionalism has emerged–whether in the form of bilateral FTAs or plurilateral FTAs with a small and large number of economies. Regionalism generates like-mindedness to pursue international free trade and cross-border investment, not only in East Asia, but also with the rest of the world. According to the regional trade agreement (RTA) database of the WTO, the number of RTAs notified to the WTO has increased rapidly since the early 1990s, reaching 612 cases as of April 2015. Until the early 2000s, East Asia was referred to as an "FTA Vacuum," but since the second half of the 2000s, bilateral and sub-regional FTAs numbered forty two by the end of 2014.[21] As noted earlier, by expanding small free trade deals into bigger ones, two mega free trade deals in the Asia-Pacific region have emerged: TPP and RCEP.

Conclusion of TPP Negotiations

On October 5, 2015, after 7 years of negotiations, 12 Pacific Rim countries concluded the TPP, a trade agreement concerning a variety of liberalization policies and measures. TPP's stated goal had been to "promote economic growth; support the creation and retention of jobs; enhance innovation, productivity and competitiveness; raise living standards; reduce poverty in member countries; and promote transparency, good governance, and enhanced labor and environmental protection." In 2013, the twelve TPP member states accounted for 36.8% of world output, 25.3% of world trade, and 11.4% of the global population. It is by far the largest trading bloc in the world.

After seeing how the progress of the EU integration process led to the current supra-national architecture and launch of NAFTA in 1994, then Prime Minister of Malaysia Mohamed Mahathir called for economic unity among East Asian economies by proposing the idea of the East Asian Economic Caucus, excluding the United States from economic cooperation with ASEAN, China, Japan, and Korea. An attempt to isolate the United States amid East Asian regionalism and functionally deepening

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[21]For details, see Misa Okabe, "Impact of Free Trade Agreements on Trade in East Asia," Economic Research Institute for ASEAN and East Asia, Working Paper, January 2015, 28–29.

integration through rising China was a wake-up call, causing the United States to pivot towards Asia and rebalance its Asian posture. As a result, the United States aggressively concluded the TPP to bind closer to some of its strongest allies in Asia, such as Japan and some ASEAN members.

Among other things, the TPP agreement contains measures to significantly lower tariffs and non-tariff barriers in an effort to sustain an open and competitive global economy.[22] The agreement also contains provisions to further improve trade and investment liberalization. The United States government has considered the TPP the companion agreement to the proposed Transatlantic Trade and Investment Partnership (TTIP), a broadly similar agreement between the United States and the European Union.

The National Foreign Trade Council (NFTC) of the United States assesses that the TPP can be a major step forward in establishing rules-based international trade, opening foreign markets, and enhancing economic growth for the United States and its Pacific Rim trading partners. It will also provide major new market opportunities for goods, services, and investment, reducing barriers to trade and investment and enhancing disciplines over state-owned enterprises that compete with private companies. The TPP chapter on state-owned enterprises (SOEs) is a vivid illustration of the open and competitive nature of the new trade rules. The SOE rules, all enforceable through dispute settlement, require new obligations essential to avoiding the abuse of state capitalism through the provision of subsidies and government control and non-commercial assistance to SOEs.[23] At this point, the new SOE rules are hardly acceptable to China, where SOEs still occupy 40 percent of its investments and two-thirds of its exports.

As investment has become a steadily more important part of international trade, investor protections have proliferated. A key provision in the TPP and other major US agreements includes "Investor State Dispute

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[22]Reflecting the United States Tobacco Association's concern, the TPP agreement can opt out of tobacco-related measures.

[23]China's competition law gives immunity to SOEs who break the law if the SOEs are vital to the Chinese economy, China's SOEs are shielded by unpublished government budgets, internal instructions, oral directives, and a law that treats can treat commercial information as state secrets. For details, see Sherman E. Katz, *Progress in TPP on Abuses* 2015, *op cit*, 1–2.

Settlement" (ISDS). It is meant to provide investors with some recourse if a host government wrongs them. It is particularly valued by businesses in countries where the judicial system is weak or corrupt. The early resolution of areas for improvement identified by the US business community is likely to speed up approval by Congress in 2016.

At present, the TPP without China has benchmarked in many aspects the degree and scope of liberalization contained in the already effective Korea-US FTA. But it also upgraded or added some trade rules such as TRIP protection, labor standards, environmental protection, and management of state-owned companies. As a result, the TPP can serve as a strong foundation for other high-quality trade agreements going forward in the twenty-first century.

Acceleration of RCEP Negotiations

As the TPP progressed, another regional mega deal in the Asia-Pacific region, RCEP, gained new momentum with China's enthusiastic support. RCEP is a proposed free trade agreement between the ten member states of ASEAN and the six states with which ASEAN has effective FTAs (Australia, China, India, Japan, Korea, and New Zealand). RCEP negotiations officially began in November 2012 at the ASEAN Summit in Cambodia. According to 2013 statistics from the IMF and UNCTAD, RCEP accounted for 48.7% of the world population, 29.0% of the global GDP, and 29% of world trade. That is far bigger than the population of TPP member states and slightly bigger than the TPP's trade volume, although its GDP share is lower than that of the TPP, at 37.0%.

Compared with the TPP, RCEP has a much looser and lower level of trade and investment liberalization schemes. The agreement will cover trade in goods and services, investment, economic and technical cooperation, intellectual property, competition, dispute settlement and other issues. As expected, ASEAN will be in the "driver's seat" of this multilateral trade arrangement (though the idea was initially suggested by Japan), and has been repeatedly endorsed by India. The joint statement issued at the end of the first round of negotiations also reiterated "ASEAN Centrality"[24]

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[24]As ASEAN continues to outreach multilateral trade and investment liberalization deals with non-ASEAN states, ASEAN's position should remain the basic guideline and principle.

in the emerging regional economic architecture. After seeing the progress of the TPP, and in response to the United States' aggressive leadership in pushing through the TPP as a check to China's rise, China became very enthusiastic about the RCEP deal. At the launch of negotiations on November 20, 2012, the leaders of each relevant country endorsed the "Guiding Principles and Objectives for Negotiating the RCEP." At present, RCEP without the United States has also been under negotiation largely by earlier ASEAN member states, but later reinforced China's leadership. Given the absence of the United States in RCEP and of China in the TPP, the two mega deals in East Asia appear to counterweigh each other's influence in regional integration.

On the intra-regional trade side, East Asia as a global manufacturing powerhouse has not fully used its potential for inborn regional supply chains compared to other regional integration efforts observed in the EU. Thus, along with the TPP, RCEP has been a possible pathway to a free trade area of the Asia-Pacific, and a contribution to building momentum for global trade reform. Both RCEP and the TPP have involved negotiations with multiple parties and sectors.

Given the ongoing slow growth and underemployment as a "new normal" and rising economic interdependence between the United States and China, if both the TPP and RCEP eventually converge, they may become building blocks toward an early realization of an overarching Free Trade Area of the Asia-Pacific (FTAAP) through trade and investment.

Intersection Economies of TPP and RCEP

There are several economies that belong to both TPP and RCEP. The intersection economies include Japan, Australia, New Zealand, Singapore, Brunei, Vietnam, and Malaysia as shown in Fig. 6.2. Korea, together with Indonesia, Thailand, Philippines, Taiwan, and Colombia, having expressed their intention to join the TPP after the effectuation of the treaty by the founding twelve members, may play a role of synthesizing key elements of the TPP and RCEP to prevent a direct confrontation between two competing great powers. In particular, ASEAN and Korea can play the role of trustworthy brokers between China and the United States by linking the TPP and RCEP.

In December 2015, Korea–having a high-standard FTA with the United States–became the first Organization for Economic Co-operation and Development (OECD) economy with which China has an effective FTA.
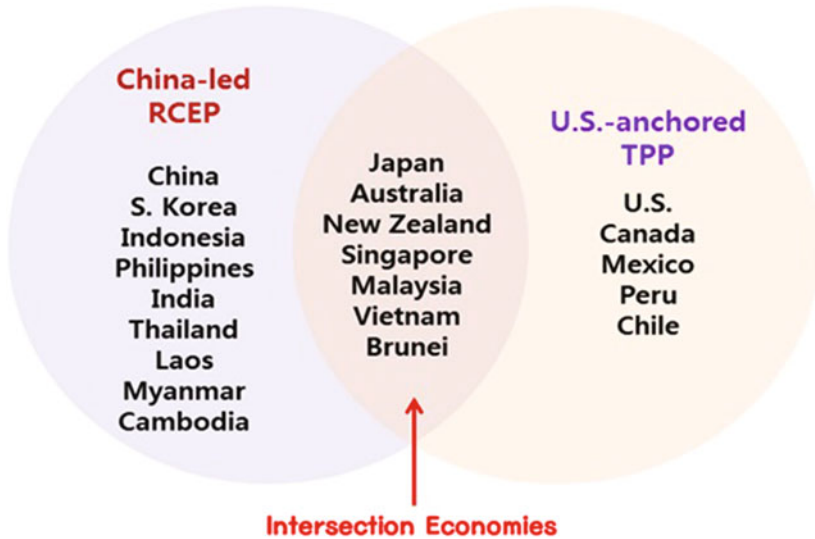
Fig. 6.2   Convergence of US-anchored TPP and China-led RCEP

While implementing the Korea-China FTA, Korea should be able to push for upgrading, for example, China's trade-related intellectual property regime, transparency and the disclosure standard of state-owned enterprises, and ISD-related measures. They have been on the priority agenda whenever the United States has had a bilateral trade dialogue with China.

East Asia's New Financial Architecture AIIB

In April of 2014, China proposed establishing the AIIB, an international financial institution focused on solely supporting infrastructure construction in the Asia-Pacific. To China, the World Bank and the Asia Development Bank (ADB) failed to deliver on large projects meant to transform less developed parts of Asia, resulting in an estimated $8 trillion for needed projects in rails, ports and power plants.[25] China proposed

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[25]Both the World Bank and ADB aim to fight poverty and improve living standards through funding in areas like education, infrastructure, agriculture and health. Both have faced criticism for moving too slowly and for bureaucracy. For details, see *International New York Times*, "How China bypassed U.S. fears to form a World Bank rival," December 7, 2015, 15.

doubling the registered capital for the AIIB from the initially proposed $50 billion to $100 billion to induce more prospective founding members. As a result, the China-led proposed initiative won the endorsement of thirty-seven regional and twenty non-regional Prospective Founding Members, of which many are American allies despite the United States' opposition to joining the AIIB.

The AIIB could allow Chinese capital to finance various infrastructure projects along "one belt, one road," ambitiously extending the policy of the New Silk road into the near and Middle East as well as into Africa. The China- proposed AIIB attempts to link the countries that were on the ancient Silk Road routes–the land and ocean-based ones–through transportation and infrastructure networks. Many speculate that China, through the AIIB initiative, also intends to counter-balance the US-led IMF, World Bank, and Japan-led ADB in global financial affairs. The AIIB scheme will allow China to promote the use of the renminbi in international investment and finance, turbocharging renminbi usage by emphasizing the role of the Chinese currency as a vehicle to raise capital in overseas financial centers.[26]

In response to China's invitation to join the AIIB, most regional key economies like India, Indonesia, the rest of the ASEAN member states, Korea, and Australia became regional members. Major non-regional members include the United Kingdom, Germany, France, and Italy. However, the United States, Japan, and Canada did not join the AIIB and regard it as a rival for the IMF, World Bank, and ADB. China regards the three major financial institutes as dominated by developed countries, serving primarily American, European, and Japanese interests. The Chinese government has been frustrated with what it regards as the slow pace of reforms and governance and wants greater input in the three global financial institutions.[27]

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[26]See *The Financial Times*, "One Belt, One Road set to turbocharge renminbi usage" November 30, 2015.

[27]Until March 2015, China in the ADB had only a 5.47 percent voting right, while Japan and the United States have a combined 26 percent (13 percent each) with a share in subscribed capital of 15.7 percent and 15.6 percent, respectively.

Through the AIIB, China has offered countries in the Asia-Pacific region an alternative to infrastructure loans from the World Bank and ADB. In effect, China is directly challenging the power and influence of the United States in the fields of finance and banking at both the regional and international level.

According to the Asian Development Bank Institute, Asia requires an infusion of $8 trillion from 2010 to 2020 for infrastructure investment to maintain the current economic growth rate. China claims that the AIIB will have well-balanced, wide-ranging projects, from energy resources, electricity, and transport, to irrigation infrastructure. Its membership is also said to be open to members from the World Bank and ADB. Due to its refusal to release basic data, erstwhile, Chinese ally North Korea applied to join, but was rejected by China.

The AIIB reflects China's newfound international clout by having fifty-seven prospective members. The UN has also addressed the launch of the AIIB as "scaling up for sustainable development" to support improved global economic governance. For the AIIB to foster economic connectivity and a new type of industrialization in Asia, the AIIB should meet global best practices with high standards, particularly related to governance and environmental and social safeguards.

In the years to come, AIIB-sponsored infrastructure projects in South and Central Asia are expected to contribute to a significant increase in investment opportunities in Asia. New investment opportunities arising from the AIIB would be mutually reinforced by the freer flow of cross-border investments as stipulated by the TPP and RCEP. Infrastructure development in Asia on a vast scale is expected to become a new source of regional growth and dynamism.

THE BUMPY ROADS TOWARD AN EAST ASIAN ECONOMIC COMMUNITY

In the past three decades under the *General Agreement on Tariffs and Trade* (*GATT*) led by the United States and WTO, East Asia (ASEAN plus CJK), especially the four dragon economies (Korea, Taiwan, Hong Kong, and Singapore), achieved the "East Asian economic miracle" by adopting an export-oriented development strategy. They enjoyed "unlimited" access to the US market in the post-WWII years and later took advantage of their own geographical proximity and high growth to become more connected and interdependent functionally.

As noted in Section I, since the Asian financial crisis in 1998, East Asian economies have developed an "East Asian Identity." The self-help mechanism among East Asian economies such as CMI was launched to avoid the recurrence of the financial contagion triggered by extra-regional shocks. The scheme has introduced the advent of hard regionalism in the forms of various FTAs in East Asia.

Although East Asia then experienced a wave of hard regionalism in the form of FTAs, the region still suffers from serious caveats when it comes to economic cooperation. Despite being immediate neighbors, the leaders of China, Japan, and Korea (CJK) met for the first time in history only after the Asian financial crisis in 1998. The three countries still share vivid memories of devastating wars fought against each other, colonial occupations, and ideological confrontations during the Cold War and subsequent accumulated mistrust.

Any long-term outlook of East Asian integration will be affected greatly by how the bilateral relationship between the United States and China evolves in the years to come. Will these great powers, veritable economic superpowers, collide or collaborate, or will they take a mixed stance in pursuit of their own national interests? In this context, the future role of Japan as the third-largest economy and one of the United States' most important allies will complicate further the picture of East Asian integration.

Recently, three great institutional mechanisms have been established to alter the economic and diplomatic landscape in the Asia-Pacific rim. One is the US-anchored TPP and the other is the China-centered RCEP and AIIB. Are the three great international institutions–the TPP, RCEP, and AIIB–going to counterweigh each other in a competition for hegemonic leadership in the Asia-Pacific or collaborate to generate synergies?

Given the rivalry for regional hegemonic leadership between the United States and China, the paths to an East Asian economic community hold both challenges and opportunities. And, given the bilateral trade and investment linkages between the United States and China, the rivals may agree on certain bilateral and global agendas while opposing each other for mutual containment.

We might consider three distinct approaches to envisage the future of an East Asian economic community. First, we assume the direct military confrontation over the South China Sea between China and the United States–occasionally allied with Japan and India–continues to contain or isolate China in the Asia-Pacific region and globally. Second is a current

status quo approach with US policy focused on mildly engaging and containing China in the Asia-Pacific region and globally. Third is a more aggressive and concerted approach, which will be nurtured in the search for mutual growth and benefits by the United States, China, Japan, and middle powers like Canada, Australia, Korea, and Indonesia.

A Zero-Sum Game with Military Confrontation

Whether the roads toward an East Asian economic community are bumpy or smooth depends on how the United States, along with Japan, designs regional security architecture vis-a-vis China's military assertiveness. In recent years, China has been transforming reefs in the Spratly archipelago into artificial islands and has built airfields and other facilities on them. This activity has caused a sense of regional alarm in much of East Asia about China's intentions and freedom of navigation and overflight in a waterway through which most of East Asian maritime cargo passes. President Obama said at an APEC sideline meeting between the United States and ASEAN leaders in November of 2015, "For the sake of regional stability, we agree on the need for bold steps to lower tensions, including pledging to halt reclamation, new construction, and militarization of disputed islands in the South China Sea."[28] The United States appears committed to not allowimg China to proceed unchallenged with a takeover of one of the busiest and most strategic areas of water in the world.

However, China insisted that it has undisputed sovereignty over most of the South China Sea, which overlaps with four ASEAN countries. There is also an unresolved territorial dispute between China and Japan over the Sengaku islands (known as the Diaoyu Island in China) in the East China Sea. As a consequence of unresolved territorial disputes, any military collision escalating into warfare between two superpowers and between China and Japan might completely jeopardize East Asia's ongoing economic integration, one that is framed in an open regionalism.

Given this security conflict between the United States and China, the United States could pursue a strategy to transform its security alliance with Japan, India, Australia, and Canada into an economic alliance. As a result, the TPP without China and RCEP without the United States could

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[28]"China must stop land reclamation in South China Sea-Obama." November 18, 2015, at: http://www.bbc.com/news/world-asia.

proceed their own way as they stand now. In this view, the United States continues to intentionally contain China's economic rise through its new trade rules as contained in the TPP and its influence on the IMF, World Bank, and ADB. The United States could strengthen the trade-related aspect of intellectual property rights, SOE-related rules, and new labor and environmental standards, which China cannot accept at this juncture.

Under this extreme bipolar confrontation in a competition for outright hegemonic leadership, a number of East Asian economies, which are deeply interconnected with the two super economic powers, are likely to be pushed off-balance in pursuing their own integration efforts. Given their interconnectedness due to existing trade linkages in the traditional open regionalism with the United States and already ongoing functional integration as evident in the looming GVCs in the region, this extreme zero-sum approach is not likely to happen.

Status Quo Approach with Mild Engagement and Mild Containment in the Medium Term

This scenario assumes that military confrontation, such as the maritime disputes in the South and East China Sea between the United States together with Japan and China, will not worsen. If there is a mechanism to prevent potential warfare among major powers in the region, the current status quo in which the United States and China sit in the driver's seat of the TPP and RCEP, respectively, would be maintained without riding together in each other's integration vehicle. The status quo scenario is plausible because on the trade side, both the United States and China have been increasingly interdependent, as shown in Table 6.7. In the past 25 years, the share of US imports from China had increased from a mere 3.1% in 1990 to 20.0% in 2014 while the share of US exports to China rose from a mere 1.2% to 7.6% over the same period.

There are also significant financial linkages between China and the United States. It has also been argued that the enormous capital flowing from China was one of the causes of the global financial crisis of 2008–09. China had been buying huge quantities of dollar assets to keep its currency value low and its export economy humming, which caused American interest rates and saving rates to remain artificially low. These low interest rates, in turn, contributed to the US housing bubble because when mortgages are cheap, house prices are inflated as people can afford to borrow more. This sequence suggests that the United States and China are

Table 6.7   USA—China Trade Dependence (Unit: US $ billion, %)

Year	US Exports to China		US Imports From China	
	Value	Share of China Total Exports	Value	Share of US Total Exports
1990	4.8	1.2	15.2	3.1
1995	11.7	2.0	45.6	6.1
2000	16.3	2.1	100.1	8.2
2005	41.8	4.6	243.5	14.6
2010	91.9	7.2	365.0	19.1
2011	104.0	7.0	399.4	18.1
2012	110.5	7.1	425.6	18.7
2013	122.0	7.7	440.4	19.4
2014	124.0	7.6	466.7	19.9

Source Korea International Trade Association, Trade Statistics, Various Years

interlocked in global and mutual financial flows. As a result, the two countries are also at risk of engaging in currency wars with the US dollar and Chinese yuan, which is likely to affect the regional and global economy.

To the extent that the United States and China are interlocked on the trade as well as financial side, a single minded zero-sum game by each side is not likely to be played out to produce catastrophic consequences on the global economy. Therefore, amid the hegemonic leadership competition, the two economic superpowers may be forced to remain committed to the status quo without provoking direct military actions against each other.

An Aggressive Convergent and Coordinated Path Toward an East Asian Economic Community

This view assumes the TPP and RCEP interact to become mutually reinforcing parallel tracks for regional integration. If the United States and China establish a mutually beneficial solution on regional and global affairs, one can expect a more aggressively convergent path toward East Asian integration. For this convergence to happen, both the United States and China should take a more inclusive and accommodative stance to embrace each other in the formation of ongoing institutional architecture. Down the road, China should join the TPP and the United States should join both RCEP and the AIIB to further an East Asian economic community.

To amalgamate the TPP and RCEP in the future toward a fuller and larger East Asian economic community, the quality of the RCEP in terms of liberalization and facilitation of trade and investment, and new rules on labor, state owned enterprises, environment, and ISDs, etc., must be introduced or upgraded to match the liberalization level as stipulated in the TPP.

In the course of generating synergistic linkages between the TPP, RCEP, and AIIB, Japan and middle powers like ASEAN, India, Canada, Australia, and Korea can play an effective role. In particular, the roles of Japan and ASEAN are becoming critical. Recently, Japan, under Prime Minister Shinzo Abe's strategy of transforming the nation into a "normal state," has sided fully with the United States to view the TPP not only as its most important security ally, but also "economically" to counterbalance rising China's pursuit of hegemonic power in East Asia. One thing is clear for Japan: "Abenomics" is more likely to succeed in a freer and expanded East Asian economic integration.

The ten ASEAN members launched the ASEAN Economic Community (AEC) in December of 2015 with 622 million people and a combined GDP of US$2.5 trillion. With the launch of the AEC, ASEAN is now moving one step closer to a European-fortress type community. ASEAN is also strategically significant because of its size, dynamism, and its leading role promoting Asian economic and security architectures. The US view on this development is that AEC would not only help integrate its member economies in the strategic region, but improve regional stability despite the question of the effectiveness of ASEAN centrality.

A newly launched AEC can play a catalyst role to bring the TPP and RCEP together. The regional value chains of ASEAN and CJK are likely to gain momentum as Vietnam, Myanmar, Laos, and Cambodia continue to pursue active liberalization policies to accommodate FDI with a cheap wage advantage and natural resource endowments. Table 6.8 shows that outbound FDI to ASEAN from CJK has been on a great upsurge. The reverse FDI flow is also becoming significant.

Korea, as Asia's fourth-largest economy, is located in the middle of four global powers. ASEAN and Korea together can play a critical role in combining the TPP and RCEP down the road and in mitigating ongoing political tensions among big powers. Korea effectuated the Korea-China FTA with ratification by the National Assembly in December of 2015. It is China's first FTA with an OECD economy. Although Korea missed the opportunity to join the TPP, as one of the founding states while already

Table 6.8 Bilateral FDI Flows between ASEAN and CJK (Unit: US $ million, % of country's total figure)

Year	Inbound FDI from ASEAN to		Outbound FDI to ASEAN from	
	Japan	Korea	Japan	Korea
1995	40.2(15.7)	2831.2(14.4)	3987.1(17.6)	614.6(19.0)
2000	8225.9(0.9)	17,128.5(11.2)	207.1(0.7)	523.4(9.9)
2005	3223.0(18.4)	6414.0(5.5)	5001.8(11.0)	749.8(10.3)
2010	−1358.9(−)	16,355.8(12.5)	8929.7(15.6)	4438.0(18.0)
2014	9077.2(18.9)	17,857.0(9.4)	20,367.1(17.0)	4110.8(15.4)
Year	Inbound FDI from ASEAN to China		Outbound FDI to ASEAN from China	
2006	3351.1(4.6)		325.9(1.5)	
2008	5461.0(5.0)		2279.7(4.1)	
2010	6323.7(5.5)		3938.1(5.7)	
2012	7073.0(5.8)		5540.8(6.3)	
2014	6299.8(4.9)		7371.0(6.0)	

Source Korea's Ministry of Trade, Industry, and Energy, Korea's EXIM: JRTRO, and OR Bank, China CEIC

having effective bilateral FTAs with all the initial signatory countries of the TPP except Japan and Mexico, it has already expressed interest in joining the TPP. At present, Indonesia, Colombia, Thailand, the Philippines, and Taiwan have also expressed interest in entering the pact. Once Korea joins the TPP, Korea is likely to contribute to an amalgamation of the TPP and RCEP. Korea can play a linchpin role through its established FTA leadership, with the already effective US-Korea Free Trade Agreement (KORUS) FTA and, more importantly, Korea's effective FTA with China. To meet TPP standards beyond the KORUS FTA, Korea needs to carry out another round of comprehensive reforms in the labor, finance, education, and public sectors as it did during the Asian financial crisis to draw IMF standby credit under stringent conditions. The reforms Korea undertook helped it realize a gold standard FTA with the United States.

Given the complexity and time-consuming process of formulating a formal, top-down integration architecture, East Asian countries need to do preparatory work, tackling the easy things first. These include stronger and effective measures for trade facilitation, such as e-customs services, rule of origin verification, intellectual property rights protection, supply chain solutions, port-centric management, and effective aftercare services for

FDI, which could also be pursued at APEC or other multilateral regional fora.

The promotion of intra-regional tourism and student exchanges could also be very effective for job creation and enhancing mutual cultural understanding. The increasingly prosperous population in East Asia should be viewed as a good source for regional tourism development. An early version of an open-sky agreement for low-cost carriers needs to be explored.

Additionally, an intra-regional coordination mechanism needs to be developed to prevent natural disasters and to handle them effectively once they occur due to weather anomalies. East Asian economies should begin to collaborate more effectively on non-traditional security issues, including nuclear safety, energy security, green growth strategies, and cyberspace problems.

In the long term, many experts claim that a TPP without China is doomed to only a limited success given the increasingly interdependent economic linkages between the United States and China. The two countries might work together to ensure job creation and sustainable growth not only for themselves, but the regional and world economy through concerted policy dialogues. For this purpose, the two mega blocs of the TPP and RCEP should be amalgamated to realize a multilateral liberalization regime toward DDA under the WTO. To facilitate the convergent path, though very slow in progress, CJK FTA negotiations need to be accelerated to provide new momentum for Asia-Pacific-wide economic integration.

All the negotiating members of both the TPP and RCEP, except India, constitute the Asia-Pacific Economic Cooperation (APEC) entity. In fact, seven economies are intersection countries belonging to both the TPP and RCEP. APEC envisions a free trade-oriented Asia-Pacific economic community. In 1994, all APEC leaders at Bogor, Indonesia, adopted the Bogor goals, which aimed for free and open trade and investment in Asia-Pacific by 2010 for developed economies and by 2020 for developing economies. Although the APEC process has been slow and non-binding, the United States, China, Japan, and the remaining APEC member states have been fully committed to APEC's ideal for an Asia-Pacific community, specifically a Free Trade Area of the Asia-Pacific (FTAAP). It is critically important to sustain this vision and to see it realized via the amalgamation process outlined above.

Conclusion and Policy Implications

Despite inherent security interests and long-standing territorial conflicts among East Asian economies, we have seen deepening functional integration in a form of soft regionalism, as exemplified in the ever-expanding regional and global value chains. As an important first step toward an East Asian economic community, formal region-wide integration architecture is highly desirable beyond that resulting from an ongoing natural integration process. The concluded TPP agreement now awaits ratification in the twelve founding countries. Another mega free trade deal in Asia, namely the RCEP, was also urged to be concluded in 2016 by the leaders of ASEAN at the 27th ASEAN summit held in November 2015. On top of the two free trade mega-deals, there is China's initiative for "One Belt, One Road" and the newly formed AIIB, both of which are expected to boost trade and investment links between China and Southeast and Central Asia. Once the three institutions connect and converge, fresh and expanded business opportunities are likely to emerge in East Asia and all of Asia. All stakeholders would welcome these developments to overcome the increasingly structured "new normal" symptoms such as simultaneous low growth and low employment.

In order to address serious global issues and to successfully pivot towards Asia, the United States needs to find a collaborative strategy with China when it comes to shared goals on climate change, anti-terrorism, trade, foreign investment, intellectual property rights, etc. As former US Secretary of Treasury Lawrence Summers wrote in 2015,[29] "The emergence over the past year of a major Asian trade integration effort (the TPP) in which China does not participate, and a major financial institution (the AIIB) in which the United States does not participate, is hardly auspicious. John Maynard Keynes asserted in *The Economic Consequences of the Peace* that the primacy of economics, observing the perils of the future, lies not in frontiers and sovereignties but in food, coal, and transport."

If the United States and China play out a zero-sum game to maximize their own national interests at each other's expense by containing or isolating each other, the two separate mega-blocs, TPP and RCEP, are likely to generate an unstable world economic system in terms of trade, investor

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[29]See Lawrence Summers, "Grasp the Reality of China's Rise", *The Financial Times*, November 9, (2015), 7.

state disputes, IPR, and exchange rate alignment as contained in the TPP. As a consequence, the full potential effects of the new trade rules of the TPP would not be realized.

Though different in motivations and political consequences, these concerted regional efforts can inject new momentum into the broader and deeper liberalization of trade and investment. If an original ASEAN initiative, RCEP, about which China has been very enthusiastic, is concluded, it would be highly desirable to link it with the TPP. It is evidently clear that without RCEP members, the TPP would not have its desired outcome.

The TPP without China and RCEP without the United States are only partly formed entities. If combined, the two free trade blocs might lead to the realization of an APEC Free Trade Area and ultimately, an East Asian Economic Community. This outcome would enable states to revisit the ambitious WTO Doha round, which has been helplessly stalled for nearly two decades.

Despite being immediate neighbors and sharing a long history, it is an irony that the leaders of the three core economies of East Asia–China, Japan, and Korea–met for the first time only after the Asian Financial Crisis in 1998, as mentioned earlier. A formidable trust-building process must be worked out among the countries. Additionally, this process is likely to help North Korea–the only closed country disconnected from the East Asian economic community–adopt an open-door policy and jump on the regional integration bandwagon.

A grand design for an East Asian Economic Community is not preordained. Two fundamental requirements are in order. First, East Asian economies need to undertake comprehensive internal reforms in conformity with global standards and to enhance their competitiveness as knowledge-based economies. A variety of free trade deals and multilateral funding schemes in Asia requires each country to upgrade its economic system to meet high global standards. Membership for the free trade deals and related financing schemes serve as effective external pressure for a country to carry out economic reforms toward a more open, competitive, and transparent system. Second, mutual trust and confidence building among the two superpowers, the United States and China, and among CJK must be cultivated not in a zero-sum, but positive sum game. In this regard, regional powers in Asia should engage in closer and reliable dialogues to weave stronger long-term bonds.

Respect for neighbors, harmony in community life, and mutual learning have been at the core of the Asian values that have prevailed throughout

the long history of Confucian culture in East Asia. Mutual trust and mutual learning, so highly valued in Confucian teaching, is an essential cornerstone for cooperation and public infrastructure and indispensable for peace.[30] A genuine trust-building process in once war-torn East Asia requires a consistent and inclusive approach and the objective recognition of accurate history so that the next generation can move forward. In this context, major regional powers need to be non-aggressive, non-assertive, and non-coercive to move an East Asian economic community forward through deepening mutual trust.

The Trump Era

The inauguration of Donald Trump as President of the United States deserves an epilogue. With his election campaign promises, the appointment of hawkish anti-trade personalities to key government trade posts, and his inaugural address, Mr. Trump has invoked a new wave of protectionism and unilateralism to safeguard American jobs and interests—to put "America first." He indicated that hefty tariffs and a "big border tax" would be imposed on American companies planning to manufacture abroad, including in free-trade neighbor Mexico. It appears he will maintain a confrontational relationship with China to correct a trade imbalance that is in China's favor. He also seems ready to brand China as a currency manipulator. Most importantly, Mr. Trump has made it very clear he will scrap the much-heralded Trans-Pacific Partnership (TPP) to protect American jobs and to ensure his mercantilist protectionist populism.

With a view of the world in which China's gain is America's loss, the Trump administration at this point appears likely to follow a zero-sum bipolar confrontation scenario between the United States and China toward an East Asian Economic Community, as described in this essay. If Trump's anti-globalization policies are put into effect and the United States

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[30]East Asia's new development paradigm can be formulated in the concept of mutual learning from both the strengths and weaknesses of diverse development models. East Asia has neglected too long inherent wisdoms that are contained in its miracle models. For mutual learning from different development models, see Choong Yong Ahn, "A search for robust East Asian development models after the financial crisis: mutual learning from East Asian experiences" *Journal of Asian Economics*, 12 (2001), 419–443.

heads toward a collision course with China, the impact on the economic integration outlook for East Asia and Asia-Pacific would be far-reaching. But will Mr. Trump's drastic shift to protectionism persist?

The departure of the United States from the concluded TPP has shattered the ideal of an enlarged, upgraded, and open regionalism in the Asia-Pacific. It is likely to cause serious setbacks to the implementation of a new set of trade rules that will set the tone for renewed regional multilateralism. Without the United States leading efforts to conclude an ambitious TPP with the highest global standards, which the Obama administration did, and to adopt a "Pivot to Asia Policy," China is likely to take advantage of the U.S. leadership vacuum in Asia and establish itself as an economic hegemon in the unfolding Asian Century. It is also likely to push harder for the early conclusion of the Regional Comprehensive Economic Partnership to maintain its high-growth regime and to have greater influence on the Asian economy.

As President Xi Jinping emphasized at the Davos forum in early 2017, China has advocated active trade liberalism as a means of boosting global economic growth and well-being. It is ironic that China, with its socialist legacy, supports trade liberalism while the free trade champion that is the United States is resorting to protectionism. Evidence suggests that political campaign rhetoric is one thing and implementation is another. To follow-up on campaign promises, the Trump administration may take harsh trade-restrictive actions, such as anti-dumping measures, countervailing duties, and safeguards to target specific countries. In the short run, this might succeed in bringing tangible benefits to the United States in terms of job creation and trade-balance equilibrium. However, the founding spirit of the TPP may soon return after it becomes clear that protectionist measures in zero-sum mercantilism eventually harm the overall economic efficiency and consumer welfare gains of all countries. Furthermore, the United States cannot afford to shun the obvious attractions in the most rapidly growing and increasingly affluent Asian market.

Though we may see slower progress toward an East Asian Economic Community in the Trump era, market forces embedded in the 4th industrial revolution are expected to call for enhanced interconnectedness among East Asian economies for everyone's gain. In this regard, each East Asian economy needs to upgrade its economic system to robust global standards, which would facilitate deep economic integration. The road may be bumpy, but East Asian economies will move steadily to a freer trade regime, which would eventually lead to an East Asian Economic

Community. With multilateralism now under threat from various corners, East Asia needs more than national policies. East Asian countries must recognize the invaluable contributions of the international liberal economic system that led to the "East Asian Miracle." They need to adapt the system to current needs and realities and to mitigate the negative consequences of globalization and openness, such as social and income inequalities. While building an East Asian Economic Community, East Asia needs to collectively turn the emerging tide against globalization and open trade by reshaping institutions of regional and global governance.

Is a Northeast Asia Security Community Possible and Probable?

Muthiah Alagappa

Countries in Northeast Asia face numerous security challenges with some (Taiwan, North and South Korea) confronting existential threats.[1] Since the termination of World War II the international security orientation and behavior of most countries in the region have been in the realist mode with strong emphasis on deterrence through internal and international military power balancing. High levels of economic interdependence appear not to have ameliorated traditional security problems in Northeast Asia or altered traditional approaches to security in the region. The continuation of acute

[1]Existential threat as used here means countries concerned could cease to exist as separate sovereign states. For example the unification of Korea (for whatever reason) would eliminate north and South Korea as separate states. Likewise the unification of Taiwan with the People's Republic of China would eliminate Taiwan as a separate state.

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security problems in the context of high levels of economic interdependence has been labeled by some as a paradox. I view the situation as demonstrating the limits of economic interdependence in ameliorating political-security problems, which still reign supreme in the sub-region. Notwithstanding the competing perspectives and frequent military skirmishes, the fact remains that the region has not witnessed a major war since the termination of the second Taiwan Strait crisis in 1958. Northeast Asia has experienced more than five decades of relative peace. Dissatisfied with the character of the prevailing minimum peace, some seek to create a more stable peace in the sub-region that would be free of military tensions and skirmishes and enable peaceful resolution of disputes and differences. They seek to build a sub-regional security community. That effort gives rise to the question: Is a Northeast Asia security community possible and probable in the foreseeable future?

ARGUMENT

This chapter argues that security community-building is possible in any region as long as the prevailing negative logic of anarchy can be transformed. The present logic of anarchy in Northeast Asia is decidedly negative giving rise to several security dilemmas. The negative logic of anarchy in the sub-region is a product of contestations over nation and state-making as well as antagonistic historical narratives—all of which predate the ongoing change in the distribution of power. The latter reinforces and in certain cases amplifies the negative logic of anarchy in the sub-region. However, it is not the cause of the security dilemmas nearly all of which predate the change in distribution of power. Transforming the negative logic and building a security community in Northeast Asia entails more flexible and novel imaginations in the construction of nations and states. Such imaginations should facilitate a redefinition of problems and enable settlement if not resolution of outstanding security contestations. However, that appears highly unlikely in the foreseeable future. Further, the present status quo in the region is not acceptable to many key countries with several of them (including China and Japan) seeking to alter it in their favor to reflect their rising power and/or status aspirations. High levels of economic interdependence and like forms of interactions may have increased the cost of war in the region but appear not to have redefined underlying problems to aid in their settlement or resolution. Likewise, emphasis on power is unlikely to transform the negative logic of anarchy. Transforming the logic of anarchy

to create a more stable peace in the sub-region would require the cultivation of flexible notions of nation and state (like the idea of one nation but more than one sovereign state, acceptance of the norm of multinational states, a federal state structure that permits a high degree of autonomy to provinces or minority groups, and willingness to accept peaceful secession if that is the will of the people), a willingness to let bygones be bygones (forgive but not forget) and a commitment to genuine cooperation in the construction of a new political-security order. This is no mean feat. Thus a Northeast Asia security community does not appear highly probable in the next couple of decades but is not impossible in the longer run.

Further, low probability of a security community in the near term does not imply that an outbreak of major war in the sub-region is inevitable or imminent. It is likely that peace through deterrence could continue at least for a couple more decades. To preserve that peace, measures must be taken to prevent outbreak and escalation of accidental wars as well as counter strategies of salami slicing. From a longer-term perspective, the period of peace can and must be deployed to settle if not resolve outstanding security problems by developing flexible notions of nation and state as well as subduing historical animosities, all with a view of transforming the negative logic of anarchy that has dominated the sub-region since the end of World War II.

This chapter will develop the above argument in three steps. First, it will contend that the negative logic of anarchy in Northeast Asia is a function of contestations over nation and state making. The ensuing negative logic of anarchy in the sub-region predates the changing distribution of power. The latter is likely to reinforce and in some cases further amplify the negative logic with little potential to transform it into a positive logic. Second, the chapter will discuss how the negative logic of anarchy in Northeast Asia may be transformed to enable the building of a security community in that sub-region. Finally, the paper will argue that although a security community is not highly probable in the near term; the outbreak of major war is also not imminent or inevitable. Peace through deterrence is likely to continue for at least a couple more decades. To strengthen that peace measures must be taken to prevent the outbreak and escalation of accidental wars as well as salami slicing. The period of minimum peace must be deployed to cultivate novel ideas for nation and state making and to construct a political-security order that enables redefining and settlement/resolving of security problems in the sub-region. Before developing the above argument it will be useful to define some key terms and set out relevant conceptual and theoretical perspectives.

Definitions, Conceptual, and Theoretical Perspectives

Definition of nation, state, and nation-state

Nation and state like many social science concepts are essentially contested. There are many definitions. For example, an objective definition would suggest nations are out there waiting to be discovered. Subjective definitions would suggest that we know nations only in *post-hoc* terms. Notwithstanding these polar opposites it is important to have a sense of what we mean by nation. According to Ernst Renan two things help constitute a nation: one is the common possession of a rich heritage of memories; the other is the desire to live together and preserve the inheritance that has been handed down generation after generation.[2] A nation is an outcome of long-past efforts and the belief in a shared destiny. It is an imagined community that is limited.[3] A nation is not necessarily sovereign.[4] It can exist as one of several nations in a sovereign state. In my view common history, shared destiny, common authority, and a set of beliefs are crucial in the making of a nation. I subscribe to the idea that nations are imagined and constructed and that nationalism precedes and constructs a nation. However, a nation cannot be imagined and constructed at will. Cultural and political history and circumstances are crucial. Often nationalism selectively deploys mytho-history and culture in the construction of persuasive narratives for a nation.

Like the concept of nation, state is an elusive term. Weber (1947) defines the modern state in terms of three characteristics: possession of a continuous administrative and legal order that is subject to change through

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[2]Ernst Renan, "What is a Nation?" in Robert A. Goldwyn, *ed.*, *World Politics* (New York: Oxford University Press, 1970).

[3]Benedict Anderson, *Imagined Communities: Reflections on the Origins and Spread of Nationalism* (London: Verso, 1983).

[4]Anderson asserts that a nation is necessarily sovereign. I disagree. Non-sovereign nations are common in multinational states and nations can also exist across states. Sovereignty is more appropriately associated with a state.

legislation, compulsory jurisdiction or claim of binding authority over citizens within a specified territory, and monopoly over the legitimate use of force within the specified territory.[5] This is an objective and somewhat restrictive definition. For our purpose the term state refers to the structure of political domination and governance in a specified territory. It includes systems and institutions that define the modality and rules for acquisition and exercise of state power, institutions and systems connected with the organization of economy, collection and appropriation of state revenues, implementation of policies ensuring justice and law and order in society, and defending the community from external threats as well as those that govern the interaction of political society with state institutions and society.

Nation-state. A nation-state is a political entity in which the boundaries of nation and state coincide. In reality very few countries are nation-states. Most are multinational states. Rather than accept multinational states as the norm, however, the emphasis has been on forging single nations from multiethnic populations or seeking separate statehood for minority nations. Attachment to the idea of nation-state arises from the widely held beliefs that a nation is sovereign and is the ideal basis for political community. This has led to the widely held belief that each nation must be sovereign and thus be a state and that each state must rest on the basis of nation. Although nationhood and national self-determination are Western in origin, they have struck deep roots in Asia and elsewhere. Asian leaders are firmly committed to the idea of nation-state. They have deployed state power to construct single nations out of multiethnic populations giving rise to what has been termed as nationalizing states.[6] They deny political options like federalism and autonomy for fear that it could lead to splintering or splitting of their states. Likewise minority communities who see themselves as separate nations seek separate statehood in lieu of accepting non-sovereign status and autonomy within existing states. As shown later, the logic of anarchy in Northeast Asia flows from the nationalizing strategies of those in power as well as those seeking separate statehood.

[5]Max Weber, *The Theory of Social and Economic Organization* (New York: The Free Press, 1964).

[6]Rogers Brubaker, *Nationalism Reframed: Nationhood and the National Question in the New Europe* (Cambridge University Press, 1996).

What is a security community?

Articulated by Richard Van Wagnen in the early 1950s,[7] the concept of security community was subsequently developed and empirically explored by Karl Deutsch *et. al* with a view to permanently abolishing war in a specified area through the building of an integrated political community.[8] According to Deutsch *et. al* the key marker of an integrated political community is "institutions and practices strong enough and widespread enough to assure for a long time, dependable expectations of peaceful change among its population." In their definition a security community is one "in which there is real assurance that the members of that community will not fight each other physically but will settle their disputes in some other way."[9] A security community refers to a group of people who have become integrated and have a sense of community such that "common social problems must and can be resolved through peaceful means … through institutionalized procedures without resort to large scale physical force."[10] Based on the elaboration by Deutsch *et. al* it is possible to infer that the emergence and development of a security community must satisfy three key conditions. First, war becomes unthinkable among countries in a community (they have crossed the threshold from a situation in which war is possible to a situation in which war has become unthinkable). Second, should a dispute arise among them it will be resolved peacefully through established institutions and processes. Third is compliance. All countries in the community must subscribe to and comply with the above conditions. Deutsch *et. al* posits two types of security communities: an amalgamated security community that requires political union and a pluralistic security community among sovereign political units. Our concern in this paper is with the latter. Adler and Barnett revisited the idea in 1998 with a view to "developing a research agenda founded on the concept of security

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[7]See Donald James Puchala, *International Politics Today* (New York: Dodd, Mead & Company, 1971), pp: 164–167.

[8]See Karl W. Deutsch *et al. eds., Political Community and the North Atlantic Area: International Organization in the light of Historical Experience* (New York: Greenwood Press, 1957), especially Chapter 1.

[9]*Ibid*. 5.

[10]*Ibid*.

community."[11] They advance a set of terminologies/nomenclatures (nascent, ascendant, and mature) that have since been deployed primarily to describe stages in the development of a security community. Notwithstanding that effort and despite frequent reference to it, the concept of security community has not become a key avenue for the study of international politics. It has been deployed largely in descriptive and aspirational terms.

Theoretical context

Anarchy is broadly accepted as the deep organizing or ordering principle of the present international system.[12] Despite the proliferation of non-state actors, sovereign states remain the principal players in constituting the international system as well as in international interactions and international governance. Despite the wide acknowledgement of the anarchic nature of the international system, there is much variation in interpreting the logic and consequences of anarchy, as well as in the possibility of altering or transforming that logic.

At one end of the spectrum are realist theories that generally posit a negative logic of anarchy. Classical Realism views struggle for power as inevitable in a system of sovereign states. That struggle breeds security threats, competition, and power balancing including alliances.[13] Neorealism or structural realism places an explicit premium on the anarchic

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[11]Emanuel Adler and Michael Barnett, eds. *Security Communities* (Cambridge: Cambridge University Press, 1998), chapters 1 and 2.

[12]Brian C. Schmidt, *The Political Discourse of Anarchy: A Disciplinary History of International Relations* (Albany: State University of New York Press, 1998).

[13]Classical Realism in the West has its origins in the works of Thucydides (1954). Modern Western realists include Carr, Morgenthau and Kissinger. On exposition of the key tenets of Realism see Edward H. Carr, *The Twenty Year Crisis, 1919–1939* (New York: Harper Torchbooks, 1964); Hans J. Morgenthau, *Politics among Nations: The Struggle for Power and Peace* (New York: Alfred A. Knopf, fifth edition revised, 1973); Richard N. Lebow, "Classical Realism," in Tim Dunne, Milja Kurki and Steve Smith, *eds., International Relations Theories: Discipline and Diversity* (Oxford: Oxford University Press 2007); and Barry Buzan, Charles Jones, and Richard Little, *The Logic of Anarchy: Neorealism to Structural Realism* (New York: Columbia University Press, 1993). Realism is much older featuring in earlier classical Indian and Chinese works.

structure of the international system that it claims makes state survival problematic and the primary objective of all states.[14] States deploy their power in search of security and to enhance their influence in the international system. Positing international security as a scarce commodity, Neorealism argues that the search for security by one state undermines the security of another, giving rise to a security dilemma.[15] Classical Realism (termed by some as offensive realism) and neorealism (termed as defensive realism by some) have differences but both share important common perspectives on international politics grounded in negative interpretations of the consequences of anarchy.[16] They also share a common stance on the importance of the distribution of power for system structure and state behavior. Providing the material structure of the international system, the distribution of material capabilities (power) across states they argue has great potential to predict inter-state behavior including outbreaks of certain types of war. Realist perspectives view the prospects for cooperation, the potential to regulate interstate interaction through norms and institutions, and the prospects for peace as rather slim and transient. Classical Realism and Neorealism view war as an important means to preserve and enhance state security from external threats. Although international peace may prevail for short periods, war cannot be permanently abolished. It is a natural and legitimate instrument of sovereign states that they must anticipate and prepare for or they will suffer the consequences of defeat and destruction.

Classical Realism does in fact recognize the possibility of mitigating and possibly even transforming the negative consequences of anarchy through modernization.[17] However, it is not optimistic of such possibilities. For its part, Neorealism views the negative logic of anarchy (struggle for security and power balancing) as unending and unchangeable. Despite periodic challenges, Realism and its key tenets (anarchy, security quest and

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[14]Kenneth N. Waltz, *Theory of International Politics* (New York: Random House, 1979) is the first and chief exponent of Neorealism.

[15]On the security dilemma, see Waltz, *Theory of International Politics* 1979, ibid, 186–187; and Ken Booth and Nicholas J. Wheeler, *The Security Dilemma* (New York: Palgrave Macmillan, 2008).

[16]The term Offensive Realism is coined by John Mearsheimer, *The Tragedy of Great Power Politics* (New York: W.W. Norton & Company, 2001).

[17]Richard N. Lebow, "Classical Realism," 2007, *op cit*, 61.

competition, power struggle, power balancing and war) have remained the orthodoxy of international politics and the discipline of International Relations (IR). That orthodoxy has been challenged from time to time especially after the termination of great wars (for example in the aftermath of World War I and II, and more recently upon termination of the Cold War), contributing to alternate ways of theorizing international politics and making for diversity in the discipline of International Relations (IR).[18]

Not contesting the anarchic structure of the international system, certain theories (Neoliberalism or institutional liberalism, commercial liberalism, English School and democratic peace)challenge the negative logic of anarchy.[19] They argue that anarchy can support both conflict and cooperation. On the basis of growing interdependence among states, neoliberalism argued that norms and institutions can regulate interstate behavior.[20] Power politics need not always be dominant. Commercial Liberalism argues that trade interdependence makes for peace among trading states.[21] Positing that states can and do form international societies, the English School argues the consequences of anarchy need not be

[18]Tim Dunne, Milja Kurki and Steve Smith, *eds.*, *International Relations Theories: Discipline and Diversity* (Oxford: Oxford University Press, 2007).

[19]For an overview of the debates see Steve Smith *et al, Eds. International Theory: positivism and beyond,* (Cambridge: Cambridge University Press, 1996); Milja Kurki and Colin Wight, "International Relations and Social Science," in Tim Dunne, Milja Kurki and Steve Smith, eds., *International Relations Theories*, 16–25.

[20]David A. Baldwin, *Neorealism and Neoliberalism: The Contemporary Debate* (New York: Columbia University Press, 1993); Robert O. Keohane "Institutional Theory and the Realist Challenge after the Cold War" in David A. Baldwin, *Neorealism and Neoliberalism: The Contemporary Debate* (New York: Columbia University Press, 1993); Robert O. Keohane, and Joseph Nye, *Power and Interdependence: World Politics in Transition* (Boston: Little Brown, 1977); and Robert O. Keohane, Joseph Nye, and Stanley Hoffman, *eds., After the Cold War: International Institutions and State Strategies in Europe* (Cambridge, Mass: Harvard University Press, 1993).

[21]Richard Rosecrance, *The Rise of the Trading State: Commerce and Conquest in the Modern World* New York: Basic Books, 1986.

negative necessarily.[22] The Democratic Peace theory posits peace among democracies. It argues that the negative logic of anarchy is transformed between and among democracies with war becoming unthinkable in their interactions.[23]

Another group of theories argue that the logic of anarchy may be transformed through integration. Labeled integration theories (not general IR theories), functionalism, neofunctionalism, and like perspectives, popular in the immediate post-World War II period, argued the processes of integration can transform the conflictual consequences of anarchy.[24] Much of that integration literature was Eurocentric as the purpose of these "theories" was to transform European battlegrounds into market places. These communitarian theoretical perspectives do not view anarchy as necessarily the organizing principle or as necessarily producing unchanging competition and struggle for survival. They envisage possibilities of building international communities in which the distribution of power is less salient, the security dilemma ceases to operate, and war is no longer a crucial means of resolving political disputes. Security community theorizing belongs to that perspective. It seeks to transform the negative logic of anarchy through the building of an integrated political community.

Three points are worthy of note here. First, most IR theories discussed above are state and system centric. Their primary focus is on the international system (structures and processes) and its impact on state behavior. Certain theories like democratic peace and commercial liberalism stress the

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[22]Hedley Bull, *The Anarchical Society: A Study of Order in World Politics* (New York: Columbia University Press, 1977); Martin Wight, *Power Politics* (Leicester University Press and Royal Institute of International Affairs, 1995); Barry Buzan, *From International to World Society* (Cambridge: Cambridge University Press, 2004); Tim Dunne, "The English School," in Tim Dunne, Milja Kurki and Steve Smith, eds., International Relations Theories.

[23]On democratic peace see Bruce Russett, *Grasping the Democratic Peace* (Princeton: Princeton University Press, 1993). For the debate on democratic peace see the essays in Michael Brown, Sean M. Lynn-Jones and Steven E. Miller, *eds., Debating Democratic Peace* (Cambridge, Mass: MIT Press, 1996).

[24]On functionalism see David Mitrany, *A Working Peace System* (Chicago: Quadrangle Books, 1966); on Neo-functionalism see Ernie B. Hass, *The Uniting of Europe* (Stanford, CA: Stanford University Press, 2nd edition, 1968); and for an overview of integration theories see Reginald J. Harrison, *Europe in Question: Theories of Regional International Integration* (London: George, Allen & Unwin, 1974).

importance of unit-level considerations but limit themselves to specific types of states (democratic state, trading state) and their consequences for interactions among them. Most IR theorizing is at the system level with intent to produce universal generalizations. Second, they make a sharp distinction between domestic and international politics. Assuming the nation-state to be cohesive with effective state capabilities, IR theories usually posit the domestic arena as pacified and ordered with force playing only a policing role. In contrast they portray the international domain as an arena of struggle and conflict or cooperation. That bifurcation has led to the differential treatment of the role of force in the two domains and to the compartmentalization of comparative and international politics. Finally, IR theories are posited as universal with the focus on a single system that accords primacy to interactions of great powers. There is little room for lesser powers and regional variations. These are usually minimized or skipped over in the interest of producing universal generalizations.

Constructivism is a meta theoretical perspective that argues anarchy does not have fixed consequences.[25] Arguing that the international system is constructed, it posits the consequences or "logic" of anarchy may be shaped by participating states. That perspective, which informs this paper, enables greater account of the social dimensions of the system and of participating actors (unit-level considerations) and their interactions. It does not restrict unit-level consideration to specific types of states and opens the door to change including a transformation logic as well as variations across time and space in the international system including regional international relations. Constructivism facilitates bridging the artificial divide between comparative and international politics that is of particular importance in a sub-region like Northeast Asia, which is home to several countries (including important ones like China, Japan, and South Korea) that are still in the early stages of constructing modern nations and states, and whose economic and political systems are in flux. Internal political and social dimensions of these states strongly influence their international orientation and behavior and, consequently, the nature of their immediate international system.

The path breaking study of constructivism by Alexander Wendt has been critiqued by critical theorists (termed reflectivist by Robert O'

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[25]Alexander Wendt, *Social Theory of International Politics* (Cambridge University Press, 1999).

Keohane[26]) for accepting certain key rationalist premises (like the scientific method including causation and explanation) giving rise to a variant that has been labeled "Consistent Constructivism."[27] While understanding of that critique, this study views Constructivism as a meta theory occupying middle ground between rationalism and reflectivism and as providing an opportunity to probe the problematic nature of nation states in Northeast Asia and how their attempted constructions and contestations of such practices produce social and interaction dynamics in the region that presently hue to realism.

NATIONALIZING STATES, CONTESTATIONS, AND THE REALIST LOGIC OF ANARCHY IN NORTHEAST ASIA

That the present international system in Northeast Asia is realist in nature is not in question. Despite strong economic interdependence among them, countries believe and act on the basis that security dilemmas are abundant in the region and that their national securities are endangered. They engage in realist behavior (power balancing including internal development and strengthening alliances) to secure their existence in a conflict-prone environment as well as increase their influence in that sub-region and beyond. Such beliefs and practices reinforce the realist character of the international system in Northeast Asia. Many analysts posit and analyze the security situation in Northeast Asia on the basis of power realities and changes therein. Positing the rise of China as the most important development in recent times and the Sino-American relationship as the most important bilateral relationship in the region and the world, these analysts view peace and security in the sub-region in the context of that relationship. Although not irrelevant and not unimportant, such a view conflates cause and symptom. The meaning attached to the ongoing change in the distribution of power is symptomatic and not the primary cause of the security problems in the sub-region, many of which predate the rise of China.[28]

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[26]Robert O. Keohane, *International Institutions and State Power* (Boulder, CO: Westview, 1989), 173.

[27]K. M. Fierke, "Constructivism," in Tim Dunne, Milja Kurki and Steve Smith, eds., *International Relations Theories*.

[28]I date the rise of present day china from 1979. Others may date the rise earlier and some prefer to call it resurgence.

Security contestations in the region including those on the Korean peninsula, across the Taiwan Strait, and conflicting territorial claims on land and at sea are grounded essentially in contestations over nations and states. They are also colored and complicated by historical antagonisms. It is the interaction of these dynamics that underpin the realist character of the international system in Northeast Asia and provide meaning to bilateral relationships in the region including that between the United States and China.

North-South Korea conflict

Contestations over nation and state underlie the conflicts on the Korean peninsula. Both North and South Korea are committed to unification on the premise that the division of the Korean nation is temporary and unacceptable, and that the two Koreas should be unified in one state. However, the two Koreas differ dramatically on how unification should be achieved as well as over the political, economic, and socio-cultural character of a unified Korea and its international orientation. Although both are members of the United Nations, the two Koreas do not recognize the legitimacy of each other and seek the other's demise. North Korea depicts South Korea as a puppet state of the United States while South Korea views totalitarian North Korea as an unpredictable state that engages in crazy, hostile behavior and likely to implode at some point. Each views the other as its primary security threat. Having become weaker and more isolated, North Korea has developed nuclear weapon capability ostensibly to secure its survival.[29] Politically and economically vibrant South Korea has in turn deepened its alliance with the United States with some segments calling for the reintroduction of tactical nuclear weapons into the inter-Korean theater or the development of an indigenous nuclear weapon capability. Despite periodic inter-Korean talks, the political and military stand-offs between the two Koreas continue with no possible end in sight.

The dynamics of this conflict with their origins in the Korean struggle against Japanese colonial rule and the Cold War has changed over time. It is now strongly local with firm roots in the division of the Korean nation

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[29]The totalitarian character of the regime in Pyongyang has led to the fusion of regime and state in North Korea. This has led some to argue that regime security underlies the development of nuclear weapons by North Korea.

into two separate states. Both firmly believe the division of the Korean nation into two states is unacceptable. That widely held belief along with contention over how unification is to be achieved and who will determine the character and future of unified Korea is at the heart of the conflict. The military stand-off following the 1953 armistice agreement may have prevented the outbreak of major war on the Korean peninsula since then, but it has also contributed to a stalemate that cannot be resolved by military means. Although it is possible that military victory by either party or collapse of one of the two Koreas may subdue the underlying political contention, these options appear increasingly improbable. Even in the unlikely event that one of the two Koreas collapses, it is unclear if a unified Korean nation would become a reality. Further, the costs of both outcomes would also appear to be very high—a significant factor in South Korea.

The PRC-Taiwan Conflict

Likewise, the conflict across the Taiwan Strait is grounded in contestation over nation and state making. The conflict has its origins in the civil war (1927–1937, 1946–1949) between the Chinese Communist Party (CCP) and the KMT (Kuomintang) as to who is the rightful ruler of China. Since then the dynamics of the conflict have evolved with the present focus on the status and identity of Taiwan. Preferring the status quo for pragmatic reasons, Taiwan sees itself a separate state with its own national identity. For its part the People's Republic of China (PRC) sees the Taiwanese people as part of the Chinese nation and Taiwan as a province of Chinese state. Beijing's one China policy is grounded in the view that there can only be one Chinese nation and state. Its Taiwan policy includes the use of force if necessary to unify Taiwan with the mainland. Although certain segments in Taiwan may see themselves as part of the Chinese nation, others hold firmly to the view that Taiwan is a separate state with its own national identity.

China views Taiwan's existence as a separate state as a core national security threat. Despite its heavy dependence on the mainland economy, Taiwan perceives the PRC as an existential threat. China has developed its military capability with the Taiwan situation as a primary concern while Taiwan relies on the United States to ensure its political-military security. Concurrently it is defining itself as a separate state in political, economic, and cultural terms. As with the conflict on the Korean peninsula, the conflict across the Taiwan Strait cannot be resolved through military

means. Emphasis on the military dimension has resulted in a stalemate. Taiwan does not appear likely to collapse and China appears unlikely to develop the necessary capability in the foreseeable future to unify Taiwan by force. Even if Beijing does develop such capability, the political, diplomatic, and economic costs of military action would be very high, even prohibitive. At the end of the day it is unclear if military victory, even if achievable, would lead to full integration of Taiwan with China. It could well foster greater instability within China. As on the Korean peninsula, military preparedness by both parties can prolong the political and military stalemate but with no resolution in sight. Although some view time as favoring China, I would argue that continued separate existence, a viable economy, and democratic development favor the continuation of Taiwan as a separate state.

State Making dimensions

Contestations over state making are fused with nation making contestations on the Korean peninsula and across the Taiwan Strait. Deep differences in political and economic systems add fuel to the conflict between the two Koreas. The fact that South Korea is a democracy with a vibrant capitalist market economy makes it difficult to politically reconcile with totalitarian North Korea whose economy continues to falter. Likewise, democratic Taiwan finds it difficult to accept the Chinese Communist Party dominant political system on the mainland. Compromises like one country two systems do not cut much ice in Taiwan.

Minority Contestations

State making in China also alienates minorities, especially those in Tibet and Xinjiang. Beijing's effort to assimilate these so-called minorities into the Han nation and to "colonize" their historical territories through Han migration in the name of integration and modernization along with denial of their desire for genuine political and cultural autonomy alienates these minority communities and fuels resistance to central rule. Although the Tibetan resistance thus far has been peaceful, that of the Uighurs appears to be turning violent. With further escalation and international support these conflicts could become international. It is worthwhile recalling that the Sino-Tibetan conflict was initially classified in certain circles as an

international one on the basis that Tibet was an autonomous entity until the Chinese invasion in 1951.[30] State making in China also appears to be alienating certain segments in Hong Kong that demand a more democratic system for that island. China seems to take the view that it has the right to interpret the one country two systems policy toward that island. Such an approach instills fear in Taiwan as well, undercutting confidence in Chinese proposals for unification based on the principle of "one country two systems."

Apart from these conflicts, Beijing's effort to construct political and economic systems with Chinese characteristics could also become issues of contention among the general public on the mainland. In trying to keep its grip on state power, the CCP has ruthlessly suppressed alternative ideologies and organizations. At the same time it has sought to broaden its base (Three Represents) and rout out weaknesses (especially corruption) associated with the one party dominant political system. The ongoing Xi Jin Ping's fight against corruption also appears to target dissidents and countervailing forces in the party. Deprived of its legitimating ideology, the CCP increasingly relies on performance, especially economic performance, as well as nationalism as the bases for its continued dominance. Sharp economic downturns and growing aspiration for political participation could undermine the legitimacy of the one-party dominant system, the accompanying economic system, and policies. Such legitimacy contestation, when it materializes, could fuse with other internal contestations (nationality and state making) and further affect the international orientation and behavior of Beijing.

Apart from giving rise to the internal conflicts discussed above, state making in China also appears to underscore, at least in part, tensions between the PRC and the West, especially the United States, over interpretation and safeguarding of human rights and the Chinese treatment of dissidents and minorities. Differences in political values help define and sharpen the contestation between China and the United States.

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[30]Meredith Sarkees *et al.*, *Resort to War 1816–2007* (Washington, D.C.: Sage, 2010), for example, lists the Sino-Tibetan war as an extra-state war on the basis that Tibet was an autonomous entity. Chinese actions in 1910 turned into an occupied dependency after which it became an autonomous entity again until 1951.

Territorial conflicts, Historical Legacies, and Nationalism

Northeast Asia also confronts several territorial disputes, mostly at sea. Unlike the contentions discussed earlier, these disputes do not threaten the survival of states as separate entities. Nevertheless because of their grounding in historical controversies, they exert an influence well beyond their immediate territorial and resource significance. Of these disputes those that center on Japan (Japan-China, Japan-Korea, and Japan-Russia) are significant as they aggravate key security contestations in the region. Grounded in historical controversies, all three disputes are linked to Japanese imperial past and post-World War II settlements.[31]

Located midway between Taiwan and the southernmost islands of Okinawa prefecture and presently controlled by Japan, sovereignty over Senkaku/Diaoyu islands is an issue of contestation between China and Japan. China claims the islands were taken by Japan as part of Taiwan in 1895 and should have reverted to China upon signing of the 1951 San Francisco Peace Treaty. China's defeat by Japan in 1895 and the bloody Second Sino-Japanese War (1937–1945) have left a deep wound in Sino-Japanese relations. Linking of the island dispute with Japanese imperial expansion into Taiwan and later the mainland has conferred historical and symbolic significance to that dispute.

Likewise the dispute over Dokdo/Takeshima is deeply embedded in Japanese colonization and annexation of Korea from 1910 to 1945. Those islands were incorporated into the Shimane prefecture of Western Japan in 1905 when Korea was declared a protectorate of Japan. The islands have been under South Korean control since 1954 with Seoul investing vast sums of money to shore up South Korean claim to the island. Japan, however, has insisted the islands are historically and legally Japanese territory. Along with other issues like political visits to Yasukini Shrine (where 14 class A war criminals are consecrated) by Japanese leaders, Japanese history text books that are deemed to "whitewash" Japanese war crimes, and the comfort women (sexual slavery) issue, the dispute over the islands has become a deeply emotional and symbolic concern underscoring tensions in Japan-South Korea relations.

The above disputes centering on Japan have also spurred nationalism in all three countries. There is a strong anti-Japanese content to Chinese

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[31]Paul O'Shea, *Territorial Disputes in Northeast Asia: A Primer*, ISPI Analysis 182, 2013.

nationalism while Korean nationalism is almost entirely anti-Japanese. Anti-Japan nationalism in these two countries, especially in rising China, has fueled fear and reactive nationalism in stagnating Japan. All three nationalisms have become or are becoming beyond the control of governments and play key roles in defining relations among these three countries and their allies.

The Northern territories dispute between Japan and Russia is less potent but it does play a significant role in defining the bilateral relationship between those two countries. Per the 1855 Treaty of Shimoda between Russia and Japan, the Northern Territories were demarcated as part of Japan. However, the 1943 Yalta conference awarded the Kurile Islands to the USSR (Union of Soviet Socialist Republics) in return for Soviet participation in the Pacific War. Claiming the Northern territories is not part of Kurile Islands, Tokyo insists that the Northern territories are associated with Hokkaido and belong to Japan. The territories have been under Soviet/Russian control since 1943. Despite attempts at compromise, especially in the 1990s, the issue remains unresolved and is a major obstacle to improved Russo-Japanese relations. However, it does not carry deep emotional and symbolic content as in the territorial disputes between Japan-China and between Japan-South Korea.

Northeast Asia Knowledge Structure

Realist analysis of the security situation in Northeast Asia often is rooted in the changing distribution of power. Focused on the rise of China, it is not uncommon for such analysis to attribute security and stability in the region to the state of Sino-American relationship. Some even argue that the changing distribution of power is giving rise to a contest for supremacy in Asia.[32] While there is some truth to the assertions that the state of Sino-American relations affects security and stability in Northeast Asia, the preceding discussion clearly shows that most conflicts/disputes in that sub-region predate the rise of China, and they provide the substantive content and meaning to inter-state relations among countries in the region as well as the involvement of their allies.

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[32]Aaron L. Friedberg, *A Contest for Supremacy: China, America and the Struggle for Mastery in Asia* (New York: W.W. Norton & Company, 2011).

I would argue that a deeper cause of the realist-knowledge structure in Northeast Asia lies in contestations over nation and state-making. The belief that there can only be one Chinese or one Korean nation and that divided nations must be unified in one unitary state underlies the contestations between China-Taiwan and between the two Koreas. These nation-making contestations are overlaid by differences and contentions over state-making: CCP dominated one party rule in the PRC versus democracy in Taiwan, totalitarianism in North Korea versus democracy in South Korea, Tibetan and Uighur demands for genuine autonomy versus Beijing's insistence on unitary government. These contestations, not anarchy or the changing distribution of power, underlie the survival problematic of several countries in the region. These nation and state-making contestations in the context of the international ideological struggle during the Cold War also explain US involvement and alliances in the region, all of which predate the rise of China. The rationale for the US alliance relationship with South Korea, its implicit support for Taiwan's survival as a separate state, its alliance relationship with Japan, and the deep distrust and strategic competition that characterizes present day relations between the United States and China are all grounded in the contestations over nation and state-making discussed earlier. The insecurity arising from such contestations is reinforced by historical antagonisms and rising nationalism.

The resulting realist knowledge structure is frequently powerful enough to negatively define the logic of anarchy in Northeast Asia and negate any potential positives that may come, for example, from high levels of economic interdependence. For example, despite a high level of economic interdependence between them, China and Japan view each other negatively. Growing economic interdependence between China and Taiwan is viewed by Beijing as buying time and space to achieve national unification on its terms and eliminate Taiwan as a separate state. It also creates apprehension in some quarters in Taiwan.

WHY IS A NORTHEAST ASIAN SECURITY COMMUNITY IMPROBABLE IN THE FORESEEABLE FUTURE?

A northeast Asia security community seems improbable in the foreseeable future on three counts. First, the deep realist knowledge structure is grounded in existential contestations at the unit level that cannot be settled or resolved quickly. Settlement or resolution of nation-making contestations

require more flexible and in some ways novel understandings of nations and states rooted in the principle of popular sovereignty that are not easily forthcoming to incumbent political elites who seem wedded to Westphalian state norms.[33] Change in state making to accord primacy to popular sovereignty would require system-level changes in the conduct of politics in countries like China and North Korea. Collapse and possibly revolutions may be necessary before the ruling parties in these countries accept a higher degree of public political participation and competition for state power. Second, almost all countries view military power as crucial to their security. Either through internal development or by allying with a strong external power, they seek to amass the necessary military power to achieve preferred outcomes or prevent undesirable ones. This approach has led to military stalemates. Such stalemates may have prevented outbreaks of war but have been unable to settle or resolve underlying disputes. Third, the foregoing (unwillingness to explore alternative conceptions of nations and states and continued reliance on the military approach to prevent undesirable outcomes) reinforce the negative logic of anarchy and have prevented exploration of avenues for peaceful change in domestic and international arenas. Peaceful change is not part of the regional knowledge structure. Institutions and processes for peaceful change remain undeveloped.

Transforming the logic of anarchy in Northeast Asia

Altering the regional knowledge structure entails political development including fundamental change in conceptions of nations and states, especially on the part of China. Countries in the region must begin to accept that nation and state making processes may take centuries and that political maps can change in that process. A dynamic view that emphasizes and accepts peaceful change is required. Novel imaginations of nation and state would enable China to accept Taiwan as a separate state with a distinct identity. Likewise, North and South Korea must accept that unification is not a must or inevitable and that two Korean states can co-exist without threatening the existence of each other. Japan must learn to be a normal

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[33]Chung-In Moon and Chaesung Chun, "Sovereignty: Dominance of the Westphalian Concept and Implications for Regional Security," in Muthiah Alagappa *ed.*, *Asian Security Order: Instrumental and Normative Features* (Stanford, CA: Stanford University Press, 2003).

country and power and be accepted as one. At the domestic level China must move in the direction of a civic nation-state (as opposed to an ethnic Han nation) that is willing to grant genuine autonomy and possibly even separate statehood to so-called minority peoples if that is their will. At the same time, minority communities must recognize that their causes may be addressed through appropriate arrangements within existing states rather than separate statehood. More flexible reconceptualization of nation and state along with greater account of popular sovereignty would make it more possible to alter the regional knowledge structure and develop institutions and processes for peaceful change. Prospects for such fundamental change may appear rather slim in the near term but they are not impossible in the longer term. They are not "pie in the sky" aspirations.

On the international front, it is possible that continuation of the military stalemates may force a rethink of the situations on the Korean peninsula and across the Taiwan Strait. The rising cost of unification is already a factor in some segments of the South Korean population and may lead to a de-emphasis on unification. Likewise, the desire to preserve a more closed political and economic system could lead to a de-emphasis on unification in North Korea. Similarly, non-acceptance in Taiwan of unification with the mainland and the increasing cost of unification through force may compel Beijing to reevaluate its approach to Taiwan. It could begin to consider accepting the idea that there can well be one Chinese nation but several Chinese states. Movement of the two Koreas and the PRC in such directions could facilitate resolution of long standing conflicts in the region. Over time such movement could also reduce the significance of historical antagonisms in relations among them. It should be observed here that the significance of historical animosities has varied over time. Although the role of government in managing such animosities would further decline in an era of popular sovereignty, the public could also be encouraged to take greater account of more recent history as for example the transparent democratic system of government and practices in Japan.

Unlike in the international domain, change in domestic situations in China and North Korea would be more difficult and possibly even violent. Transition in China to democracy and greater market orientation of its economy would ease tension between that country and Taiwan, Hong Kong, as well as the United States and with minority communities within the country. Though at first sight this may seem impossible and some have argued that reforms since 1979 have strengthened the authoritarian state in

that country,[34] the Communist Party leadership has not been oblivious to the significance of the force of popular sovereignty. Jiang Jemin's "Three Represents" theory intended to broaden the Party's base and the CCP's continuing emphasis on performance reflect the growing significance of popular sovereignty in governance. The key question is if the CCP can continue to cap and channel that principle to serve the dominance of the Party or if that principle would lead to the mobilization of people to demand greater participation and competition in politics and thus challenge the dominant position of the CCP. No definitive answer is possible at this moment although it is safe to assert that the CCP would not willingly give up political power. Likewise, change in North Korea in the direction of a more plural political and economic system would ease tension in inter-Korean relations and in US-North Korea relations. As with China, it is not impossible for North Korea to move in this direction. Such movement could occur as a consequence of coup d' grace, coup d' etat, collapse, or continued hardship in North Korea, all of which are possible. Developments on the international and domestic fronts like those outlined above could facilitate transformation of the entrenched negative logic of anarchy and make security community- building in Northeast Asia more probable.

To begin with, it is important for scholars and policy makers to cultivate "new" and more flexible understandings of nation, state, and sovereignty, and impress upon national elites that political maps do and will change over time. Security should be understood not necessarily as preserving territorial integrity and political independence but as the ability to accommodate change in a peaceful manner. For example, the desire of a significant number of Scots to form a separate state was not securitized by the British government. A referendum was conducted to ascertain if the majority of the Scottish people wanted Scotland to remain in the United Kingdom or become a separate state. In the end the Scottish people opted to stay with the United Kingdom. That referendum was demonstrative of political development in nation and state-making in the United Kingdom that should be emulated by all countries including those in Northeast Asia. That referendum also potentially demonstrates a new understanding of security as the ability to bring about peaceful change.

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[34]Andrew J. Nathan, "Authoritarian Resilience," *Journal of Democracy*, 14, 1, (2003), 6–17.

In line with the above novel understanding, problem and dispute framing in the region should shift from emphasis on the military dimension to the political dimension. One should not forget the dictum that arms are generally symptomatic and not the cause of conflict. Once this is recognized then attention can shift to addressing the political problem that is usually at the heart of the dispute. For example, the key problem on the Korean peninsula is the political contention between the two Koreas, not the nuclear weapon capability of North Korea. However, the nuclear issue has taken center stage on the Korean peninsula over the past few decades. That approach has further heightened military tension and stalemate with no resolution in sight of the underlying political problem. Settlement or resolution of the political contention would reduce the salience of the military dimension and may even make it irrelevant.

Getting There

Developing appropriate intellectual frameworks and operationalizing ideas about more flexible understandings of nation, state, and sovereignty will not be easy. It may take decades. Meanwhile, it is important to preserve the peace that has prevailed over the last fifty years and construct a security order that would not only preserve existing peace but in the long run also enable transformation of the logic of anarchy in the sub-region.

Peace in Northeast Asia

Although the development of a Northeast Asia security community does not seem likely in the foreseeable future that does not imply the outbreak of war is imminent in the region. It is important to observe that Northeast Asia has witnessed relative peace and security for over fifty years. There has been no outbreak of war on the Korean peninsula since 1953 and across the Taiwan Strait since 1958. Peace and security in Northeast Asia has been due largely to power balancing and deterrence based on internal developments and strong alliances. Although countries have retained the threat of war in their policy arsenals, the role of military force has been predominantly in the deterrent mode. The de facto transformation in the role of force along with international and domestic recognition in certain cases has stabilized the Northeast Asian political map. Growing international legitimacy of that map

and increasing destructive power of weapon systems further circumscribes the role of military force in the international politics of Northeast Asia. Thus, although institutions and processes for resolution of political disputes remain undeveloped and war continues as an important instrument of state policy on paper, it may become more and more unthinkable in the inter-actions of Northeast Asian countries producing peace and a limited plu-ralistic security community—though not along the lines envisioned by Deutsch et al. Only one of the three conditions has been met (war is becoming unthinkable) for the building of a security community. Satisfaction of the other two conditions (developing institutions and pro-cesses for peaceful change and compliance with them) will hinge on altering the regional knowledge structure.

Preventing outbreak and escalation of accidental wars and deterring salami slicing

As argued above, the outbreak of premeditated war in the sub-region is highly unlikely. But there is always the possibility of accidental military skirmishes that may escalate to war. It is important to prevent such skir-mishes and limit/control their escalation potential. Crisis management is crucial, especially in conflict zones like the Korean Peninsula and maritime disputes in the East and South China Seas. Crisis management requires greater focus and attention. That is beginning to happen but often only after outbreak of a crisis. It is important to take measures to prevent the outbreak of accidental military skirmishes as well as their escalation.

Salami slicing should also be anticipated. In fact it may already be happening in the disputes in the East and South China Seas. It is important to take political, diplomatic, and military measures to deter such slicing.

Constructing an Enabling Security Order

Preserving peace and transforming the regional knowledge structure require an enabling security order.[35] The existing regional security order is a hybrid (largely realist with normative-contractual features) with emphasis

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[35]On the definition of order see Muthiah Alagappa, "The Study of International order: An Analytical Framework," in Muthiah Alagappa, *ed., Asian Security Order: Instrumental and Normative Features* (Stanford, CA: Stanford University Press 2003).

on the balance of power including alliance arrangements.[36] The United States has alliance arrangements with South Korea and Japan. It also implicitly supports the security of Taiwan. China has been building up its military capability including its nuclear arsenal with a view to deterring the United States and preventing unilateral declaration of independence by Taiwan. It is also deploying its growing military muscle in support of its claims in the East and South China Seas. The United States has sought to deter this through a number of measures including support for friends and allies. In the context of its growing isolation in the region and weakening conventional military capability, North Korea is developing a rudimentary nuclear weapon capability to deter the United States and South Korea from taking military action. The ultimate outcome of these military developments and arrangements has been peace through deterrence. In certain situations they have heightened military tensions and intensified the political-military stalemate situations. They have not aided in settlement or resolution of disputes.

Arguing that the United States is still embedded in a Cold War mindset, China has been critical of the United States for strengthening its alliance network in the region. China has called for Asian solutions to Asia's security problems and advocates a security approach that places emphasis on common security, comprehensive security, cooperative security, and sustainable security.[37] Although it does not explicitly mention collective security, some have interpreted the May 21, 2014, Xi Jinping speech in Shanghai as advocating a collective security system for Asia.[38] It should be noted here that cooperative security and collective security are not practical in the region for so long as nations and states are contested from within. These approaches assume cohesive, effective, and legitimate nations and states. However, that is not the reality. Although many countries in the

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[36] *Ibid*, Chapter 16.

[37] See for example Xi Jinping, "New Asian Security Concept for New Progress in Security Cooperation," speech delivered at the fourth summit of the Conference on Interaction and Confidence Building Measures in Asia on May 21, 2014.

[38] Moon Chung-In made this point in an email conversation with this author.

region have long existed as separate political entities, they are relatively new as modern nation-states. Most countries in the region are still in an early stage in making nations and states. And many including the Chinese nation and state are contested from within. In that context it is essential for regional countries to develop more flexible understandings of nation, state, and sovereignty. The Chinese approach—calling for cooperative security and a collective security system on the international stage while developing its own military capability and emphasizing military power in the East and South China Sea disputes as well as in dealing with internal problems— seems somewhat hypocritical. If Beijing genuinely believes in cooperative and communitarian approaches, it should demonstrate great flexibility in its imaginations of nation and state as well as its interpretations and practices of sovereignty both within the country and in the international domain. It must also take the lead in developing institutions and processes for peaceful resolution of domestic and international political disputes and comply with them. China will then be on moral high ground in criticizing the United States and can emerge as a true regional leader that finds common ground between private and public interest.

Alliances and deterrence will continue to be the mainstay of the sub-regional security order in the foreseeable future. Although self-defense and collective defense (alliance) can preserve national security and regional peace, they also have the potential to heighten military tension. To strengthen peace it is crucial to transform the regional knowledge structure. In that context it is important for countries in the region, especially those like China and Japan, to support the strengthening of normative-contractual features that support peaceful resolution of disputes. As pointed out earlier, non-resolution through military means and the prolonging of disputes may encourage political leaders to rethink their strategies. It is particularly opportune for Beijing, Tokyo, and Seoul to support the development of institutions and processes for peaceful resolution of disputes. Concurrently scholarly and policy communities should adjust their framing of disputes to highlight core underlying political problems. Track 1.5 and track 2 dialogues like the Northeast Asia Peace and Security Forum can play an important role in laying the groundwork for such institutions and processes. They can also play a key role in developing intellectual frameworks for more flexible understandings of

nation, state, sovereignty, and the like. To effectively play this role, however, they must shed the state cloaks they often don. They must become true intellectuals and an epistemic community unbound by national boundaries.

CONCLUSION

Development of a security community in Northeast Asia appears highly unlikely in the foreseeable future. Development of such a community requires transformation of the negative logic of anarchy in that sub-region. The prevailing negative logic is firmly embedded in contestations over nation and state-making that predates the ongoing change in the distribution of power. The latter may reinforce and in some cases amplify the negative logic of anarchy in the sub-region but is not the cause of it. Settlement or resolution of the key security problems in the region would require more flexible conceptions of nation, state, and sovereignty. Although this may appear virtually impossible at first sight, ongoing developments in the region (especially continued political and military stalemates in the region and fear of accidental wars) may compel political and military elites to rethink their present imaginations and strategies. Concerned intellectuals and related networks must develop frameworks that make novel conceptions possible. Policymakers must also begin to reframe problems to emphasize the political dimensions of key conflicts in the region. These would contribute to the development of a regional security order that supports the gradual rethinking of key ideas related to nation and state-making as well as interpretations and practices of sovereignty and make possible the transformation of the logic of anarchy in the region.

Concurrently, efforts must be pursued to preserve the peace that exists in the sub-region to prevent outbreak and escalation of accidental wars as well as to deter salami slicing through the deployment of military force. It is beneficial and opportune for countries like China, Japan, and South Korea to develop more flexible ideas of nation, state, and sovereignty and support construction of a regional security order that would enable transformation of the logic of anarchy in the sub-region.

THE TRUMP FACTOR

It is unclear what will form the basis of President Donald Trump's foreign policy. Campaigning and governing are different. It is foolhardy to try to extrapolate from his campaign rhetoric. All things being equal, his slogan of "Making America Great Again" is likely to inform his approach to specific policies especially in the economic domain. That slogan and his orientation thus far would suggest a pragmatic and transactional approach to international relations that seeks to cut costs and increase the returns for the United States. National interests would dominate with little interest in building international institutions based on values like human rights, democracy, and free market economy. Ideology and moral high ground do not appear to be a high priority. Beyond that there is little substantive political-strategic or economic rationale that is discernible at this stage.

The impact of Trump on building a security community in Northeast Asia is likely to be minimal. As argued in the chapter, the negative logic of anarchy that has dominated the sub-region is largely a consequence of the nationalizing policies and strategies of countries in the sub-region. The United States may have contributed to the present situation but is not now the driving force of the negative logic of anarchy in that region. If countries in the region so desire, they can transform the negative logic with little input from Trump or whoever leads the United States. The perceptions and policies of China, Taiwan, South Korea, North Korea, and Japan are within their control. The United States has not forced its will on these countries. Even if it did so in an earlier era, that is much less the case now. The impact of the United States has declined over time. Countries in the region are no longer obliged to follow the US lead if that is against their interest. They can pursue independent approaches and policies.

Washington, however, plays a greater role in peace in Northeast Asia. American military support for South Korea, Japan, and Taiwan has been crucial in sustaining deterrence and preventing large scale war. Notwithstanding Mr. Trump, it is likely that over time Washington will urge its allies in the sub-region to assume greater responsibility for their defense and in deterrence. Mr. Trump could hasten that process. If that

does transpire, a new political-strategic equilibrium is likely to arise in the sub region. Movement to a new political-strategic equilibrium could be tension-prone but need not necessarily lead to large-scale war. A new political-strategic equilibrium may not be a bad thing for the sub-region and Asia in the long run.

Quiet Transformation from the Bottom: Emerging Transnational Networks Among Non-State Actors in Northeast Asia Community-Building

Seung Youn Oh

In Northeast Asia, an extensive web of informal intra-regional economic and cultural integration coexists with fractious political and security issues that often hinder potential cooperation. The combined experience of colonization at the turn of the twentieth century and the historical remnants of the Cold War led to the regional states developing a strong sense of nationalism and intense commitment to the ideals of Westphalian sovereignty.[1] Traditional security concerns dominate the region, and nation-states remain the focus of most discussions regarding regional

[1]Chung-In Moon and Chaesung Chun, "Sovereignty: Dominance of the Westphalian Concept and Implications for Regional Security," in *Asian Security Order: Instrumental and Normative Features*, ed. Muthiah Alagappa (Stanford, CA: Stanford University Press, 2003), 111.

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integration. These fundamental realities explain the relative lack of formal and institutionalized cooperation among China, Japan, and South Korea.[2]

Yet, the region is also marked by significant instances of successful democratization and breathtaking economic development. These political and economic achievements have granted a wide range of non-state actors the opportunity to be part of the regional integration process and brought about developmental challenges that require collective action. If analysis of community-building efforts in Northeast Asia is fixated on the level of the nation-state and the central government, then one fails to capture the complex, transnational integration dynamics that are now vigorously at work in the region. In particular, non-state actors—less constrained than national authorities by political tensions and historical legacies—are not only generating a new capacity for regional community-building, they are also strengthening existing forms of regional cooperation.

At the sub-national level, local governments in China, Japan, and South Korea have deepened their inter-city networks through social, cultural, and economic cooperative projects while sharing knowledge about opportunities and challenges inherent in the processes of industrialization and urbanization. At the same time, multinational corporations are expanding their transnational operations in the region through global and regional production networks. Such trans-national commercial linkages raise business actors' interest in regionally collaborative economic policies and political relations.

Transnational "epistemic communities" among scholars, experts, and think tanks have also played a key role in deepening regional cooperation at the ideational level by identifying common issues and proposing shared solutions across borders and issue areas. Civil society actors have become indispensable participants in raising public awareness of various issues transnationally, providing knowledge and expertise for how best to resolve problems, and often acting as pressure groups for the enactment of national and regional-level policies. This wide range of actors has ushered in a new era of regional community-building in Northeast Asia by bringing about

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[2]Kent Calder and Min Ye, *The Making of Northeast Asia* (Stanford, CA: Stanford University Press, 2010); Peter J. Katzenstein and Takashi Shiraishi, *Network Power: Japan and Asia* (Ithaca and New York: Cornell University Press, 1997); Gilbert Rozman, *Northeast Asia's Stunted Regionalism: Bilateral Distrust in the Shadow of Globalization* (New York: Cambridge University Press, 2004).

quiet transformations below the nation-state level, both in spite of and because of political uncertainties.

This chapter explores how non-state actors in Northeast Asia in both individual countries and at the regional level serve as transnational constituencies and create regional networks to solve shared problems. Northeast Asia—encompassing Japan, China, the two Koreas, Taiwan, Mongolia, and the Russian Far East—consists of countries with a wide variety of political systems and differing levels of economic development. This chapter pays special attention to the networks and coalitions of non-state actors in China, Japan, and South Korea to assess the opportunities and challenges non-state actors face in overcoming the political and historical tensions in one of the least institutionalized regions in the world. I argue that despite the embryonic stage of multilateral networks of non-state actors from these three countries, issue-based and cross-border civil society collaboration has generated a new capacity for reaching consensus about how to tackle common problems and for strengthening regional cooperation. Their operations can bypass "high politics" at the national government level because their agenda does not directly mirror ongoing political tensions. Also, in the face of pressing domestic developmental challenges in issue areas such as energy insecurity and environmental degradation, Northeast Asian countries need support from non-state actors in terms of new ideas, scientific knowledge, field experience, and capacity for mass mobilization. Thus, examining how non-state actors are relevant to building a regional framework in Northeast Asia is both a normative and practical endeavor.

In identifying sources of regional cooperation from a multifaceted perspective, this chapter provides a three-part overview of non-state actor networks for transnational community-building efforts in Northeast Asia. The first section begins with a discussion of the emergence of non-state actors and their roles in regional community-building. The second section identifies the nature and characteristics of networks developing among various non-state actors in the region by examining case studies of cross-national activism and cooperative projects undertaken by local governments and civil society. In so doing, I suggest that inter-city and cross-border networks among non-state actors tend to focus on a single issue and be more effective in addressing non-traditional security problems. Non-state actors' participation in community-building is not completely immune to underlying political dynamics in the region, and is often constrained by state-society relations in various countries. Nevertheless, this

chapter concludes with the argument that non-state actors' participation in regional community-building allows the concept of an East Asian Community to move past an elusive dream to a reachable possibility.

UNDERSTANDING THE MULTILAYERED FORCES OF REGIONAL INTEGRATION

An Emerging Space for Non-state Actors in Northeast Asia

This chapter begins with the recognition that non-state actors in Northeast Asia do not constitute a single category and that trans-border interactions among non-state actors are not all part of one coherent movement. Rather than imposing a variety of idealized definitions that are fraught with analytical confusion, this chapter conceptualizes non-state actors as a broad spectrum of organizations that coexist in the space between the nation-state (represented as the central government) and the market. Non-state actors are defined here with respect to the degree to which they operate autonomously based on shared values and goals, as opposed to mirroring the priorities set by nation-states or the market. Hence, this sector includes not only civil society groups (such as nongovernmental organizations [NGOs], professional organizations, and think tanks), but also some sub-national government actors (such as local governments or networks of like-minded government officials who often act in a civilian capacity).

From a cross-regional perspective, Northeast Asia has lagged behind Southeast Asia, where various non-state actors have institutionalized their cross-national collaborations and successfully gained access to policymaking through the Association of Southeast Asian Nations (ASEAN) from as early as the 1970s.[3] While it got off to a slower start, Northeast Asia

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[3]Soon after its founding, ASEAN began incorporating non-state actors and non-security related matters in its regional program and formulating regional objectives. In 1972, active business sector involvement in many of ASEAN's economic integration initiatives resulted in the establishment of the ASEAN Chambers of Commerce and Industry (ASEAN-CCI)—the main vehicle through which the business community communicates its concerns on regional economic issues to ASEAN. ASEAN-CCI played a key role in the creation of the ASEAN Free Trade Area (AFTA) in the early 1990s. (Paul Bowles, "ASEAN, AFTA, and the 'New Regionalism,'" Pacific Affairs, Vol. 70, No. 2 (1997), 219–33; J. L. Tongzon, *The Economies of Southeast Asia*, 2nd edition (Cheltenham and Northampton, MA: Edward Elgar Publishing

witnessed a rapid expansion of regional collaborations during the 1990s and 2000s, with Track II dialogues on East Asian Community Building, inter-city collaboration, and civil society activism. These partial successes in state-to-state diplomacy created meaningful links between societies that previously had only tenuous connections—links that would ultimately generate new opportunities for individuals and civil society organizations to operate and interact autonomously without direction from the state or market forces. This emerging space for non-state actors to play vital roles in community-building needs to be seen in the context of changing inter-state relations at the macro level, as well as the political and economic changes taking place in the domestic politics of respective countries in the region.

First, major geopolitical changes and several financial crises have prompted East Asian countries to move toward regional integration. In the post–Cold War era, the intense ideological and political competition among nation-states subsided and was supplanted, to some extent, by dialogues between new players regarding transnational integration. Conversely, the end of the Cold War also brought bilateral political and historical tensions to the surface, which had been suppressed under the geopolitical rivalry between the First and the Second World War. The tensions emerged from hyper-nationalism, territorial disputes, and the

Ltd., Inc, 2002), 182; Alexander Chandra, "The Role of Non-state Actors in ASEAN," in Revisiting Southeast Asian Regionalism, ed. Focus on the Global South (Manila: Cor-Asia, Inc, 2006), 71–81. ASEAN's most active knowledge networks have been established in the field of forestry, such as the Regional Knowledge Network on Forest Law Enforcement and Governance (FLEG Network) established in October 2008 as well as the Regional Knowledge Network on Forests and Climate Change. For more details, see Lorraine Elliott, "ASEAN and Environmental Governance: Strategies of Regionalism in Southeast Asia,` *Global Environmental Politics*, Vol. 12, No.3 (2012); Nicholas A. Robinson and Koh Kheng-Lian, "Strengthening Sustainable Development in Regional Inter-Governmental Governance: Lessons from the 'ASEAN Way,'" *Singapore Journal of International and Comparative Law 6* (2002); Paruedee Nguitragool, "Negotiation the Haze Treaty: Rationality and Institutions in the Negotiations for the ASEAN Agreement on Transboundary Haze Pollution," *Asian Survey*, Vol. 51, No. 2 (2011).

North Korea issue, among other causes. These conflicts interfered with the opportunities for cooperation unleashed by the end of the Cold War and greatly complicated the regional integration process.[4] In spite of these contradictory tendencies, the 1997 Asian Financial Crisis served as a critical juncture that called for collective mobilization in the region.[5] East Asian countries shared a feeling of resentment toward—and humiliation in the face of—outside pressure, as well as the need to protect their distinctive form of capitalism that differed from that of Europe or North America.[6] Various Track II dialogues on Korean Peninsula issues among a community of intellectuals, academics, and experts preceded the establishment of formal intergovernmental organizations in the region and played an instrumental role at the ideational level.[7] For example, the East Asia Vision Group was created in response to the proposal for a Northeast Asian regional community by South Korean President Kim Dae-Jung in 1998, which served as one of the region's most extensive and comprehensive nongovernmental processes and facilitated the establishment of the East Asian Summit in 2005. East Asian community-building efforts were further consolidated by the states and non-state actors that have responded to North Korean nuclear proliferation for two decades and by the 2008 Global Financial Crisis.

Second, at the domestic level, democratization and industrialization opened political opportunities whereby civil society organizations became prominent sources of ideas and actors involved in regional community-building. For the democratic countries of Japan and South Korea, civil society has been an integral part of the democratization process

[4]Gilbert Rozman, *Northeast Asia's Stunted Regionalism: Bilateral Distrust in the Shadow of Globalization* (New York: Cambridge University Press, 2004).

[5]Vinod K. Aggarwal, and Min Gyo Koo, ed. *Asia's New Institutional Architecture: Evolving Structures for Managing Trade, Financial, and Security Relations* (New York: Springer, 2008); Calder and Ye, *The Making of Northeast Asia.*

[6]Richard Higgot, "The Asian Economic Crisis: A Study in the Politics of Resentment," *New Political Economy* Vol. 3, No. 3 (2007); Paul Bowles, "Asia's Post-crisis Regionalism: Bringing the State Back In, Keeping the (United) States Out," *Review of International Political Economy* Vol. 9, No. 2 (2002); Richard Stubbs, "ASEAN Plus Three: Emerging East Asian Regionalism?" *Asian Survey* Vol. 42, No. 3 (2002): 445.

[7]T. J. Pempel, ed., *Remapping East Asia: The Construction of a Region* (Ithaca and London: Cornell University Press, 2005).

—raising public awareness and calling for government accountability regarding critical social problems.[8] In the authoritarian country of China, social organizations exist as either professional associations or government-organized NGOs, which express their views on social affairs within highly regulated and constrained operational parameters set by the party-state.[9] China has, nevertheless, experienced an explosion of grassroots political activity.[10] Regardless of regime type, successful economic development of Northeast Asian countries depends on confronting common challenges with shared expertise and collective action. For example, port cities—including China's Dalian, South Korea's Inchon, and Japan's Niigata—face risks from climate change, particularly from rising sea levels.[11] Other examples include energy insecurity, urban sprawl,

[8]Muthiah Alagappa, *Civil Society and Political Change in Asia: Expanding and Contracting Democratic Space* (Stanford, CA: Stanford University Press, 2004); Sunhyuk Kim, *The Politics of Democratization in Korea* (Pittsburgh, PA: University of Pittsburgh Press, 2000); Charles Armstrong ed., *Korean Civil Society: Civil Society, Democracy, and the State* (New York: Taylor & Francis, 2002); Robin M. LeBlanc, *Bicycle Citizen: The Political World of the Japanese Housewife* (Berkeley, Los Angeles, and London: University of California Press, 1999); Kim Reimann, "Building Global Civil Society from the Outside In? Japanese International Development NGOs, the State, and International Norms," in *The State of Civil Society in Japan*, ed. Frank J. Schwartz and Susan J. Pharr (Cambridge: Cambridge University Press, 2003); Yasuo Takao, *Reinventing Japan: From Merchant Nation to Civic Nation* (New York: Palgrave Macmillan, 2007).

[9]Fengshi Wu and Wen Bo, "Nongovernmental Organizations and Environmental Protests: Impact in East Asia," in *Routledge Handbook of Environment and Society in Asia*, eds. Graeme Lang and Paul Harris, (Florence: Taylor and Francis, 2014); Fengshi Wu, "New Partners or Old Brothers? GONGO in Transnational Environmental Advocacy in China," in *China Environment Series* 5, ed. Jennifer L. Turner (Washington, DC: ECSP, 2002).

[10]Kevin O'Brien and Lianjiang Li, *Rightful Resistance in Rural China* (New York: Cambridge University Press, 2006); Elizabeth Perry and Merle Goldman, ed. *Grassroots Political Reform in Contemporary China* (Cambridge, MA: Harvard University Press, 2007); Peter Ho and Richard Edmonds, ed. *China's Embedded Activism: Opportunities and Constraints of a Social Movement* (London and New York: Routledge, 2007).

[11]Peter Hayes and Richard Tanter, "Global Problems, Complexity, and Civil Society in East Asia," in Peter Hayes and Kiho Yi, ed. *Complexity, Security, and Civil Society in East Asia* (Cambridge: Open Book Publishers, 2015).

environmental degradation, migration, disaster management, and financial vulnerability. These issues transect multiple states in the region and are hard to tackle, let alone resolve, at the level of single countries. Due to their agility and dense networks, non-state actors have unprecedented opportunities to both discuss regional affairs and propose specific solutions to common challenges.

Lastly, if democratization and industrialization opened the door for non-state actors to become an integral and indispensable part of regional governance, the development of information technology and social media has made the walls between borders porous and ushered in a remarkable new era of information sharing. A combination of globalization, privatization, and the Information Technology (IT) revolution enabled rapid development in communication methods and the free flow of information, which in turn allowed for the rise of transnational networking among professionals and the narrowing of the gap between experts and the public. One example of this last phenomenon comes from the Nautilus Institute for Security and Sustainability, a nongovernmental policy-oriented research and advocacy group. The institute launched an information network called Nautilus Peace and Security Net (NAPSNet) in 1993, which covered key areas of research and policy work including nuclear deterrence, energy security, and climate change in the Asia-Pacific region. Through this information network, people can share expertise, propose ideas to resolve problems on the basis of shared scientific beliefs, and create and maintain social institutions that respond to problems.[12]

Information technology has provided alternative sources of data that cannot be found in the mass media or official propaganda of each country. For example, since 2007, the American Embassy in Beijing started to publish its $PM_{2.5}$ Air Quality Index (AQI) on Twitter; since then, several smartphone applications have made the data user-friendly, providing an alternative to official data published by the Chinese Ministry of

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[12]Peter Hayes, Wade Huntley, Tim Savage, and GeeGee Wong, "The Impact of the Northeast Asian Peace and Security Network in US-DPRK Conflict Resolution" (paper presented at Internet and International Systems: Information Technology and American Foreign Policy Decision-making Workshop, Nautilus Institute, San Francisco, December 10, 1999).

Environmental Protection.[13] Another fascinating example of the Internet's ability to empower the public comes from "Safecast"—an international, volunteer-driven organization that has provided radiation information to the public following the 2011 Fukushima nuclear meltdown in Japan. Safecast empowers the public by monitoring, gathering, and sharing information on environmental radiation and other pollutants from Fukushima and providing an alternative to government data. In South Korea, Energy Justice Action has hosted live Internet broadcasts everyday giving detailed accounts of the Fukushima incident to the public while also providing information about South Korea's own energy policy and nuclear export strategy.[14] Northeast Asian countries' especially high Internet penetration rates mean that both the public and civil society have an inexpensive way to communicate with parties in and outside the region.[15] As of 2014, 91% of the total population in Japan, 84% of the population in South Korea, and 50% of the population in China has access to the Internet, which provides an important foundation for potential network-building efforts in the region.[16]

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[13]These tweets on air quality can reach a growing audience via third-party smartphone apps that have found a way to circumvent China's blocking of Twitter. These apps include the Beijing Air iPhone app (iphone.bjair.info) and the China Air Quality Index, which show the official data released by China's Ministry of Environmental Protection and data from the U.S. Embassy. The apps also allow users to share images depicting current air quality and screenshots with friends via social media platforms such as Weibo (a social networking alternative to the Facebook and Twitter, which are blocked in in China). Moreover, there are also websites such as Beijing Air Pollution Real Time AQI, which presents air pollution data on hundreds of cities across China in order to promote transparency regarding air quality data.

[14]See movie.energyjustice.kr; http://energyjustice.kr/zbxe/.

[15]Kenji Kushida and Seung-Youn Oh, "The Political Economies of Broadband Development in Korea and Japan," *Asian Survey* Vol. 47, No. 3 (2007).

[16]"Percentage of Population Using the Internet in Japan from 2000 to 2014," last modified, http://www.statista.com/statistics/255857/internet-penetration-in-japan/; "Percentage of Population Using the Internet in South Korea from 2000 to 2014," last modified, http://www.statista.com/statistics/255859/internet-penetration-in-south-korea/; "Percentage of Population Using the Internet in China from 2000 to 2014," last modified, http://www.statista.com/statistics/255136/internet-penetration-in-china/.

Conceptualizing Multi-level Regional Community-Building Efforts

In Northeast Asia, policy areas that were once the indisputable domain of state actors and formal public authorities have increasingly become part of a shared "policy commons" due to the emergence of non-state actors and the increasing complexity of the region's economic and social problems.[17] While states remain important participants in regional affairs, they are no longer the only driving forces behind policy formation at the ideational and operational levels. The boundaries between the state and society—as well as those between the public and private sectors—have become blurred, and efforts to build a regional framework are occurring in three distinct (if overlapping) spheres.

In the first sphere, state-driven integration efforts have resulted in formal government organizations such as ASEAN Plus Three, Asia Pacific Economic Cooperation, the ASEAN Regional Forum, and the East Asia Summit. In the second sphere, a variety of informal "Track II" channels foster conversation on economic, political, security, environmental, and other transnational issues and have routinely brought together regional leaders to lay down the groundwork for the creation of formal organizations. In this second layer of building a Northeast Asian regional framework, "epistemic communities"—defined as networks of professionals with recognized expertise in specific issue-areas and the authority to define their policy goals—are also essential, as they develop shared principles, causal beliefs, and social discourse and practices.[18] The Boao Forum for Asia and Jeju Forum for Peace and Prosperity, which are headquartered in China and South Korea respectively, stand out as examples of the most extensive and comprehensive transnational and multi-sectoral networking processes. They were initiated by private actors (scholars and universities) in partnership with local governments and later went on to draw support from the central government.[19] They regularly convene leaders from the government, businesses, and academia to exchange views informally with the goal

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[17]Jon Pierre and B. Guy Peters, *Governance, Politics, and the State* (New York: Palgrave Macmillan, 2000), 4–5.

[18]Peter M. Haas, "Introduction: Epistemic Communities and International Policy Coordination," *International Organization* Vol. 46, No. 1 (1992).

[19]Kiho Yi et al., "The Implications of Civic Diplomacy for ROK Foreign Policy," in Peter Hayes and Kiho Yi ed., *Complexity, Security, and Civil Society in East Asia* (Cambridge: Open Book Publishers, 2015).

of expanding cooperation in various policy areas. Another example comes from the framework of ASEAN Plus Three: The Network of Northeast Asian Think-Tanks (NEAT), which generates new and creative regional policy ideas on energy, telecommunications, and financial issues.

The third sphere is the realm of civil society, which consists of NGOs, regional advocacy groups, and professional and business associations. Non-governmental and non-profit in their orientation, civil society actors share universally accepted norms and values which empowers them to forge regional cooperation through major networks that incorporate state actors as well as the general public. The depth of connections in non-state actors' transnational coalitions and networks means these groups can share high-quality information and often overcome barriers at the level of high politics; moreover, these strong connections have allowed non-state actors to expand their domain of activities, change local policies, and affect regional politics. Actors in this third (civil society) sphere are especially good at three things: (1) initiating discussions on sensitive issues and generating transparency; (2) creating links with grassroots organizations, mobilizing people, and organizing collective action; and (3) finding solutions for complex problems. In sum, they can "fill structural 'holes' between other networks by spanning borders or boundaries, thereby creating networks of networks enabling other organizations to communicate in ways otherwise thought impossible."[20] Non-state actors complement the functions of the nation-state and create a feedback loop of knowledge and regional integration that enhances Northeast Asia's long-term economic and political stability.

CHARACTERISTICS OF TRANSNATIONAL COALITIONS AMONG NON-STATE ACTORS IN NORTHEAST ASIA

Impact of State-society Relationships

Many comparative studies on East Asian regional integration have confirmed that the varying political systems and regulatory environments in each country affect the way in which the state-society relationship develops, which in turn impacts the framework through which non-state actors are connected to other actors and the extent to which they are part of the

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[20]Hayes and Tanter, *Global Problems, Complexity, and Civil Society in East Asia*, 76.

policymaking process.[21] The changing nature of state-society relationships shapes transnational network-building among non-state actors in two important areas: (1) their ability to reach a consensus on goals and policy preferences, and (2) their ability to operate independently of state interest and still have the potential to influence the policymaking process.

First, non-state actors need to reach a consensus on both shared problems and policy choices before they can collectively mobilize their financial and human resources. Since non-state actors operate under different political structures and developmental phases, this first step is often challenging.[22] For example, the air pollution and acid rain originating from China's rapid industrialization have been big concerns for both Japan and South Korea, as they are located downwind from China. Their vulnerability prompted various governmental and non-governmental actors to create regional and sub-regional environmental frameworks and programs.[23] Conversely, not only does the Chinese government often attempt to avoid being regarded as a source country, but Chinese non-state actors tend to concentrate on domestic environmental issues before addressing cross-national concerns.[24] As a result, Northeast Asian countries struggle to find common ground on the pollution issue, identify specific countries' responsibilities, and articulate conclusive scientific solutions, creates obstacles to developing and implementing effective solutions. For example, Japan, South Korea, and China voiced differences on air pollution and deforestation during the meeting of the Northeast Asian Conference on Environmental Cooperation in 2000. Consequently, the organization's

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[21]Wu and Bo, *Nongovernmental Organizations and Environmental Protests: Impact in East Asia*; Miranda A. Schreurs, "Problems and Prospects for Regional Environmental Cooperation in East Asia," in *Advancing East Asian Regionalism*, ed. Melissa Curley and Nicholas Thomas (New York: Routledge, 2006); Celeste Arrington and Sook-Jong Lee, The Politics of NGOs and Democratic Governance in South Korea and Japan," *Pacific Focus*, 2008: pp. 75–96.

[22]Hayes and Tanter, *Global Problems, Complexity, and Civil Society in East Asia*.

[23]Moreover, Japan and South Korea are both motivated by economic interests to sell environmental technologies to China. Peter Hayes and Lyuba Zarsky, "Environmental Issues and Regimes in East Asia," Journal of International Affairs Vol. 6 (1995), 283.

[24]Yasumasa Komori, "Evaluating Regional Environmental Governance in Northeast Asia," *Asian Affairs: An American Review* Vol. 37, No. 1 (2010).

proposed Core Fund did not materialize and the original plan for joint research projects could not be implemented.[25]

Second, the extent to which non-state actors can operate independently significantly affects the nature of their mobilization. Without such autonomy, their proposals will mirror domestic political priorities or be driven by state preferences. Northeast Asian countries are known as "strong states" with hierarchical state-society relationships (in spite of whether they are democratic or non-democratic). In identifying "network-style integration," Peter Katzenstein and Takashi Shiraishi deliberately paid little attention to non-state actors outside of the market and instead noted how hierarchic state-society relationships stunted the development of horizontal and associational communities in the region.[26] Although they are still considered to be state-centered rather than society-centered, both Japan and South Korea have gradually developed into "embedded states" by strengthening the liberal nature of the state's relationships with other social actors through economic and political liberalization.[27] The Chinese system, meanwhile, is characterized by party-state dominance, where the state exerts significant control over the activities of societal associations. There has been a notable increase in the number of NGOs in China since the late 1990s, but their activities remain highly regulated and operate within the parameters set by the government. In addition, an increasing number of these NGOs are becoming so-called government-organized NGOs (GONGOs), which are coopted into the system and constrained from autonomous social actions.[28] Their agenda and activities are shaped,

[25]Whasun Jho and Hyunju Lee. "The Structure and Political Dynamics of Regulating "Yellow Sand" in Northeast Asia," *Asian Perspective* Vol. 33, No. 2(2009).

[26]Katzenstein and Shiraishi.

[27]Peter Evans, *Embedded Autonomy: States and Industrial Transformation* (Princeton, NJ: Princeton University Press, 1995); Chung-In Moon and Rashmi Prasad, "Networks, Politics, and Institutions," in *Beyond the Developmental State: East Asia's Political Economies Reconsidered*, ed. Steven Chan et al. (New York: St. Martin's Press, 1998).

[28]Jessica C. Teets, *Civil Society Under Authoritarianism* (New York: Cambridge University Press, 2014); Hidetaka Yoshimatsu, *The Political Economy of Regionalism in East Asia: Integrative Explanation for Dynamics and Challenges* (Basingstoke and New York: Palgrave Macmillan, 2008); Fengshi Wu, "New Partners or Old Brothers?".

affected, and guided by government authorities at the central and regional levels. Civil-society actors also often make conscious decisions not to use strategies that mobilize collective resistance due to daunting political pressure, the high prevalence of surveillance, and the hidden constraints they endure on a daily basis.[29] Overall, the state-society relationship not only affects the types, viability, and effectiveness of non-state actor coalitions, but also critically depends on the contours of domestic politics.[30]

Additionally, the government's attitude toward public pressure can affect the opportunity structures non-state actor movements encounter and can shift the balance in state-society relationships.[31] When the ruling party is more willing and able to respond to public demands, non-state actors encounter fewer hurdles to accessing the policy-making arena. When the ruling party is more resistant to public demands, however, non-state actors can still overcome barriers created by domestic political structures by obtaining project funding and greater visibility through transnational networks; regional non-state actors tend to have more success in advancing these goals when international organizations prioritize a certain agenda as a critical global political issue.[32] Non-state actors can further influence the direction of domestic policy through external pressure imposed on the central government—the so-called boomerang effect. This will be demonstrated in the case study section through the examples of how the

[29]Fengshi Wu and Kinman Chan, "Graduated Control and Beyond: The Evolving Governance over Social Organizations in China," *China Perspectives* Vol. 3 (2012); In China, there has been a clear disconnect between NGO-centered advocacy and mass-based protests.
[30]Miranda A. Schreurs, "Problems and Prospects for Regional Environmental Cooperation in East Asia," in *Advancing East Asian Regionalism*, ed. Melissa Curley and Nicholas Thomas (New York: Routledge, 2006).
[31]Mary Alice Haddad, "Paradoxes of Democratization: Environmental Politics in East Asia," in *Routledge Handbook of Environment and Society in Asia*, ed. Paul Harris and Graeme Lang (New York: Routledge, 2014).
[32]Thomas Risse-Kappen et al, *Bringing Transnational Relations Back In: Non-State Actors, Domestic Structures, and International Institutions* (Cambridge: Cambridge University Press 1995).

transnational anti-nuclear movement affected domestic nuclear power plant development in Taiwan and other East Asian countries.[33]

Patterns of Cross-National Coalition-Building

Caught between their aspirations for building multilateral cooperation and constraining political realities, transnational coalitions among non-state actors in Northeast Asia have developed two main characteristics: (1) greater focus on non-traditional than traditional security issues and (2) more bilateral than multilateral forms of collaboration. First, transnational networks among non-state actors are more likely to emerge around non-traditional security issues where the interests of international organizations, nation-states, and non-governmental actors converge—such as the environment, human trafficking, disaster relief, and other developmental challenges. Although traditional security issues such as territorial disputes or nuclear proliferation are dominated by nation-state actors and complicated by national interests, non-traditional security areas allow actors with various interests to reach agreements regarding the sources of problems, potential solutions, and policy preferences due to the transnationally shared nature of the issues. The universality of norms and values underlying human security issues, for example, resonate powerfully in the minds of the general public. Moreover, non-traditional security issue areas often motivate state actors to ask for technical and logistical support from non-state actors including academics, experts, and "soft elites" (that is, networks of like-minded government officials who often act in a civilian capacity). This kind of a specific issue-focused network can be a double-edged sword, however. Without a central entity acting as a hub to manage various cross-national participants, cross-national networks can be short-term

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[33]Examples of this are commonly seen in Southeast Asia, where foreign governments and development banks support NGO projects and empower them to foster democratization and influence national policy concerning environmental protection and biodiversity. In Indonesia, the U.S. Agency for International Development created a trust fund to provide long-term support for Indonesian NGOs working on biodiversity issues that include politically sensitive issues as land reform, government transparency, and forest management. For details, see Laura B. Campbell, "The Political Economy of Environmental Regionalism in Asia," in *Remapping East Asia: The Construction of a Region,* ed. T. J. Pempel (Ithaca and London: Cornell University Press, 2005).

phenomena that fade away once a specific issue is tackled or because transaction costs increase to unsupportable levels due to overlapping projects and minimal coordination.

Another characteristic of non-state actor cooperation in Northeast Asia is the predominance of bilateral initiatives over multilateral ones. Unlike official top-level meetings, discussions of regional initiatives among non-state actors tend to be event-based and location-specific. A non-state network often begins with a certain group's experience in one country, and then expands to bilateral coordination that includes actors at various cross-national levels, rather than starting out on a multilateral basis. Depending on the level of accountability, institutionalization, and organizational strength, the shape of the transnational coordination and collaboration takes one of two different forms: networks or coalitions. Networks involve spontaneous and functional processes, often serving as a prelude to coalition-building over time. Coalitions, meanwhile, are tightly coordinated and dense organizational networks with more clearly defined agendas for joint actions and more commonly shared goals. Effective network- and coalition-building can improve efficiency by allowing organizations to address multifaceted issues that are larger than any one of their particular missions and achieve a broader purpose than could be accomplished by any single organization. Coalition-building also reduces duplication of efforts and costs, minimizes unhelpful competition, and magnifies issue visibility.[34]

Japanese or South Korean civil-society actors tend to initiate mostly bilateral collaborations, while Chinese civil-society actors are usually incorporated at some point later in the process. Japan occupies a unique position in the region as a highly industrialized country that contributes to regional development through its Official Development Assistance (ODA). Prefectural and municipal governments serve as important initiators and constituencies of ODA projects, and local NGOs actively participate as well. Such networks of collaboration complement the Japanese central government's intention of using the ODA as a channel for diplomacy. Chinese NGOs and social actors may not initiate transnational collaboration, but they are important participants at the operational level. Unlike the limited role played by NGOs, however, sub-national Chinese governments

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[34]Helen Yanacopulos, "The strategies that bind: NGO coalitions and their influence," *Global Networks*, 5 (2005).

maintain relatively strong autonomy at the local level so they can build inter-city networks by bypassing Beijing's control and opening up opportunity structures for non-state actor coalitions to penetrate into China, as will be discussed in the following case study section.

OVERVIEW OF EMERGING ENVIRONMENTAL ACTIVISMS IN NORTHEAST ASIA

A number of factors have motivated Northeast Asian states to make the "3Es" of economic growth, environment protection, and energy security-shared regional priorities. Geographic proximity makes Northeast Asian countries environmentally interdependent, and the region's heavy dependence on imported fossil fuels makes energy security a matter of survival. Increasing public outcry over pollution and resultant health problems has also challenged political legitimacy and sustainable economic development. Environmental activism has been an integral part of democratic transition in Japan since the 1960s and in South Korea since the 1980s; recently, even non-democratic China has faced increasing levels of environment-related protests and litigation.[35] Internationally shared norms on environmental protection and countries' desire to develop alternative energy sources as a zero-carbon alternative to fossil fuels give non-state actors the opportunity to forge region-wide initiatives. This section reviews two major ways in which non-state actors operate in Northeast Asia: (1) providing substantive support to state actors and (2) providing alternative policy options that work against states' interests.

Case Study Part 1: Collaborative Work at the Multilateral Level

Intergovernmental environmental cooperation in Northeast Asia is largely a product of the 1990s post–Cold War era.[36] The 1992 United Nations

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[35]In both 2014 and 2015, the Chinese population's top concern has been the environment. "Corruption, Pollution, Inequality Are Top Concerns in China," last modified September 24, 2015, http://www.pewglobal.org/2015/09/24/corruption-pollution-inequality-are-top-concerns-in-china/.

[36]Yasumasa Komori, "Evaluating Regional Environmental Governance in Northeast Asia," *Asian Affairs: An American Review* Vol. 37, No. 1 (2010); Hayes and Zarsky, "Environmental Issues and Regimes in Northeast Asia," 283 et passim.

Conference on Environment and Development (UNCED, also known as the Rio Earth Summit) was the major catalyst that prompted Northeast Asian governments to create regional and sub-regional frameworks for environmental cooperation. The Environment Congress for Asia and the Pacific (ECO-ASIA) launched in 1991 encompasses the broader Asia-Pacific region, while three other collaborative forums have been established specific to Northeast Asia region—the Northeast Asian Conference on Environmental Cooperation (NEAC) in 1992, the North-East Asia Subregional Program for Environmental Cooperation (NEASPEC) in 1993, and the Tripartite Environment Ministers Meeting (TEMM) in 1999.[37]

Along with these processes, networks among non-state actors such as local governments and civil society networks play a critical role at the ideational and operational levels by convening and supporting epistemic communities that share an understanding of sustainability problems in each country. For instance, TEMM gave funds to the Korean Federation for Environmental Movements (KFEM), a national-level NGO coalition started in 1993, to coordinate nongovernmental cooperation across borders.[38] KFEM has become the largest environmental NGO in Asia, with over fifty local branches across the country and 150,000 registered members as of 2014. It worked with bird-watching groups in Japan, Taiwan, and Hong Kong to form the Northeast Asia Black-faced Spoonbill Network to promote information exchange and coordinate conservation efforts in 1996. In 2002, KFEM became the Korean chapter of the

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[37]Some issue-specific programs have also been established. In 1994, China, Japan, South Korea, and Russia adopted the Action Plan for the Protection, Management, and Development of the Marine and Coastal Environment of the Northwest Pacific Region (NOWPAP) to manage the coastal and marine environment in the Yellow Sea and the East Sea/Sea of Japan. In 2001, the Acid Deposition Monitoring Network in East Asia (EANET) was formally established after several years of preparatory negotiations. More recently, some projects to address the problem of dust and sandstorms (DSS) have also been launched. Recently established transnational organizations include the regional dust technical support plan (DSS-RETA), the Yellow Sea Large Marine Ecosystem Strategic Action Project (YSLME), and remote air pollution in Northeast Asia joint research (LTP).

[38]Wu and Bo, *Nongovernmental Organizations and Environmental Protests: Impact in East Asia*, 105–19.

international environmental federation, Friends of the Earth, and has since been visible on the stage of global environmental politics.

Local governments also serve as a critical component of cross-border, inter-city network-building with their counterparts at the sub-national level. Located strategically between central governments and local civil society organizations, they can develop projects without being interrupted by political agendas at the central government level and provide necessary resources and a degree of accountability to civil society organizations within given local boundaries.[39] The Japanese city of Kitakyushu's close collaboration with the Chinese city of Dalian on establishing an environmental model zone offers a fascinating example. Kitakyushu, in the Japanese state of Fukuoka, once had a notorious reputation as a highly polluted industrial area, but it is now known as a leader in industrial pollution control and the movement toward a zero-emission society.[40] The local government of Kitakyushu proposed the creation of a Dalian Environmental Model Zone as a pilot project when Chinese State Councilor Song Jian visited the city in December 1993, while persuading the Japanese central government to make the plan an ODA-funded project.[41] From December 1996 to March 2000, the Kitakyushu government collaborated closely with Dalian in sharing expertise on technology, administrative operations, city planning, and transferring the requisite pollution control technology and management practices.[42] This subnational network's ability to bypass Tokyo and Beijing allowed the project to develop quickly without being interrupted by political agendas at the central government level. Notably, both governments brought otherwise unconnected actors together—such as engineers, environmental experts, city officials, local businesses, and grassroots groups. The Kitakyushu

[39]Schreurs, "Problems and Prospects for Regional Environmental Cooperation in East Asia," 2006.

[40]"From a 'Gray City' to a 'Green City,'" last modified 2015, https://www.city.kitakyushu.lg.jp/english/file_0064.html.

[41]"From a 'Gray City' to a 'Green City'"; "Official Development Assistance (ODA): 8. Efforts in Environmental Conservation," last modified, http://www.mofa.go.jp/policy/oda/summary/1998/8.html.

[42]Hayes and Tanter, *Global Problems, Complexity, and Civil Society in East Asia*; Yasuo Takao, *Reinventing Japan: From Merchant Nation to Civic Nation* (New York: Palgrave Macmillan, 2007).

Initiative for a Clean Environment was adopted at the United Nations Economic and Social Commission for Asia and the Pacific Meeting (UNESCAP) in September 2000, and the Kitakyushu Initiative Network was founded in 2001 to promote regional cooperation among cities regarding environmental cleanup information.[43] By January 2010, more than sixty-two cities from eighteen countries in the Asia Pacific Region had joined the network, exchanged information, and carried out pilot projects.[44] rean cities of Cheongju, Daegu, Jeju, Jeonju, and Pohang.

Subnational cooperation between the cities of Hiroshima, Japan, and Chongqing, China, serves as another example.[45] Participants included the five Ko These two cities signed a friendship agreement in 1986 and began environmental cooperation in 1990 through which Hiroshima dispatched technical advisors and trained personnel to Chongqing. This inter-city network expanded to the higher state-government level between Hiroshima prefecture and Sichuan province, creating the Sichuan Province Joint Environmental Protection Project in 1993. Environmental cooperation between Japan and South Korea is not at the level of Japan-China cooperation in terms of quality or volume. The reason for this gap is that yen loans and grant aid from Japan to South Korea recently stopped because the latter's economy has graduated from the stage that requires foreign assistance. Nevertheless, there is a trend toward environmental cooperation between Japan and South Korea through cross-border developmental zones.

Transnational social and economic ties among local authorities in Northeast Asian countries go beyond environmental collaboration—including in the steadily deepening ties among geographically proximate localities surrounding the Pan-Yellow Sea (or East China Sea). In this region, grassroots-level economic integration has taken place in the form of cross-border developmental zones such as the Tumen River Development Area, the Japan Sea Rim Economic Zone, and the Bohai-Yellow Sea Rim Development Project. Local governments have made extensive efforts in

[43]"Kitakyushu Initiative for a Clean Environment," last modified, http://kitakyushu.iges.or.jp/.

[44]Toshizo Maeda et al., "Kitakyushu Initiative for a Clean Environment FINAL REPORT," Institute for Global Environmental Strategies, 2010.

[45]Nicholas Thomas, *Governance and Regionalism in Asia* (New York: Routledge, 2009).

creating sister-city and friendship-city relationships since the 1990s.[46] In 2003, there were 266 sister-city relationships between China and Japan. By 2005, that number had jumped by nearly 20% to 313—notwithstanding the much-publicized national-level tensions over Japan's World War II Yasukuni Shrine.[47] In 2016, Japan had the world's most sister-city linkages with China with 214, while South Korea ranked third with 125.[48]

Such inter-city networks in Northeast Asia have fueled the discussion on expanding inter-urban networks to include the largest cities and regions in China, Japan, and South Korea. In 1991, the BeSeTo (Beijing-Seoul-Tokyo) cooperation initiative gained international recognition, followed by mayors of the three cities signing a memorandum of cooperation in 1995.[49] Even though the formal BeSeTo initiative remains in the planning stages, initiatives launched by the three cities themselves have provided specific ideas on how to face shared developmental challenges such as urbanization and rapid industrialization. In 2007, a three-year review among Japan's National Institute for Research Advancement, the Korean Research Institute for Human Settlements, and China's National Development and Reform Commission produced "The Joint Proposal for Promotion of the Realization of the BeSeTo Corridor Vision—Toward Sustained Development in the Northeast Asia Region."[50] The report suggests establishing transportation and knowledge corridors as well as information highways across Northeast Asian cities. Other proposals include promoting inter-city urban corridor development over the Shenyang-Yanbian section of the BeSeTo corridor (within China), the Nampo-Pyongyang section (within North Korea), and the Incheon-Seoul section (within South Korea). Despite frequent national-level tensions in Northeast Asia, local governments have collaborated toward achieving

[46]K-H. Yang, "International Cooperation of Local Governments among Northeast Asia, Especially Focused on Maritime Networks." Paper prepared in proceeding of OECD-MLTM Joint Seminar during the OECD Study Mission to Seoul, Gwacheon, Korea, October 2008.

[47]Calder and Ye, *The Making of Northeast Asia*.

[48]"List of Countries with sister-city relationship with China" http://www.cifca.org.cn/Web/WordGuanXiBiao.aspx.

[49]Hieyeon Keum, "Globalization and Inter-City Cooperation in Northeast Asia," *East Asia* Vol. 18, No. 2 (2000).

[50]Hayes and Tanter, *Global Problems, Complexity, and Civil Society in East Asia*.

certain shared goals. Globalization and liberalization has certainly increased the role of cities as agents of cross-national cooperation and the exchange of capital, labor, information, and technology.

Case Study Part 2: An Alternative Outlet in the Competition with State Actors and Multinational Companies

Nuclear power plants and nuclear waste present serious challenges to Northeast Asia's environment and its energy policies. With the combination of increased national competition for oil and gas among fast-growing Asian nations and the negative environmental impact of carbon emissions, many states in the region view nuclear power as a matter of survival, both in terms of meeting growing energy demands and promoting environmental security. Government plans to designate permanent nuclear plants or waste repositories often face considerable (and sometimes violent) domestic and regional opposition. Debates over nuclear power policies and programs in Northeast Asia and worldwide reached a fever pitch following the "Triple Disaster" of March 2011—when the northeast region of Japan suffered from a devastating 9.0 magnitude earthquake and massive tsunami waves up to 41 meters that took the lives of nearly 20,000 people, and the subsequent nuclear meltdown of Fukushima Daiichi nuclear reactors. Even after this disaster, however, Northeast Asia continues to rely heavily on nuclear energy. As of January 2016, China has the world's largest nuclear energy program, with thirty existing nuclear reactors, twenty-four reactors under construction, and a firm commitment to build forty more reactors in the future. Taiwan has six operating nuclear reactors and two advanced reactors that were under construction, but are now suspended. South Korea has twenty-four nuclear reactors that produce 30% of the country's electricity and plans to make that percentage reach 70% by 2029. Additionally, South Korea wants to export its nuclear technology to countries including Jordan, the United Arab Emirates, and Indonesia—with a goal of selling eighty reactors worth $400 billion by 2030.[51]

While governments and leading power companies look for ways to endorse the benefits of nuclear energy, anti-nuclear organizations and

[51]"World Nuclear Power Reactors & Uranium Requirements," last modified January 1, 2016, http://www.world-nuclear.org/info/Facts-and-Figures/World-Nuclear-Power-Reactors-and-Uranium-Requirements/.

residents from potentially affected local communities have organized counter-movements both domestically and cross-regionally. The No Nukes Asia Forum (NNAF) represents the most extensive and substantial effort—an Asia-wide civil society network striving for military and civil denuclearization in Asia.[52] In 1992, NNAF was created by South Korean antinuclear activist Won-Shik Kim, along with the support of 1354 individuals, 177 organizations, and a steering committee of 100 members.[53] Since then, NNAF has provided a platform for many participants from various Asian countries to engage in publishing relevant information and campaigning for alternative policy options to resolve nuclear power issues.

The NNAF not only disseminates alternative information transnationally to counter pro-nuclear government propaganda, but it also organizes "counter-conferences" to pro-nuclear gatherings. Japanese government officials and companies have taken the lead in promoting nuclear power plants in neighboring countries by organizing various conferences and inviting engineers from Asian countries to study the Japanese experience. In October 1996, the Japanese city of Kobe hosted the 10th Pacific Basin Nuclear Conference, which was jointly sponsored by the Atomic Energy Society of Japan and the Japan Atomic Industrial Forum, under the auspices of the American Nuclear Society and the Pacific Nuclear Council. As a forum among nuclear societies and associations from around the Pacific Rim, this conference included workshops and fieldtrips that advanced the uses of nuclear energy and promoted the construction of nuclear power plants in the region. In response, the Japanese committee of the NNAF organized the "Pacific Basin No Nukes Conference" during the same month in Kobe to provide a venue for anti-nuclear discussion.[54] In March 2012, the NNAF organized another anti-nuclear conference in Seoul, South Korea, to commemorate the one-year anniversary of the Fukushima disaster. This took place one week prior to the 2012 Nuclear Security Summit in Seoul, which hosted 58 world leaders from 53 states, as well as

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[52]"No Nukes Asia Forum Japan," http://www.nonukesasiaforum.org/jp/index-e.htm.

[53]"No Nukes Asia Forum Korea," http://nnafkr.blogspot.com/2012/02/history.html.

[54]"Asia: Nuclear Industry, Opponents Meet in Kobe," last modified November 13, 1996, http://www.wiseinternational.org/nuclear-monitor/461/asia-nuclear-industry-opponents-meet-kobe.

international organizations such as the United Nations and the International Atomic Energy Agency. "Counter-conferences" help NNAF raise public awareness and influence political discourse, as the NNAF concludes these conferences by issuing action plans on each country's nuclear development status and making joint statements on regional developments, such as Japan's plan to export reactors to Indonesia and China, and Japan and North Korea's plans to produce plutonium.

Second, the NNAF provides a platform for connecting activists from Asian nations to coordinate campaigns against existing and planned nuclear power plant sites. NNAF's responses to Indonesian and Taiwanese nuclear development programs offer great examples. Indonesia's Nuclear Power Act in 1997 and BATAN (Badan Tenaga Nuklir Nasional, or National Nuclear Energy Agency) faced dynamic resistance from districts that were suggested as potential sites for nuclear power plants. One of the most notable instances of resistance came from the Jepara District of Central Java, where broad-based civil society actors were empowered through their trans-national networking with NNAF.[55] The Japanese anti-nuclear advocacy group known as the Muri-Muri Campaign Committee sponsored the visit by two Indonesians (Nuruddin Amin, a local leader in the Islamic organization Nahdlatul Ulama, and Nur Hidayati, a climate and energy campaigner for Greenpeace South-East Asia) to Japan and South Korea in July 2007 to tell representatives of both governments not to support Indonesia's nuclear power plans.[56] In Japan, the two Indonesian representatives met with the Japan Bank for International Cooperation, the Ministry of Foreign Affairs, the Ministry of Economy Trade and Industry,

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[55]Achmad Uzair Fauzan and Jim Schiller, "After Fukushima: The Rise of Resistance to Nuclear Energy in Indonesia," *German Asia Foundation* (2011).

[56]The "Muri-Mur" Committee is comprised of No Nukes Asia Forum Japan, Friends of the Earth Japan, Citizens' Nuclear Information Center, Japan Congress Against A- and H-Bombs, Greenpeace Japan, and NINDJA (Network for Indonesian Democracy, Japan). For more details, see "Indonesian Anti-Nuclear Activists Deliver Messages to Japanese Government," last modified July 5, 2007, http://www.cnic.jp/english/topics/international/murijul07/murimr5jul07.html.

and Hitachi, the main nuclear power plant maker in Japan.[57] In South Korea, Nuruddin Amin held a one-person protest in front of the Korean Electric Power Company to bring attention to the involvement of its subsidiary group, Korean Hydro Nuclear Power, in Jepara's proposed nuclear power plant.[58] On another occasion, the NNAF invited seven Thai citizens to the 2011 NNAF Annual Forum (three local villagers from proposed sites of nuclear power plants, one anti-nuclear activist, and three journalists) six months after the Fukushima nuclear crisis. In tandem with the World Conference against A and H Bombs, these Thais learned about the Japanese experience after the Fukushima disaster while also sharing concerns about Thailand's power development plans with other participants.[59]

Such cross-national anti-nuclear advocacy efforts can lead to actual policy changes. Even though efforts by anti-nuclear groups to halt the construction of the fourth nuclear power plant in Taiwan in the late 1990s initially failed, anti-nuclear activists gained new momentum as a result of the NNAF pressuring the country's new Democratic Progressive Party (DPP) president, Chen Shui-bian, to honor the party's anti-nuclear stance following the 2000 election. NNAF not only supported a march in Taipei in May 2000 that mobilized around 2000 demonstrators, but it also organized a trip for Japanese city councilors from Kashiwazaki City—a metropolis with the same type of nuclear reactors as Taiwan—to the site of

[57]METI officials took the attitude that responsibility for the project rests entirely with the Indonesian government. They acknowledged no responsibility in regard to the safety of any plant constructed by Japanese companies in Indonesia and said that Japanese law does not include safety requirements for exports of nuclear power plants. Nor did they acknowledge any obligation to consider the wishes of the local population. On the other hand, JBIC's environmental and social guidelines place importance on the participation of stakeholders, including local residents and local NGOs affected by the project. Toshiba and Mitsubishi Heavy Industries refused to meet the Indonesian visitors.

[58]Fauzan and Schiller.

[59]The Heinrich Boll Stiftung Southeast Asia Regional Office (German think tank for Green projects) sponsored the Thai participants. See "No Nukes Asia Forum: Lessons from Fukushima Daiichi for Thailand," last modified October 11, 2011, https://www.boell.de/en/ecology/climate-energy-no-nukes-asia-forum-2011-13030.html.

Taiwan's proposed nuclear power plant.[60] The Japanese delegation and NNAF activists expressed concerns about the safety of the proposed reactor, threats to Taiwan's nuclear power plants from frequent earthquakes, and the Taiwan Power Corporation's crisis-management abilities. The combined efforts of domestic and international actors finally led President Chen to order the Ministry of Economic Affairs to appoint a committee to re-evaluate the project and ultimately halt construction of Taiwan's fourth nuclear power plant in October 2000.[61]

In South Korea, President Lee Myung-bak championed a green growth framework that provided a new justification for the country to expand nuclear power at home and pursue export opportunities. In December 2009, a South Korean consortium led by Korea Electric Power Company won a US $20 billion contract to build four civil nuclear reactors in the United Arab Emirates, prevailing over competitors from Japan's Hitachi and France's Areva. In tandem with this development, the South Korean government announced plans to draw more than 50% of the country's domestic energy needs from the nuclear sector by 2020. After the government's announcement, the Korean Federation for Environmental Movements, an organization with years of experience in anti-nuclear campaigning, began coordinating with the NNAF to gather international support for a campaign against the government's plans. As for China, even though the country's anti-nuclear activists have not accepted invitations from NNAF to join the network, it will be interesting to see what the future holds as the Chinese government and state-owned enterprises aggressively attempt to expand the country's nuclear power plants.[62]

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[60]"Nuclear Plant Activists Get Support from Japan," last modified May 18, 2000, http://www.taipeitimes.com/News/local/archives/2000/05/18/0000036473.

[61]Shu-Hsiang Hsu, "Advocacy Coalitions and Policy Change on Nuclear Power Utilization in Taiwan," *The Social Science Journal* Vol. 42, No. 2 (2005).

[62]"DEWA awards first clean coal power plant "Hassyan" in the Middle East to consortium led by HEI and ACWA Power," http://acwapower.com/news-home-page/dewa-awards-first-clean-coal-power-plant-hassyan-in-the-middle-east-to-consortium-led-by-hei-and-acwa-power/.

SHADOW OF THE PAST: FORCES INHIBITING NORTHEAST ASIAN COMMUNITY-BUILDING

Although transnational coalitions and networks have been on the rise in Northeast Asia, resurgent nationalism stemming from collective memories of a contentious past helps explain the persistence of hostility and mistrust within the region. As Chung-In Moon and Seung-won Suh suggest, healing the pain of the past and creating a positive shared memory are a vital part of fostering shared values and common goals for regional community-building.[63] However, politicians and leaders throughout Northeast Asia often manipulate history for domestic political gains or increased diplomatic leverage. Individual countries' strong political and economic achievements reinforce their populations' sense of national pride, distinctive identity, territorial integrity, and historical sovereignty, thereby providing a political justification for assertive nationalist moves.[64] The Japanese legislature, for example, has changed the country's history textbook standards, facilitating the whitewashing of military atrocities in World War II and evoking a strong nationalist response from both in Japan and in neighboring countries. This creates a vicious cycle of worsening diplomatic ties and deteriorating perceptions of Japan among the publics in South Korea and China—which, in turn, further stokes Japanese neo-nationalism. Renewed island disputes—between Japan and South Korea regarding Takeshima/Dokdo in the Sea of Japan/East Sea and between Japan and China regarding Senkaku/Diaoyudao in the East China Sea—have further hurt the efforts to build the trust needed for regional community-building. Despite being on the same side when it comes to the issue of Japan's colonial history, China and South Korea have had their own dispute over history since 2003, when China's Northeast Project (Dongbeni Gongcheng/Dongbook Gongjeong) claimed that Korea's ancient kingdom of Goguryeo was a peripheral local government in the Chinese Empire. Moreover, ultra-nationalists in Japan, China, and South Korea all

[63]Chung-In Moon and Seung-won Suh, "Burdens of the Past: Overcoming History, the Politics of Identity and Nationalism in Asia," *Global Asia*, Vol. 2, No. 1 (2007).
[64]Chung-In Moon and Chun-fu Li, "Reactive Nationalism and South Korea's Foreign Policy on China and Japan: A Comparative Analysis," *Pacific Focus* Vol. 25 (2010).

use social media to form adversarial networks and coalitions, which negate regional community-building efforts.

Nevertheless, the sub-national network that is seeking to forge a positive shared memory among Japan, South Korea, and China has been strengthened in recent years. The best example of this trend comes from the Committee for Common History Teaching Materials of the Three Countries' May 2005 publication of *A History to Open the Future*. This landmark history textbook is a successful counter to the 2001 Japanese Ministry of Education–approved revisionist textbook, which denied the forced sexual slavery of Korean comfort women in World War II and the occurrence of the Nanjing Massacre in 1937.[65] *A History to Open the Future* focuses on building a more comprehensive understanding of history among the three countries, including their more positive contemporary relationships. The book covers the period ranging from the Japanese occupation of its neighbors, the Pacific War in World War II, the Korean War, the Cold War, up until the recent normalizations of diplomatic relations among these three countries.[66]

This book is the result of longstanding efforts among non-state actors, which began in 1992 when universities from the three countries gathered in Yokohama to call for a joint review of history textbooks. The initiative developed into the Joint Japanese-Korean Organization of Historical Research in 2001 with the visionary (and labor-intensive) work by a tri-lateral history writing committee of fifty-three members, most of whom are academics (seventeen from China, thirteen from Japan, and twenty-three from South Korea).[67] Written in Japanese, Korean, and Chinese, this book was not only widely read in all three countries (with over quarter of a million sales by 2006), but also inspired sister-city campaigns involving twenty South Korean civic groups and fourteen Japanese groups in 2004 and 2005 to pressure Japanese education officials into refusing the Japanese

[65]Hayes and Yi, *Complexity, Security, and Civil Society in East Asia*; Hayes and Yi, *The Implications of Civic Diplomacy for ROK Foreign Policy*.

[66]Lionel Babicz, "South Korea, Japan, and China: In Search of a Shared Historical Awareness," paper presented at the 6th Biennial Conference of the Korean Studies Association of Australasia, Sydney, University of Sydney, 2009.

[67]Zheng Wang, "Old Wounds, New Narratives: Joint History Textbook Writing and Peacebuilding in East Asia," *History and Memory* Vol. 21, No. 1 (2009).

Ministry of Education–approved *New History Textbook*.[68] Despite the difficulty posed by divided memories at the nation-state level, these rapidly evolving networks of non-state actors serve a visionary role in producing an alternative shared history based on mutual research and dialogue. Such subnational ties among non-state actors have often intensified and carried out meaningful underground work precisely *because of,* not *in spite of,* political uncertainties found at the nation-state level. This is how non-state actors slowly create a space for greater citizen participation in regional politics and add resilience to regional cooperation.

Concluding Remarks: Northeast Asian Community-Building Beyond the Elite Level

This chapter assesses the role of non-state actors in the process of regionalization and the potential of community-building in Northeast Asia, with a focus on the three main Northeast Asian countries of Japan, South Korea, and China. As author Peter Hayes aptly points out, Northeast Asia is "more of an anti-region than a community"—a place where varying interests, strategies, goals, political constraints, and stages of economic development have made regional cooperation, and institutionalization of such efforts, daunting.[69] As discussed in other chapters from this volume, Northeast Asian societies' inability to overcome negative collective memories from the region's recent past has made state-led integration efforts more difficult. Non-state actors may not be able to change the fundamental distribution of power and resolve the tensions found in "high" politics. Yet it is increasingly clear that non-state actors in Northeast Asia have become an important force in regional community-building as ideational constituencies, operational partners, and constructive challengers to state actors.

In the face of various challenges in state-to-state relations, examining non-state actors' role in building a regional framework in Northeast Asia is both a normative and practical endeavor. Regional community-building efforts often take hybrid forms that blur the distinction between governmental and non-governmental. Thus, it is vital to identify sources of regional cooperation from a multilayered perspective and make the most of

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[68]Hayes and Yi, *Complexity, Security, and Civil Society in East Asia.*
[69]Hayes and Tanter, *Global Problems, Complexity, and Civil Society in East Asia,* 36.

how local governments, corporations, non-governmental organizations, policy networks, and epistemic linkages supportive of regional cooperation in Northeast Asia have all worked to move past the distrust caused by intermittent historical controversies. These kinds of strengthened networks and collaborations can go beyond the operational level of creating common knowledge by also inspiring a common vision and a shared discourse of the future at the ideational level. Indeed, Northeast Asia has evolved into a more coherent, identifiable and tightly knit entity than was true before the Asian Financial Crisis of 1997. Moreover, as my various case studies demonstrated, non-state actors lend credibility to ongoing regional integration efforts *because of* political uncertainties at the state-to-state level; they drive the quiet transformation from the bottom that will bring the region closer to making the elusive dream of East Asian community-building a reality.

THE TRUMP FACTOR

A combination of global integration and economic liberalization has opened a window of opportunity for the emergence of transnational networks among non-state actors in East Asia. Yet, Donald Trump's election to the presidency of the United States has given renewed urgency to the very question of the benefits of global and regional integration. His victory, coming on the heels of Brexit, reflects the rising tide of populist political parties and assertive nationalism around the world. It is yet too early to figure out the contours of his foreign policy for East Asia, but regional anxieties are surely on the rise. Trump's "America First" worldview has challenged the system of alliances, rules, and norms that have underpinned the United States' leadership of the post-war liberal world order. His presidency could change the strategic face of East Asia, potentially causing a shift in the balance of power as well as aggravating tensions related to hyper-nationalism, territorial disputes, geopolitical rivalry, and historical animosity.

It is not yet possible to predict what Trump's presidency will mean in full for East Asian community-building, but what is clear is that the same level of support that pro-global integration former President Obama has provided for East Asian integration will not come easily. Revitalized transnational coalitions among non-state actors stand at the cross-roads. They could be caught in between tensions among national rivalries or

brought into populist rhetoric and ideas. Conversely, they could mitigate animosity arising from inward looking nationalist policies and social movements as a way to create a space for greater citizen participation in regional politics and generate a new capacity for regional community-building. The strength of subnational ties among non-state actors lies in their ability to overcome the barriers that exist at the level of high politics and to forge shared understandings. They have carried out meaningful underground work precisely *because of*, not in *spite of*, political uncertainties found at the nation-state level. Moreover, Mr. Trump's victory is not going to change the shared nature of environmental challenges and the universality of values underlying human security issues that resonate powerfully in the minds of the general public.

Alternative visions of the world have pressed forward in the variant forms of populism and nationalism, but the answer cannot be a simple rejection of global and regional integration. Ensuring the shared benefits of such integration and addressing subsequent problems calls for *even* broader and deeper transnational coalitions and networks. East Asian community-building efforts have been consolidated through major geopolitical changes and several financial crises. The Trump factor will be another testing ground for the resilience and strength of regional community-building at both the ideational and operational levels.

The Future of a Nuclear Weapons-Free Northeast Asia

Peter Hayes

INTRODUCTION

This essay considers the relationship between nuclear weapons in existing, emerging, and prospective regional communities. It has five sections. The first outlines how nuclear threat is woven into inter-state relations in the Northeast Asian region and constitutes a defining dimension of what may be termed a regional "anti-community" based in part on the threat of nuclear annihilation. It notes that the main pathways for nuclear war that were identified in the Cold War still exist; and that trigger events that could lead a state to embark on the path to nuclear war have become more complex and possibly harder to avoid with the proliferation of nuclear armed states.

The second section identifies sources of strategic instability that could disrupt nuclear command-and-control systems and increase the propensity of one or more nuclear-armed states to escalate to nuclear attack. During the Cold War, these pathways, trigger events, and resulting risks were starkly obvious, although the world survived as much by virtue of good luck as good management in this period. The introduction of Cold War and new types of great power nuclear weapons capacities in the region

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reactivate some of these old dynamics and pose anew risks associated with such activity—in submarine-based nuclear weapons and anti-submarine warfare, for example.

In addition to these throwbacks, the sheer complexity of their interacting nuclear forces may be beyond the comprehension of national leaders, and the lack of regional institutions and regional identity contributes to the possibility that a national leader might decide to launch a pre-emptive nuclear attack when confronted by an existential threat in the midst of a crisis.

The third section argues that the US-DPRK (Democratic People's Republic of Korea) conflict relationship poses the most serious threat that nuclear war could occur, involving not only these two parties, but other nuclear and non-nuclear states in the region. It suggests that the DPRK's nuclear strategy at this early stage is primarily political in nature, and might be turned around, but could also lead to some terrible outcomes if not forestalled and reversed in the near future.

The fourth section explains how a Northeast Asian comprehensive security settlement and a regional nuclear weapons-free zone could bring about an end to such nuclear threats and describes how the DPRK's active participation might be an integral part of such a zone from the outset. The section also addresses the central issue of nuclear-extended deterrence in the region and suggests that it is possible to square the circle—that is, to end nuclear threats by nuclear weapons states (hereafter NWS) in the region against non-NWS (NNWS) by creating a nuclear-weapons-free zone (NWFZ)—but maintaining strategic deterrence between the NWS should one of them threaten to use or attack a NNWS party to the zone, or should a NNWS party to the treaty break out and proliferate nuclear weapons.

The fifth and concluding section argues that it is in the interests of all states in the region to create a NWFZ because all of them are subject to nuclear threat today; and, it is the only way whereby they can create a stabilizing framework within which to manage, reduce, and eventually abolish the nuclear threat in Northeast Asia, including those aimed at and coming from the DPRK.

Should states manage to do so, they will transcend the existing anti-community and start to build the foundations of a genuine regional community based on shared values and common interests at every level.

Role of Nuclear Weapons in Northeast Asia

The threat to use nuclear weapons to annihilate an adversary is the antithesis of the creation of community. Nuclear threat may drive states to cooperate—even those that threaten each other existentially with nuclear weapons—but such cooperation is built on the foundation of the most lethal, genocidal intent and cannot be the basis of building a community. Sometimes security communities may be formed by a hegemonic state and its allies, but like the interdependence born of mutual annihilation, such "communities" are only aggregations of power in response to an enemy state or states that can inflict incomprehensible damage on the hegemon and its allies. Even the post-modern form of nuclear threat, that arising from the potential for non-state actors to threaten or to attack a state with nuclear weapons, is peripheral to the main game: the threat of complete or large-scale nuclear extermination of the adversarial nation state, including its nuclear forces and much, if not all, of its population.

Unlike some parts of the world, all states in the Northeast Asia region are threatened by nuclear war. Sometimes, this threat is intended, manipulated, and calibrated, by a variety of signals—nuclear testing, delivery system testing, visible transiting deployments, forward deployment in host countries, declaratory doctrines, operational doctrines, political statements, propaganda statements, sharing via deliberate open-line communications, or even what is not done or said at a particularly tense moment.

This threat derives principally from the long-standing NWS in this region, the United States, China, and Russia, which form a triangle of strategic nuclear deterrence, compellence, and reassurance that operates continuously and generally and sometimes becomes part of an immediate confrontation, thereby inducing caution that operates all the time in their relationships. (Deterrence refers here to the use of nuclear threat to stop a state from acting in a way that it *intends* otherwise to do). Compellence is different and often harder to achieve. It refers to the use of nuclear threat to stop a state from acting in a way that it is *already* doing. Reassurance may be the hardest of all to achieve, at least between adversaries. It consists of assuring the adversary that a nuclear-armed state is not intending to use nuclear threat or actually use nuclear weapons against it, at least not immediately, and everyone can therefore relax, at least for now.

The distinction between immediate and general nuclear deterrence was made by Patrick Morgan.[1]

After decades of chronic general strategic deterrence and multiple instances in which nuclear weapons played an immediate role in crises involving China, the former Soviet Union, the United States, Japan, Taiwan, and the two Koreas, the collapse of the former Soviet Union and US withdrawal of forward-deployed non-strategic nuclear weapons between September 1991 and early 1992 from the ROK (about 200, mostly gravity bombs, all of which were removed by February 1992), as well as declaring that no tactical or theater nuclear weapons were deployed on US surface warships,[2] the strategic landscape changed in a few short months.[3]

In many respects, American nuclear weapons were now reserved for countering only existential threats, that is, when the United States or its allies faced a threat to its national existence, in particular, from a nuclear attack. Many American experts believe that it is likely that even that contingency would be responded to with a countervailing conventional campaign.[4] After the 1991 withdrawal, however, the United States and its allies deliberately left ambiguous how they would respond to nuclear aggression and attempted to extract marginal deterrence and compellence from nuclear threats from home-based nuclear weapons in addition to that already obtained from advanced conventional forces. Thus, the "nuclear umbrella" was maintained in principle, but in reality, began to recede in the 1990s.

[1]P. Morgan, *Deterrence: a conceptual analysis* (Beverley Hills: Sage Publications, 1977).

[2]US Pacific Command, *Command History,* 1991, Office of the Historian, volume 1, released under US FOIA to Nautilus institute, 90 *et passim*, at: http://nautilus.org/wp-content/uploads/2011/12/koreawithdrawal.pdf.

[3]S. Koch, *The Presidential Nuclear Initiatives of 1991–1992*, WMD Case Study 5, Center for the Study of Weapons of Mass Destruction, (Washington DC: National Defense University, 2012) at: http://wmdcenter.dodlive.mil/files/2012/10/CSWMD-Case-Study-5-for-web.pdf.

[4]T. Nichols, "The Case for Conventional Deterrence," *The National Interest*, April 20 (2014), at: http://nationalinterest.org/commentary/the-case-conventional-deterrence-9381.

In spite of this shift, after a short period of rapprochement after 1992, the United States and the DPRK used actual or implicit nuclear threat to attempt to compel the other to change its policies and actions in specific ways. Patrick Morgan notes that the United States and the DPRK used nuclear threat primarily for compellence in the 1991–2002 timeframe.[5] The DPRK's nuclear threats from 2008 onwards have been primarily compellent in nature, not deterrent.[6] Not surprisingly, this mutual threat exchange was not conducive to engagement and cooperation and helped to poison the well of improved US-DPRK relations. Both parties failed to realize their objectives with respect to each other.

Since 2000, hostility has dominated the US-DPRK relationship, and the growing acrimony has seen increased reliance on nuclear threat by all parties to the Korean conflict, albeit in different ways. After testing nuclear weapons, the DPRK articulated its own nuclear doctrine, and, in 2013, it threatened to use nuclear weapons to attack cities in the Republic of Korea (ROK) and the United States and suggested that it might do so pre-emptively.

For its part, in spite of the adjustment to its declaratory policy in the 2010 *Nuclear Posture Review*, the United States increased its symbolic commitment to using nuclear threat to deter the DPRK. In 2013, it deployed nuclear-capable bombers to the ROK to reinforce this commitment.[7] These United States and US-ROK nuclear threats interrupted the gradual trend towards eventual nuclear recession by the United States begun in 1991.

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[5]P. Morgan, "Deterrence and System Management: The Case of North Korea," *Conflict Management and Peace Science*, 23; (2006), 121–138, at: http://journals.sagepub.com/doi/abs/10.1080/07388940600665768.

[6]P. Hayes, S. Bruce, "North Korean Nuclear Nationalism and the Threat of Nuclear War in Korea," *Pacific Focus*, 26 (2011), 65–89 at: http://onlinelibrary.wiley.com/doi/10.1111/j.1976-5118.2011.01056.x/abstract.

[7]F. Klug, H.J. Kim, "Powerful US bomber flies over S. Korea as standoff deepens," Associated Press, January 10, 2016, at: http://bigstory.ap.org/article/351d90ed7cea40f7bde051ad66eeb2c6/powerful-us-bomber-flies-over-s-korea-standoff-deepens.

Increasing Complexity and Risk of Nuclear War

As was noted above, the nuclear threat relationship between the United States and the DPRK exists in a wider context of triangular strategic nuclear deterrence between Russia, China, and the United States.[8] At the global level, nuclear weapons have become increasingly salient to great power interaction. Although the United States has sheathed much of its nuclear sword and places primary emphasis on conventional weapons in doctrine, deployment, budgetary allocations, and the practice of coercive diplomacy, modernization of nuclear forces in many respects, not least of which is improved warhead accuracy,[9] has sustained American nuclear threat against other nuclear armed states—especially against Russia, China, and the DPRK.

In turn, Russia has reversed the American logic by putting nuclear weapons front and center of its military policy, in part to substitute for its deteriorating conventional military forces, and in part to shield its external adventures in the Ukraine and beyond from NATO response. To increase the credibility of this strategy, Russia has also increased investment in missiles, submarines (including deployment of missile-firing submarines in the Pacific)[10] and bombers; upgraded its command and control systems; and increased the operating tempo, exercise rate, and rhetorical use of

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[8]P. Hayes, "Nuclear command-and-control in the Millenials era," *NAPSNet Special Reports*, February 17 (2015), at: http://nautilus.org/napsnet/napsnet-special-reports/nuclear-command-and-control-in-the-millenials-era/. C. Twomey et al., *Approaching Critical Mass, Asia's Multipolar Nuclear Future*, National Bureau of Asia Research, Asia Policy, 13, January, 2015, 3, at: http://www.nbr.org/publications/element.aspx?id=795.

[9]W. Broad, D. Sanger, "As U.S. Modernizes Nuclear Weapons, 'Smaller' Leaves Some Uneasy," *The New York Times*, January 11, 2016, at: http://www.nytimes.com/2016/01/12/science/as-us-modernizes-nuclear-weapons-smaller-leaves-some-uneasy.html?emc=edit_th_20160112&nl=todaysheadlines&nlid=57976564.

[10]C. Harress, "Russian Submarine Carrying Nuclear Weapons Arrives In Pacific Region," *International Business Times*, September 30, 2015, at:http://www.ibtimes.com/russian-submarine-carrying-nuclear-weapons-arrives-pacific-region-2120615. H. Kristensen, "Russian Pacific Fleet Prepares For Arrival of New Missile Submarines, FAS Security Blog, September 14, 2015, at: http://fas.org/blogs/security/2015/09/pacificfleet/TASS, "Only one Borei-class sub to join Russia's Pacific Fleet this year, The Vladimir Monomakh Borei-class submarine will join Russia's Pacific Fleet in summer-autumn of 2016," TASS, April 28, 2015 at: http://tass.ru/en/russia/792145.

these capacities. Russia has increased its reliance on nuclear threat since the end of the Cold War, in part as a substitute for its ailing conventional forces, and has beefed up many of these forces operating in the Russian Far East-Pacific region.[11]

China too is modernizing its nuclear forces, making them mobile or subterranean and also harder to target and to distinguish from land-based intermediate range but conventional missiles, also complicating possible escalation decisions by the United States. This may be intended to reduce the propensity of the United States to use conventional force in the Taiwan Straits by increasing the risk of nuclear use by both parties. China has deployed new, mobile missile delivery systems with multiple warheads, emphasizing its ability to use nuclear weapons against US and allied military forces in the region, and after decades of preparation, put

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[11]W. Gertz, "Russia Test-Fires Series of Nuclear Missiles During Strategic Drills, Large-scale exercises test entire command and control chain," *The Free Beacon*, November 5, 2015, at: http://freebeacon.com/national-security/russia-test-fires-series-of-nuclear-missiles-during-strategic-drills/?mkt_tok=3RkMMJWWfF9wsRohs6TNZKXonjHpfsX57OglWaKg38431UFwdcjKPmjr1YQHT8R0aPyQAgobGp5I5FEIQ7XYTLB2t60MWA%3D%3D. C. Harress, "Russia Creates New Air Force And Missile Defense Units In East To Monitor Threats In Pacific Ocean And Sea of Japan," *International Business Times*, August 7, 2015, at: http://www.ibtimes.com/russia-creates-new-air-force-missile-defense-units-east-monitor-threats-pacific-ocean-2043859. M. Matishak, "Putin Flexes His Muscles in the Pacific with the New Su35 Fighter," October 19, 2015, at: http://www.thefiscaltimes.com/2015/10/19/Putin-Flexes-His-Muscles-Pacific-New-Su-35-Fighter. Russian Forces Blog , "Two Bulava missiles launched from Vladimir Monomakh" November 14, 2015, at: http://russianforces.org/blog/2015/11/two_bulava_missiles_launched_f.shtml. Sputnik News, (2016) "Russia to Rearm Two More Missile Divisions with Yars ICBMs, January 29 at: http://sputniknews.com/military/20160129/1033928347/russia-yars-missile-divisions.html#ixzz3ye8y8yxc.

nuclear-armed submarines to sea in the East China Sea, likely close to home-port under the cover of surface naval and airborne anti-submarine warfare cover.[12]

There appear to be no other immediate conflicts in which American, Chinese, and Russian nuclear weapons are in play in the region today except for North Korea.

From an American perspective, all other conflicts are more than adequately covered by US and allied conventional forces. Since the Cold War, the risk of global nuclear war is generally held to have fallen, due primarily to the reduction in probability arising from the disappearance of the former Soviet Union. For the last decade of the twentieth century, this risk was also perceived to be markedly lower in Northeast Asia. Thus, apart from the DPRK, US nuclear extended deterrence to the ROK, Japan, and Taiwan is only in play to counter potential Chinese first or retaliatory use of American nuclear weapons. In the context of a larger US-China standoff or war—the risk of which was regarded to be remote—or as part of a global

[12]See B.D. Baker, "China Deploys First Nuclear Deterrence Patrol, China reportedly deployed its first-ever submarine nuclear deterrence patrol. What does it mean?" *The Diplomat*, December 19, 2015, at: http://thediplomat.com/2015/12/china-deploys-first-nuclear-deterrence-patrol/. F.S. Gady, "Revealed: China for the First Time Publicly Displays 'Guam Killer' Missile, In preparation for a military parade, Beijing has for the first time openly revealed one of its deadliest missiles," *The Diplomat*, August 31, 2015, at: http://thediplomat.com/2015/08/revealed-china-for-the-first-time-publicly-displays-guam-killer-missile/. W.Gertz, "Chinese Defense Ministry Confirms Rail-Mobile ICBM Test, Spokesman dismisses Beijing's first nuclear missile sub patrols as 'media hype'" *The Free Beacon*, December 31, 2016, at: http://freebeacon.com/national-security/chinese-defense-ministry-confirms-rail-mobile-icbm-test/?mkt_tok=3RkMMJWWfF9wsRouvKzMZKXonjHpfsX57OglWaKg38431UFwdcjKPmjr1YsFRcR0aPyQAgobGp5I5FEIQ7XYTLB2t60MWA%3D%3D. M. Stokes, L.C.R. Hsiao, *Leadership Transitions in the Second Artillery Force at the 18th Party Congress: Implications for Roles and Missions*, May 7, 2012, Asia Eye, Project 2049 Institute Blog, May 7 http://blog.project2049.net/2012/05/leadership-transitions-in-second.html. S. Tiezzi, "The New Military Force in Charge of China's Nuclear Weapons, Goodbye Second Artillery Force; hello PLA Rocket Force," *The Diplomat*, January 5, 2016, at: http://thediplomat.com/2016/01/the-new-military-force-in-charge-of-chinas-nuclear-weapons/?mkt_tok=3RkMMJWWfF9wsRouvKzMZKXonjHpfsX57OglWaKg38431UFwdcjKPmjr1YsFRcR0aPyQAgobGp5I5FEIQ7XYTLB2t60MWA%3D%3D

US-Russian nuclear war that would almost certainly not start in the Northeast Asia region, but as in the Cold War, might escalate to include the region—especially submarine-based weapon systems deployed into the Pacific by Russia in 2015 after a two decade long interregnum in which only American strategic submarines operated in the region.

Today, this situation is no longer the case. It remains obvious that the most urgent and dangerous nuclear threat relationship is between the United States and the DPRK. The state of war, the immense military standoff and proximity of conventional forces at the Demilitarized Zone, and the lack of any common concepts or shared understandings related to nuclear weapons makes it easiest to envision the next-use of nuclear weapons in the Korean Peninsula. However, the nuclear weapons of the United States, China, Russia, and the DPRK are all involved in this regional threat system and are now linked to wider regional dynamics and global and regional nuclear deployments by all three great nuclear powers.

Decision-making in a renewed Korean War would be compressed in time and likely degraded by enormous stress on both sides of the DMZ and could lead to irrational and premature-use decisions, assuming control could be maintained, even if inadvertent use and accidental use was avoided by all parties.

Since the turn of the century, the risk of regional nuclear war has arguably increased at the global level due to five factors:

(a) Horizontal nuclear proliferation by small states (especially the DPRK)
(b) Vertical nuclear proliferation (especially expansion and modernization of nuclear forces by China and Russia)
(c) US advanced conventional forces have increased superiority inducing horizontal and vertical proliferation by US nuclear adversaries
(d) Great powers have failed to avoid this horizontal and vertical proliferation
(e) Non-state actors have increased the risk of terrorist use of nuclear weapons.[13]

The net result is a more complex relationship between the nuclear forces of the three primary nuclear weapons states, the United States, Russia, and China, with those of second tier (the United Kingdom, France), third tier

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[13]P. *Morgan, Deterrence Now* (Cambridge: Cambridge University Press, 2003).

(Israeli, Pakistani, Indian) and fourth tier emerging (North Korea) nuclear weapons states. Arguably, these global and regional nuclear-threat relationships are increasingly linked, and, as a result, the immense risk of global, regional and local (terrorist) nuclear war is rising.

This complexity is poorly understood.[14] During the bipolar maximum Cold War, the number of active mutual nuclear threat relationships was seven (between the United States, United Kingdom, France, former Soviet Union, and China, treating NATO and Warsaw blocs as part of their superpower uber-ally), it went up to ten (before Pakistan went nuclear in 1998) and now sits at sixteen (after Pakistan and North Korea went nuclear but some states in allied blocs were de-targeted; note all these figures relate only mutual nuclear threat dyads. Israel's nuclear targeting of non-nuclear states is not included, for example). Over the same period, the number of nuclear-armed states went from one (1945) to nine today (ten states were nuclear-armed at some point, but South Africa dropped out); and the number of targeted states (again, treating the Cold War blocs as one each) has increased from one (former Soviet Union in 1945) to thirty-one today. This complexity is compounded further by the addition of non-state nuclear targets by at least the United States and the potential risk that non-state actors could target states.

Western strategic deterrence theory is based on the notion of assured destruction as if the United States is still fighting the bipolar Cold War. The impact of conventional forces on the nuclear proliferation decisions of adversaries and allies remains an after-thought in American doctrinal, budgetary, and war-planning since 1992. Thus, the US nuclear force posture remains triadic with roughly 20-fold overkill relative to a minimum number of warheads required to achieve strategic deterrence against existential threats aimed at the United States or its allies. Meanwhile, US and allied conventional forces have increased the precision and delivered lethality of their munitions by at least two and possibly three orders of magnitude since 1992, while those of potential adversaries (North Korea, Russia) have declined dramatically or are expanding rapidly (China).

Concurrently, the United States has abolished some nuclear missions, substituted conventional forces for the bulk of previously nuclear

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[14]P. Morgan, et al, *Complex Deterrence: Strategy in the Global Age* (Chicago: University of Chicago Press, 2009). M. Kroenig, *Approaching Critical Mass: Asia's Multipolar Nuclear Future, National Bureau of Asian Research Report*, June 2016, at: http://www.nbr.org/Publications/issue.aspx?id=335.

warfighting missions in war-plans, and rear-based almost all its nuclear weapons. US conventional forces in Pacific Command operate increasingly in a networked manner, exploiting joint, cross-service, and allied inter-operability, and have begun to deploy autonomous aerial, surface, and sub-surface naval and ground vehicles in large numbers. In turn, this net-centric and more agile approach is embodied in the regional "rebalancing" of US forces and basing options known as the "pivot" and, in the AirSea Battle operational concept—designed in part to impose the Joint Chief's control on service implementation of new technologies in forward-deployed forces, especially in the Navy and Air Force—may enable US forces to offset some of the area-denial capabilities accruing to China as it grows and modernizes its military. Many of these technologies are emulated by or transferred to US allies at the same time as they are developed and deployed in US forces, resulting in a very high diffusion rate.

A particularly important dimension of this already existing technological transformation is the fantastic proliferation of virtual US command, control, and communications systems and intelligence (C3I), along with the related computers, intelligence, reconnaissance, and surveillance systems (CISR, which when combined with C3I, becomes C4ISR).[15] In US interventions since the Gulf War, the major problem with these systems may be that they provide too much information that overwhelms commanders, damages assessment teams and targeteers, and deepens rather than overcomes the difficulty of services in communicating and coordinating forces involved in responding to regional contingencies or participating in military operations.[16] The US Defense Science Board noted that the US military communications architecture incorporates many foreign made components with malware and/or counterfeit components.[17] Many of these systems may be vulnerable to cyber-attack, nuclear attack, and

[15]Office of the Assistant Secretary of Defense for Nuclear, Chemical, and Biological Defense Programs, "Nuclear Command, Control and Communications System," Chapter 4 of The Nuclear Matters Handbook, US Department of Defense, 2011, at: http://www.acq.osd.mil/ncbdp/nm/NMHB/.

[16]US Air Force, *Gulf War Airpower Survey*, volume 1, part II, Command and Control, (Washington DC, 1993) at: http://www.dtic.mil/dtic/tr/fulltext/u2/a279741.pdf.

[17]US Defense Science Board, *Resilient Military Systems and the Advanced Cyber Threat*, DSB Task Force on Resilient Military Systems and the Advanced Cyber Threat, January 2013, 4, at: http://www.dtic.mil/docs/citations/ADA569975.

conventional attack, and may be far less resilient than networked command-and-control enthusiasts realize. For example, most military communications to Korea were unavailable after the March 2011 earthquake in Japan which cut or damaged 8 undersea cables and reduced to 3% normal commercial connectivity to Japan. If this event had coincided with war in Korea, US communications to support the Korean theater would have been stretched thin.[18] As US Pacific Commander Admiral Locklear stated, "We have built cyber on a house of cards" that could collapse at time of war,[19] forcing Pacific Command or service commanders to anticipate having to revert to separate task forces without the communication and information support needed to execute strategy.

Thus, because the C4ISR force multiplier is vulnerable to failure, the conventional force foundation of strategic stability today is brittle. It is also integrated by what Defense Information Systems Agency calls a "patchwork of disparate systems" that includes legacy nuclear-C3I systems run by Strategic Command. States the US Defense Information Systems Agency, DISA: "Included in the Nuclear C3 System are the Survivable Mobile Command and Control Centers consisting of airborne resources, selected fixed and mobile ground command centers, the strategic and non-strategic (theater) nuclear forces, and surviving command elements (including shipboard) of the nuclear and non-nuclear Combatant Commanders, the military services, and the DoD agencies as defined in the Emergency Action Procedures of the Chairman, Joint Chiefs of Staff (EAP-CJCS Volumes VI and VII) and the National Military Command System/ Department of Defense Emergency Communications Plan (NMCS/DoD Emergency Communication Plan)."[20]

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[18]G. Seffers, "Tsunami Short-Circuits Military Communications in Japan and South Korea," *SIGNAL Online*, March 23, 2011, at: https://www.afcea.org/content/?q=node/2566.

[19]R. Ackerman, "Asia-Pacific Challenges Reshape US Military needs," *Signal*, December 4 (2013), at: https://www.afcea.org/content/?q=node/12038.

[20]DISA, Response to question 1, Defense Information Systems Agency, "Nuclear Command, Control, and Communications System Operational Assessment Program," Solicitation Number: HC104710R4009, August 1, 2010 at: https://www.fbo.gov/index?s=opportunity&mode=form&id=ca9ed977f427844fb095c1e 170a579ee&tab=core&_cview=1.

These virtualized, "horizontally networked" conventional C3I systems that support forward-deployed conventional forces armed with precision-guided munitions of many types and reliant in some cases on autonomous vehicles interact with the legacy, largely teletype and telephone automated, "vertically segmented" nuclear-C3 systems that still sustain US strategic nuclear forces, and likely characterize those of other great and small nuclear-armed states. As the US Department of Defense explains, it is attempting to transition the nuclear-C3I system to become "capable of operating on internet-like networks that provide survivable, reliable support for U.S. Government officials, the U.S. military, and allies, as appropriate," that is, to operate over net-enabled or net-centric infrastructure that may be cyber-vulnerable to attack or failure.[21] Moreover, the most mature form of complex command-and-control for conventional forces recognizes that each command entity will have their own approach to command-and-control, there will be multiple planning and execution processes, critical information and expertize needed to understand the situation will be non-organic to many entities, and for actions to be effective requires developing synergies between entities—all command-and-control attributes that controvert the principle of unified and singular nuclear command-and-control.[22] (Alberts 2009).

During the Cold War, multiple possible pathways to nuclear war were identified, including the strategically motivated choice to protect vital national interests against unacceptable threats, even against overwhelming odds; inadvertent escalation; and accidental nuclear war. Hypothetical or actual "trigger events" that could have induced states to set out along one of these pathways, include:

(a) Dysfunctional and "cybernetic" organizational dynamics in crisis management due to inadequate design or mis-specification or inadequate implementation of procedures
(b) Flawed information and degraded decision-making

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[21]Office of the Assistant Secretary of Defense for Nuclear, Chemical, and Biological Defense Programs, *op cit*, 53.

[22]D. Alberts, "Module 3, Complex Endeavors, Networked Enabled Command and Control Short Course," October 2009, at: http://www.dodccrp.org/html4/education_nec2.html.

(c) Technological component failure in nuclear weapons-systems and related C4ISR systems
(d) Accidental nuclear detonation
(e) Warhead loss of control, and/or non-state actor acquisition and use.

Trigger events are particularly dangerous if they occur in crisis situations in which states have vital national interests at stake, in which nuclear forces are postured and deployed in a manner that threatens imminent pre-emptive strikes aimed at decapitating the leadership of an adversary, and in conditions in which control of nuclear forces could not be assured as soon as nuclear weapons are released for use, including the difficulty of assuring continuing control of the weapons and of assured communication with nuclear forces at the brink or in the midst or at the end of nuclear war because of the vulnerability of in a national nuclear-C3I systems to dis-ablement by nuclear weapons effects. The pre-eminent example of such a crisis remains the Cuban Missile Crisis. Unfortunately, it is not the only such event in Cold War history.[23]

Each of these trigger events could disrupt implementation of the five core functions of US (and presumably others') nuclear-C3I, namely, force planning (for example, an unanticipated contingency could render all the plans irrelevant due to underlying assumptions and derivative rigid force deployments); situation monitoring (for example, early warning systems can provide false positives on multiple systems at the same time causing com-manders to raise alert levels, thereby increasing the risk of other trigger events coming into play); national command decision-making (for example, attribution of nuclear attack to a state based on a false positive of a nuclear accident in forensic analysis); force direction and management (for example, dual-use communication systems may fail at critical junctures; or use of dual-use, networked communication systems rather than dedicated nuclear communications systems such as TACAMO may be misread by nuclear adversaries as an indicator of pending nuclear strike); and force management (for example, poor training and non-implementation of procedure leads to loss of security and assured control of delivery systems and/or warheads).[24]

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[23]P. Lewis et al, *Too Close for Comfort: Cases of Near Nuclear Use and Options for Policy* (London: Royal Institute of International Affairs, April, 2014), at: https://www.chathamhouse.org/publications/papers/view/199200.

[24]Office of the Assistant Secretary of Defense for Nuclear, Chemical, and Biological Defense Programs, *op cit*, 54–55.

In a crisis, single or coincident trigger events may increase strategic instability by disrupting the nuclear-C3I system and increasing the propensity of one or more nuclear-armed states to escalate to nuclear attack. Considered separately, each of these types of trigger events were recognized and managed during the Cold War—although there were some near misses that might be ascribed to good luck more than good management. But vast, sprawling nuclear weapons enterprises always posed the possibility that improbable trigger events would occur coincidentally, simultaneously, and concurrently with crisis conditions in which nuclear weapons states were colliding over vital, sometimes existential interests. In such conjunctures, the sheer complexity of the interacting factors was beyond comprehension. In such moments, an otherwise "innocent" singular event such as an accidental nuclear detonation might have prompted a decision to launch a pre-emptive nuclear attack.

In East Asia, advanced conventional forces have the biggest impact on the risk of nuclear first-use in four conflict situations, namely, Korea, Taiwan Straits, in "trigger" situations such as contested islands or unanticipated contingencies, and especially after a mega-terrorist attack by a non-state actor. In all four cases, how conventional forces affect the perception of immediate threat, the control of forces, and the execution of countervailing strategies determines the risk of escalation to war and thence to nuclear war, assuming that the pathway to nuclear war is via conventional conflict rather than a nuclear first-use without prior conventional combat. In these contexts, the decision to escalate further depends as much upon how the nuclear-C3I system performs as it does on the direct impacts of use of nuclear or conventional forces on the battlefield, which may be hypothetical still, ambiguous, or increase true uncertainty. These decisions rely on the respective command and control systems of the political-military leaders of states that are party to these major conflicts, and their respective communications, intelligence, surveillance and reconnaissance systems, which in turn feed them streams of data and analysis on posture, position, and status of countervailing nuclear and conventional forces that pose the threat of first-use.

In the Northeast Asian context, these types of triggers could involve Taiwan, North Korea, or a Sino-Japanese conflict. In an important contribution, Des Ball and Robert Ayson recently asked: "Can a Sino-Japanese war be controlled?" They concluded that neither Japan nor China exhibit the requisite political understanding of, or commitment to, avoiding escalation. Moreover, they found that political obstacles increase the

pressure created by military considerations that encourage swift escalation, to the point at which even nuclear options seem attractive. They pointed to the difficulties of maintaining control given many of the factors described above related to nuclear and conventional command and control systems fielded by the various states in the region. They conclude that the apparently impossible—a direct US-China confrontation over some small rocky islands disputed by China and Japan—is all too conceivable and could lead to a major war between these two NWS, with no established protocols as to how to reverse the escalation dynamic that would be unleashed in such a collision.[25] The same escalation logic applies to a renewed Korean War, perhaps even more so than in the Sino-Japanese conflict relationship.

North Korea's Nuclear Force Roadmap

In the last two years, strategic thinkers have begun to investigate North Korea's possible declaratory nuclear policy, its operational and deployment policy, and its future nuclear weapons force posture[26] Much of this analysis is necessarily speculative given the opacity of North Korea to outsiders.

[25]R. Ayson, D. Ball, "Can a Sino-Japanese War Be Controlled?," *Survival: Global Politics and Strategy*, 56:6 (2014), 135–166.

[26]See B. Bechtol, "Planning for the Unthinkable: Countering a North Korean Nuclear Attack and Management of Post-Attack Scenarios", *NAPSNet Special Reports*, October 6, 2011, at: http://nautilus.org/napsnet/napsnet-special-reports/planning-for-the-unthinkable-counter ing-a-north-korean-nuclear-attack-and-management-of-post-attack-scenarios/. T. Roehrig, "North Korea's Nuclear Weapons Program: Motivation, Strategy and Doctrine," 81–98, in Toshi Yoshihara and James R. Holmes, ed, *Strategy in the Second Nuclear Age Power, Ambition, and the Ultimate Weapon*, (Georgetown: Georgetown University Press, 2009). C. W. Park, V. Utgoff, "On Strengthening Extended Deterrence for the ROK-US Alliance," *Joint Forces Quarterly* 68 (1st quarter, 2013), 84–90, at: http://ndupress.ndu.edu/Portals/ 68/Documents/jfq/jfq-68.pdf. H. Ham, J. Lee, "North Korea's Nuclear Decision-making and Plausible Scenarios," *The Korean Journal of Defense Analysis*, 25:3, September, (2013), 399–413. P. Hayes, R. Cavazos, "North Korea's nuclear force roadmap: hard choices", *NAPSNet Special Reports*, March 2, 2015 at: http://nautilus.org/napsnet/napsnet-special-reports/north-koreas-nuclear-force-roadmap-hard-choices/. National Bureau of Asia Research Staff, "North Korea's Nuclear Capability," in "15 for 2015: Forecasts for the Asia-Pacific," January 15, 2015, at: http://www.nbr.org/research/activity.aspx?id=514.

Sufficient information is known, however, to make it worthwhile to examine its broad options to develop a nuclear operational force.

A reasonable range of estimates for plutonium and highly enriched uranium warhead fissile material equivalents in the DPRK is provided by Allbright and Walrond as follows: the DPRK's nuclear stockpile may be as small as five weapons (five plutonium and zero HEU) or it may be as large as twenty-seven (seventeen plutonium plus ten HEU).[27] The firing of the DPRK's "smaller" H-bomb in January 2016 (possibly a boosted fission weapon) with almost the same seismic signature as its 2013 text suggests little has changed as a result of the most recent test, except that the DPRK has one less weapons-worth of fissile material at-hand.[28]

To what extent this fissile material has been weaponized, how many warheads have been deployed, if any, and the location of such deployments, are unknown. North Korea has proven short and medium-range nuclear delivery capability including bombers, fighters, and missiles—once it has made nuclear weapons small enough to fit on these different types of delivery platforms. No-one outside of North Korea knows if and when they will be able to miniaturize nuclear capabilities although some US officials have stated that they believe the DPRK is "capable" of achieving this goal.

There are two working assumptions that are required to evaluate whether this baseline warhead and long-range missile delivery capacity provides a credible threat to North Korea. The first is to assume that Kim Jong Un (equated with North Korea in this chapter) is a rational actor and understands the strategic calculus of nuclear warfare, including the likelihood that any use may lead to his and his states immediate demise, whatever initial political or military gain is obtained by first-use. The second is to assume that Kim Jong Un (equated with North Korea's nuclear command in this chapter) is irrational to some degree, due to degraded cognitive process, group bias, information distortion in his decision-support systems,

[27]D. Albright, C. Walrond, *North Korea's Estimated Stocks of Plutonium and Weapon-Grade Uranium*, Institute for Science and International Security, August 16, 2012, 36, at: http://isis-online.org/uploads/isis-reports/documents/dprk_fissile_material_production_16Aug2012.pdf.

[28]P. Hayes, R. Cavazos, "North Korean Power and Kim Jong Un's Smaller H-Bomb," *NAPSNet Policy Forum*, January 12, 2016, at: http://nautilus.org/napsnet/napsnet-policy-forum/north-korean-power-and-kim-jong-uns-smaller-h-bomb/.

psychosis, erratic decision-making, overconfidence, inexperience, delusional individual or collective decision making, etc., and he may resort to first-use nuclear weapons even if this use is to the DPRK's strategic disadvantage.

At this point, a North Korean long-range missile-delivered warhead likely has a low probability of working at all—let alone hitting a target (that is, the probability that a North Korean re-entry vehicle will survive re-entry without being incinerated and the probability that fuzing and guidance systems will work are unknown at this stage as they have not been tested over this range by the DPRK).[29] If Kim Jong Un is rational, he knows he doesn't have a militarily usable nuclear arsenal deliverable with long-range missiles that can sustain a strategic offensive or support a conventional offensive.

Even if Kim is *irrational*, the physical basis for a credible long-range threat does not yet exist. In spite of this military reality, North Korea is convinced that even unreliable missiles and incredible threats of nuclear strikes are worth making because of their observed psychological impact on his adversaries, exemplified on April 11, 2013, when the Governor of Guam declared a state of emergency in response to the DPRK's nuclear threat rhetoric.[30] To date, the result of Kim's nuclear threat campaigns is that they suffice to have some psychological, budgetary, and political impact on the United States and the ROK, but not enough to make a militarily significant difference in US-ROK actions.

If threats to use nuclear weapons delivered by long-range missiles aren't credible, what about nuclear attacks delivered by short and medium-range missiles? These delivery systems can handle much bigger warheads over shorter distances and there is no shortage of these missiles in the DPRK's inventories. Although it is plausible that such an attack could be made, however, the credibility of the first-use of missile-delivered nuclear weapons against South Korea rests on the answer to the question, "what then?" If the next move is strategically untenable, likely suicidal, then the range of circumstances in which Kim would launch a suicidal first nuclear strike is

[29]J. Schilling, "North Korea's Space Launch: An Initial Assessment," *38 North*, February 9, 2016, at: http://38north.org/2016/02/jschilling020816/.

[30]B. Kelman, "N. Korean missile threats worry some on Guam," *USA Today*, April 12, 2013, at: http://www.usatoday.com/story/news/world/2013/04/12/north-korea-threats-guam/2077935/.

very narrow, possibly non-existent, as addressed below. Terrence Roehrig puts it thus: "Can North Korea credibly threaten the use of nuclear weapons, given the likelihood that doing so would bring about its demise?"[31]

The only way to impute a strategically suicidal use option to Kim is to degrade his rationality, as is done by Hyeongpil Ham and Jaehak Lee who provide a "situational deterrence" model of North Korean decision-making, especially their possible situationally-motivated first use scenarios that might arise in the midst of civil war in the DPRK; and in response to a pre-emptive conventional and/or nuclear strike by the United States (and presumably the ROK) on its nuclear weapons or posing an existential threat to the DPRK in a retaliatory counter-attack in response to a DPRK conventional attack. Is the threat of nuclear first-use by Kim credible in these instances?

Unfortunately, this possible scenario is now more realistic, not because the DPRK is about to collapse, but because the weapons and fissile material now exist in greater quantities and are possibly mated with actual delivery systems. However, it is also not a scenario that Kim is likely to use as a basis for the DPRK's declaratory policy, force structure, or threat rhetoric, nor is it likely to guide him in any of the critical decisions related to force development or force structure over time. These attributes likely will be determined by his perception of external factors, mediated and refracted by the views of his key advisors and decision-support systems. His choices will be guided by a strategic logic that he judges to be realistic in the face of the real military, economic, and technological-physical constraints and driving forces that confront North Korea. It is precisely the combination of domestic constraint and insuperable external factors that dictate at this early stage in its development that it is incredible that Kim would use his existing nuclear weapons capabilities to launch a pre-emptive nuclear strike against external targets short of all-out war with external parties.

This leaves the two variants of the all-out war scenario in which the DPRK might use nuclear weapons first against Seoul or Tokyo in a conventional war in which US-ROK forces have begun an all-out attack on DPRK command-and-control, communications, and intelligence systems. Such attacks are a hallmark of modern American military interventions

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[31]T. Roehrig, "North Korea's Nuclear Weapons Program: Motivation, Strategy and Doctrine," 2009, *op cit*, 95.

which, if replicated in renewed war with the DPRK, would be concurrent with attempts to destroy or capture as many North Korean nuclear weapons as possible to suppress the risk of nuclear counter-attack and to limit damage in case not all are disabled and are fired. Such attacks would prefigure immediate occupation of the DPRK and would come after a period of intense military confrontation on the DMZ or offshore.

There are many reasons such a war could start—and many strategic motivations that could be in play in Pyongyang or Seoul as it ratchets upwards. Regardless of who starts such a war—and the initial cause might never be known if it involves covert forces of one or both sides—it could escalate almost instantly—in minutes, hours, or a few days—to an existential war of survival for both Koreas, one which the North is almost certain to lose. Once begun, assuming they did not use nuclear weapons early on to stop attacking forces in North Korea, and with US-ROK troops poised to move northwards to capture Pyongyang and searching and destroying the North's nuclear weapons, the DPRK's leadership could be tempted to launch nuclear attacks.

In almost all of these cases, a North Korean first-use of nuclear weapons against cities and civilians, or against military targets, would be suicidal, implying that Kim has become irrational or is playing his own game with no recognizable rules—but with near certain war crimes tribunals waiting for Kim and his elites if they survive. Even at the brink, he might intentionally exploit the risk of going to war precisely because the DPRK is weak, and the brink so dangerous, to restore the status quo ante on acceptable terms or to secure a new armistice that allows the regime to survive to fight another day, perhaps with the DMZ moved northward. Such threats would be extraordinarily dangerous with only the slimmest possibilities of success.

These options would present Kim with an exquisite dilemma. On the one hand, he could use teetering on the brink of war as an opportunity to exploit risk for purposes of coercive leverage, to avoid war, to force a stand-down, or to seek some other concession. However, the more aggressive, the more overt, and the more nuclear his threat display, the more likely US and ROK commanders will be driven to consider pre-emption, if only to limit damage and even at the risk of achieving only partial suppression of a possible DPRK nuclear attack. On the other hand, once convinced that he has actually fallen over the brink, he may feel obliged to launch a nuclear first-strike in the desperate hope of somehow staving off pending obliteration, stalling the attack, or appealing to third

parties (see below). In this case, however, his regime would be doomed by the certainty of a devastating and overwhelming response to such an attack. American and ROK commanders would face a mirror image of this dilemma.

Thus, unless Kim faces pending personal, national command, and regime annihilation, it would be irrational for him to order nuclear first-use against ground targets in the ROK or Japan. Doing so would confirm to the United States and the ROK that deterrence had failed and only the most extreme measures will restore confidence in extended nuclear deterrence. No party (including China) could guarantee that additional nuclear attacks would not be forthcoming—all of them on and/or over North Korea's borders. Such first-use could wreak enormous damage; but it would also accelerate the demise of the regime, sooner or later, and would impel the United States and the ROK to redouble their military effort to end the regime in short order with China either helping regime change or staying neutral.

It is conceivable that an irrational Kim could order a nuclear first-use at the brink or the midst of war simply to impose as much suffering and pain as possible on his enemies, as a personal and cultural expression of honor and disdain for his enemies, or as a matter of apocalyptic revenge. Such a choice, however, would be beyond external influence or control. Although this contingency is conceivable, there is no way to deter or to compel Kim not to fire nuclear weapons in a terrorist manner, wearing the equivalent of a nuclear suicide vest.

Thus, we are left confronting the irreducible risk that Kim Jong Un might use nuclear weapons against the ROK or other third parties at the outset of a losing war, in the midst of a losing war, or against insurgent North Korean military forces, in the midst of a war in the North. The domestic use option is not against an external party outside of North Korea, however, alarming as it might be if it occurred. Only the former scenarios entail first use against the ROK, the United States, or other third parties, and are therefore conceivable, even if strategically incredible, leading as they would to the demise of the regime.

North Korean first-use in these scenarios cannot be "deterred" but the risk that it occurs can be managed and reduced. In the first instance, first-use arising from collapse and civil war, it is amenable to external influence that reduces the stress on the DPRK regime that may lead to its collapse. In the conventional war scenarios, this risk of first-use can be managed and reduced via engagement with the DPRK as part of a

full-fledged campaign of coercive diplomacy to avoid war in the first place —a combination conspicuously absent for the last fourteen years of American policy towards the DPRK, and which is beyond the scope of this chapter. The important point here is that it is also beyond the reach of countervailing nuclear threats as the postulated North Korean uses would be aimed at forcing the United States and the ROK to stop what they are already doing as opposed to deterring them in the first place.

There are at least three other North Korean credible first-use options against external parties that would be delivered against targets in North Korea, not outside its territory.

First, North Korea could realistically pre-deploy emplaced ground devices in the attack corridors north of the demilitarized zone (DMZ)[32] and use these devices before or at the outset of war to block advancing ground forces in these valleys—a mirror reflection of US nuclear warfighting plans in the late seventies.[33] Due to risk of identification and US-ROK pre-emptive attack, this pre-war emplacement would need to occur well in advance. The devices would be kept underground and could be moved via tunnels from one site to another to preclude pre-emption by US-ROK forces.

Assuming Kim is the release authority, this kind of pre-war emplacement means he would have to make a strategic decision long before tactical warning indicators become evident. It would be risky to pre-deploy these weapons at the brink of a crisis when they might be detected in surface transit; and if not used before or immediately upon the outbreak of

[32]P. Hayes, S. Bruce, "Unprecedented Nuclear Strikes of the Invincible Army: A Realistic Assessment of North Korea's Operational Nuclear Capability", *NAPSNet Special Reports*, September 22, 2011, at: http://nautilus.org/napsnet/napsnet-special-reports/unprecedented-nuclear-strikes-of-the-invincible-army-a-realistic-assessment-of-north-koreas-operational-nuclear-capability/.

[33]P. Hayes, *Pacific Powderkeg, American Nuclear Dilemmas in Korea*, (Lexington: Lexington Books, 1990), 62–38, at: http://nautilus.org/wp-content/uploads/2011/04/Pacific PowderkegbyPeterHayes.pdf. B.J. Jack, et al, "The South Korean Case: A Nuclear Weapons Program Embedded in an Environment of Great Power Concerns," volume 2, *Regional Rivalries and Nuclear Responses*, Pan Heuristics Final Report to US Defense Nuclear Agency, February 28, 1978, II–84 to II–93, at: http://nautilus.org/foia-document/regional-rivalries-and-nuclear-responses-voluume-ii-the-south-korean-case-a-nuclear-weapons-program-embedded-in-an-environment-of-great-power-concerns/.

hostilities, they could be enveloped quickly or bypassed by US-ROK forces not reckless enough to advance over well-known attack corridors without first ensuring that they are clear for secure passage. Letting troops be seen emplacing nuclear weapons as a possible signaling method is also not credible. Kim could not be sure that the United States would understand the signal. Moreover, because observable movement of nuclear weapons is an ambiguous but threatening signal, there is a high possibility that the United States would see such actions as signs of imminent attack thus defeating Kim's political goal of averting war by such early deployment.[34]

Conversely, the DPRK likely has so few possible weapons at this stage that early use in numbers needed for military effect against US and ROK ground forces (scores at minimum) would quickly exhaust their maximum arsenal. Also, if we are dealing with Kim as a prudent commander, facing the near-certainty of military defeat in full-scale war, and not the Kim as an erratic, irrational commander, then he would be likely to keep a significant fraction, probably one-third or more, of the warheads in reserve, in rear bases, for negotiation for early war termination. This imperative further reduces the usable nuclear force at this time.

These reserve forces would likely be "pop-up" road-mobile missiles kept in tunnels in the mountains, again to preclude early discovery and pre-emption by US-ROK forces. Although they would be road-mobile, these missiles with warheads would be highly unlikely to take to the surface roads for the simple reason that Kim could not be assured of continuous communications with and direct command-and-control of these forces. However, firing these reserve forces against external city or ground-military targets in the ROK or Japan suffers from the same credibility problems as described in earlier sections.

The second possible nuclear first-use that should be considered as credible in a narrow range of devices is the equivalent of a political-stun grenade. A suitable scenario would be nuclear attack by a land-based missile or delivered by fast boat (or torpedo) against an American aircraft carrier. A bracket of about eight reasonably accurate and well distributed ten kiloton nuclear explosions detonated within 30 minutes of target

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[34]L. Lieber, D. Press, *Coercive Nuclear Campaigns in the 21st Century: Understanding Adversary Incentives and Options for Nuclear Escalation*, (Monterey: Naval Postgraduate School, 2015) at: http://www.nps.edu/Academics/Centers/CCC/Research/PASCC.html.

acquisition would suffice to disable a US aircraft carrier steaming at 30 knots offshore.[35] The goal of such an attack would not be military but rather to communicate that the DPRK seeks an early termination of a war in progress. The main audience would not be the United States but China, which it would try to enlist to press its case with the United States. The DPRK may estimate that such a "limited" nuclear attack might induce China to swing its political support away from two of its largest trade partners toward the DPRK for geostrategic reasons. The DPRK would bank on China putting first priority on Taiwan and national unification. And, indeed, China would be extremely wary of allowing the United States and the ROK to use military means to reunify the Peninsula, setting a precedent that Taiwan might follow—especially if the ROK obtained the DPRK's nuclear weapons after reunification. Thus, the DPRK might have more leverage from such a political first-use of nuclear weapons against US forces offshore than might appear to be the case at first glance.

However, the DPRK lacks the necessary target acquisition intelligence systems (unless a carrier battle group was in plain line of sight or within range of radar), let alone the mid-course missile guidance systems needed to pull off such an attack with any confidence. The DPRK's fallback might be to target a small island, or simply to explode a nuclear weapon mid-air and offshore, or to conduct an underground nuclear test. Such first-use would be political rather than military in nature, and its strategic utility would depend on the receptivity of external constituencies at the time to the degree of calibrated "subtlety" of the DPRK's first use. The DPRK at that point would have lost most of its ability to control the escalation of the war, and would in fact signal its weakness and desperation by nuclear first use, in effect ceding the strategic initiative to China. How such a scenario might play out would also depend on the state of the US-ROK alliance. Depending on who occupies the Blue House, the ROK could use such a political nuclear explosion to force a rupture in the alliance if the United States rather than the ROK was perceived to be running a needless risk of war with the North. Conversely, the Blue House could insist on a "symmetrical" nuclear response, posing enormous risks of further escalation.

The third possible DPRK first-use is a variant on the war-losing scenario combined with the notion of nuclear terrorism. In this instance, the

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[35]S. Deitchman, "Technical Note About Nuclear Missile Attack on US Aircraft Carrier Battle Group," unpublished, Nautilus Institute, October 27, 2011.

Korean People's Army (KPA) would have beat a retreat to Pyongyang, possibly firing nuclear weapons to stun US-ROK forces a few times, and possibly in a way intended to invoke great pressure on the United States to implement a cease fire. Assuming that these moves had failed and with US-ROK forces advancing on Pyongyang itself, Kim would effectively booby trap Pyongyang with nuclear weapons and take its population hostage, threatening to destroy the city and kill its civilian population should the city be attacked. Such a threat could be credible and effective and, depending on season, might coincide with a war-induced humanitarian emergency in Pyongyang due to shortage of food and fuel that would be felt quickly in a sustained "nuclear siege."[36] Although there are some analogies between this scenario with the 1948–1949 Berlin Blockade, this case would be far more dangerous due to the wartime circumstances and the necessity to negotiate a safe exit for Kim or play a waiting game while Kim attempts to control his own military in the face of eventual, inevitable defeat and not willing to commit nuclear urbicide.

If this is the dismal range of possible, credible nuclear usage by, what does the future portend if continues to develop nuclear weapons rather than return to the path of denuclearization and disarmament?

The North Koreans will be forced to make hard choices between types of fissile material, types of warheads, types and diversity of delivery platforms; and between nuclear weapons and delivery systems, and conventional forces, already starved of material, resources, and energy in 's collapsed industrial base. Despite claims to develop simultaneously nuclear weapons and the economy, developing nuclear weapons precludes access to capital, resources, energy, and management expertise, in turn keeping the economy in survival mode. The DPRK's leaders certainly have aspirations to grow a larger and more effective nuclear force and have expressed this aspiration in their statements and propaganda.[37]

[36]P. Hayes, D. von Hippel, R. Cavazos, "Rapid Relief and Reconstruction in a DPRK Humanitarian Energy Crisis," *NAPSNet Special Reports*, December 23, 2014, at: http://nautilus.org/napsnet/napsnet-special-reports/rapid-relief-and-reconstruction-in-a-dprk-humanitarian-energy-crisis/.

[37]A. Mansourov, "Kim Jong Un's Nuclear Doctrine and Strategy: What Everyone Needs to Know,", *NAPSNet Special Reports*, December 16, 2014, at: http://nautilus.org/napsnet/napsnet-special-reports/kim-jong-uns-nuclear-doctrine-and-strategy-what-everyone-needs-to-know/.

This logic implies the DPRK may do best to concentrate on acquiring cruise missiles and better bombers—possibly assisted by a fleet of drones, *not* long-range missiles as the preferred delivery strategy, because these systems are cheaper, recallable, and could swarm southwards over the only warzone in which the KPA is likely to fight in the next two or three decades. Whether DPRK forces would acquire the requisite aircraft, jet fuel, flight time, and somehow launch a surprise dash for the DMZ in spite of US satellite reconnaissance and other combined ROK-SDF-USAF radars in the region remains an open question. This strategy would require the DPRK to modernize its fighter and bomber fleet—no small task—but one that is easier than developing a relatively reliable long-range missile force.[38] Or, it could develop and build cruise missiles[39]—a far less expensive and demanding task than building modern fighters and bombers, let alone long-range missiles. In this approach, it might find nuclear-armed cruise missiles to be an affordable and credible offensive force for nuclear strikes that would complement an expanded and modernized set of road-mobile short and intermediate range missiles kept in reserve in caves.

Over the next decade the DPRK might mix and match nuclear warheads on landmines, short-range missiles, cruise missiles, and aboard bombers, depending on what testing regime is selected and what confidence of successful delivery of nuclear detonation over target is required by the DPRK's nuclear command. Within a decade, they could have acquired sufficient nuclear weapons to have a reserve for some form of survivable retaliatory second strike capacity and to keep missiles, mines, and bombers loaded for immediate use. Whether such a relatively small arsenal would lead the DPRK to adopt a launch-on-warning policy or to instead keep its warheads secure and even separate from delivery systems to bolster central

[38]Y.S. Jeong, "Pyongyang asked for Russian fighter jets: official," *Korea Joongang Daily*, January 9, 2015, at:http://koreajoongangdaily.joins.com/news/article/Article.aspx?aid=2999455.
[39]J. Lewis, "Translating a Noun into a Verb Pyongyang Style: The Case of North Korea's New Cruise Missile," *38 North*, June 16, 2014, at: http://38north.org/2014/06/jlewis061714/.

command-and-control is unknowable. However, a launch-on-warning posture seems highly unlikely to be compatible with the degree of central control exercised by Kim who was declared in 2013 by the DPRK's official newspaper to be the only person who could order that nuclear weapons be fired.[40]

In reality, nuclear weapons are a distraction from the KPA's primary deterrent mission—to be able to credibly threaten to inflict unacceptable damage on Seoul with its massive conventional forces—and come at high opportunity cost as well as drawing fire—politically and militarily—from many angles of concern to the KPA. The stringent requirements for centralized command-and-control as well as security of nuclear weapons logistics will also be difficult for the KPA to sustain given competing demands.[41]

For such a centralized and personalized command structure as North Korea, this question of control is critically important. Moreover, the peculiarly North Korean pyramid of power presents the possibility of instant propagation of error and possible inadvertent escalation for a military command structure prone to constant probing by and interaction with devolved US and ROK military forces at the "hard edges" of the DMZ and the Northern Limit Line. Cybernetic errors of the kind that Paul Bracken identified in the US and Soviet nuclear command-and-control organizations[42] may also creep into the DPRK nuclear command and control system. Also, Kim's nuclear command-and-control system may be

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[40]A. Mansourov, "Kim Jong Un's Nuclear Doctrine and Strategy," 2014, op cit.

[41]J. Meyerle, K. Gause, A. Ostovar, *Nuclear Weapons and Coercive Escalation in Regional Conflicts, Lessons from North Korea and Pakistan*, CNA, Research Memorandum, November 20, 2014, at: http://www.cna.org/research/2014/nuclear-weapons-coercive-escalation?utm_source=Sailthru&utm_medium=email&utm_term=%2ASituation%20Report&utm_campaign=2014_Situation%20Report#sthash.W4FzOZiu.dpuf.

[42]P. Bracken, "Instabilities in the Control of Nuclear Forces," in A. Gromyko, M. Hellman, ed, *Breakthrough, Emerging New Thinking* (New York: Walker and Company, 1988).

susceptible to the Byzantine (traitorous) General subversion problem[43] should war come at a time of disorder and near collapse in the DPRK itself.[44] This risk needs to be studied carefully, as well as what measures may be needed to minimize such dynamics in the interaction between DPRK and US-ROK command and control and communication systems.

A Comprehensive Regional Solution

Because the US-DPRK mutual nuclear threat relationship involves all states in the region, including the NNWSs, the ROK, and Japan, ending the DPRK nuclear threat is beyond the power of the United States and the DPRK acting alone or even bilaterally.[45] Instead, what is needed is a robust strategy that reshapes the role of nuclear weapons in the range of possible multipolar, bipolar, and unipolar future regional orders in the Asia-Pacific region. Equally, because the DPRK nuclear threat drives the most dangerous of all the nuclear-threat relationships in the region, overcoming it should be at the center of a regional strategy to deal with the generic issue of managing nuclear threat between states in Northeast Asia. Thus, it is the North that drives the nuclear and non-nuclear states to at least consider the pros and cons of a wide-ranging security cooperation framework, possibly the foundational elements of an institutionalized nascent regional security community in the future.

By the same token, rather than shaping behaviors incrementally, as was tried and failed at the Six Party Talks, future negotiations need to focus on creating a new "comprehensive" security settlement in a treaty format that meets the needs of all states in the region to reduce reliance on nuclear threat, and wherever possible, to end it. By reshape, we mean that a

[43]L. Lamport et al, "The Byzantine Generals Problem," *ACM Transactions on Programming Languages and Systems*, 4:3, July 1982, 382–401 at: http://research.microsoft.com/en-us/um/people/lamport/pubs/byz.pdf.

[44]A. O'Neill, "Command without Control? Nuclear Crisis Instability in the Korean Peninsula," *North Korean Review*, 10:1 (2014), 7–21.

[45]P. Hayes, "Ending Nuclear Threat via a Northeast Asia Nuclear Weapons-Free Zone," NAPSNet Special Reports, January 6, 2015, at: http://nautilus.org/napsnet/napsnet-special-reports/ending-a-nuclear-threat-via-a-northeast-asia-nuclear-weapons-free-zone/.

comprehensive security settlement should create a new regional framework that leads to three key outcomes:

(a) Recognizes that all parties have pledged to eliminate nuclear weapons as a basis of their security relationships,
(b) Reflects the reality that nuclear weapons are of decreasing political and military value, and
(c) Facilitates reduction of the role of nuclear weapons in their respective political and military policies and postures.

The long-standing and well-tested framework for such a commitment is a legally binding nuclear weapons-free zone, for which there are many precedents around the world spanning four decades.[46] It is therefore timely to discuss the negotiated, multilateral, and legally binding end to nuclear threats by NWS to non-nuclear weapon states (NNWS) in the context of a comprehensive security settlement in Northeast Asia. Such a settlement requires a regional treaty framework, not just a political agreement, if it is to be meaningful to all the parties including the DPRK.[47] Anything less will fail and leave the states in the region to ride the roller coaster of confrontation and standoff, of semi-permanent crisis.

Given the history, it is no surprise that the DPRK insists that US nuclear threat towards it must cease before it will revert to non-nuclear weapons status and that this guarantee must be legally binding. The only framework in which this combination is possible is a NWFZ. In July 2013, the UN Secretary General urged states in the region to consider appropriate action to establish a nuclear-weapon-free zone in North-East Asia, "including by

[46]M. Hamel-Green, *Regions That Say No: Precedents and Precursors for Denuclearizing Northeast Asia*, East Asia Nuclear Security Workshop, (Tokyo: Nautilus Institute, November, 2011) at: http://nautilus.wpengine.netdna-cdn.com/wp-content/uploads/2011/12/Hamel-Green—TOKYONEANWFZPAPERvs5.pdf. K. Vignard, ed, *Nuclear Weapons Free Zones, Disarmament Forum*, 2, (Geneva: UNIDIR, 2011) at: http://www.unidir.org/files/publications/pdfs/nuclear-weapon-free-zones-en-314.pdf.

[47]B. Kampmark, et al, *A New Approach to Security in Northeast Asia: Breaking the Gridlock*, Summary Report, Breaking the Gridlock Workshop, (Washington, D.C.: Woodrow Wilson International Center for Scholars, October 9–10, 2012) at: http://nautilus.org/napsnet/napsnet-special-reports/gridlockworkshopsummary/#axzz31SQamTGM.

promoting a more active role for the regional forums in encouraging transparency and confidence-building among the countries of the region."[48] On October 21, 2014, the DPRK announced via KCNA that it proposed "building a nuclear-free zone through peaceful dialogue and negotiations…combined with the method of removing the U.S. nuclear threat by relying on international law."[49] The United States is in favor of nuclear weapons-free zones in principle, but does not know what the DPRK means in its October 21, 2014, and earlier proposals along these lines. It is urgent to find out.

To achieve the requisite conditions whereby the DPRK nuclear issue may be resolved it is also necessary to create a comprehensive security settlement treaty. This treaty, which might be titled A Northeast Asia Treaty of Amity and Cooperation, would have six key elements, all of which are necessary:

1. Termination of state of war
2. Creation of a permanent security council to monitor and verify compliance and deciding on violations
3. A mutual declaration of no hostile intent
4. Provisions of assistance for nuclear and other energy.
5. Termination of sanctions
6. A nuclear weapons free zone.

Within this comprehensive framework, a Northeast Asian NWFZ would be created to manage three of the hardest security issues facing the region, viz, nuclear threats by the NWSs to NNWSs in Northeast Asia, the provision of US nuclear extended deterrence to its allies in the region, and the DPRK's nuclear armament.

It must be noted that such a NWFZ would *not* completely end US nuclear extended deterrence. It would continue to operate for the ROK

[48]Advisory Board on Disarmament Matters (2013) *Work of the Advisory Board on Disarmament Matters, Report of the Secretary-General to UN General Assembly*, A/68/206, July 26, 2013, at: https://disarmament-library.un.org/UNODA/Library.nsf/a45bed59c24a1b6085257b100050103a/f82ba7fcf1be289085257bce006a670a/%24FILE/A%2068%20206.pdf.

[49]KCNA, "U.S. Can Never Evade Blame for Blocking Solution to Nuclear Issue: Rodong Sinmun," October 21, 2014, at: http://www.kcna.co.jp/item/2014/201410/news21/20141021-11ee.html.

and Japan to counter the general nuclear threat arising from Chinese and Russian nuclear forces, assuming that the DPRK were to disarm and revert to full NPT NNWS status. In effect, this arrangement requires the ROK and Japan to recast their perceptions of what constitutes nuclear extended deterrence from a Cold War concept based on forward-deployed weapons and instant nuclear retaliation to a post-Cold War concept that was termed above as "existential nuclear deterrence;" and for the ROK, Japan, and the DPRK to accept that such existential deterrence exists, no matter what a NWS says or does, so long as strategic nuclear weapons exist.

Two other questions must be answered before a regional framework within which to manage nuclear threat can be created in Northeast Asia. The first is whether such a framework should cover not only nuclear threats against non-nuclear states; but also manage the threat of direct confrontation between the nuclear forces of the nuclear weapons states in the region, especially their nuclear-armed submarine and offensive and defensive anti-submarine warfare forces. One possible approach, canvassed during the bipolar Cold War, is to create "anti-submarine warfare free zones" or bastions in which strategic submarines operate routinely without fear of immediate attack by anti-submarine forces. The prospect that submarine reconnaissance or armed drones may soon exist that reduce or remove altogether the invisibility of submerged submarines may also affect this dynamic over the coming decade. Meanwhile, the potential instability created by a submarine and anti-submarine warfare truel between China, Russia, and the United States (leaving aside North Korean and US allied submarines)[50] must be reduced and managed rather than returning to the hunter-killer days of the Cold War when submarines collided underwater and approached the coasts of adversaries leaving them with almost zero decision-time to decide whether to launch-on-warning or to ride-out an apparent decapitation attack.

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[50]A. Capaccio, "U.S. Navy Seeks Better Sub-Hunting Technology to Counter Putin," *Bloomberg News*, August 18, 2015, at: http://www.bloomberg.com/news/articles/2015-08-18/u-s-navy-seeks-better-underseas-sub-hunting-to-counter-putin. D. Cloud, "Aboard a U.S. nuclear sub, a cat-and-mouse game with phantom foes," *Los Angeles Times*, September 25, 2015, at: http://www.latimes.com/world/asia/la-fg-nuke-sub-china-20150925-story.html. D. Majumdar, "The U.S. Navy's Worst Nightmare: Super Advanced Russian Submarines, *The National Interest*," October 29, 2015, at: http://nationalinterest.org/blog/the-buzz/the-us-navys-worst-nightmare-super-advanced-russian-14203. R. Tanter, D. Ball, *The tools of Owatasumi, Japan's ocean surveillance and coastal defence capabilities* (Canberra: ANU Press, 2015).

The second is whether a parallel cooperative framework for collaborative fuel cycle activity can be created to manage and reduce perceived threats arising from Japan's "excess" plutonium stocks and the possible reprocessing that South Korea desires to commence. A variety of regional consortia can be envisioned that include enrichment, spent fuel interim storage, spent fuel processing, and spent fuel disposal (possibly via deep boreholes) along with schemes for fuel-cycle related regional cooperation on nuclear safety and nuclear counter-terrorism.

Separate to the general operation of nuclear deterrence between the United States, China, and Russia, and to the continuing existence of nuclear existential deterrence that arises from the former with regard to the NNWSs in a Northeast Asia or NEA-NWFZ, the question arises of whether nuclear-extended deterrence would exist should a NEA-NWFZ be violated, either by nuclear threats from a NWS against a NNWS party to the treaty, or by a NNWS breaking out of its non-nuclear weapons status.

Should a state renege on their commitments under a NEA-NWFZ treaty, then all the NWSs party to that treaty are committed to countering this breakout. Should the DPRK either halt its denuclearization to comply with a NWFZ or commence a new breakout having re-established its non-nuclear status, then US guarantees (and likely those of the other NWSs) to not use nuclear threat or attack would be rendered moot.[51] If China or Russia threatened to use nuclear weapons against the DPRK, the ROK, or Japan, then the United States and other NWSs would be free to extend nuclear deterrence to these non-nuclear parties. The same logic would apply in reverse if the United States threatened to use nuclear weapons against a non-nuclear-armed DPRK in compliance with its NPT and IAEA obligations. Alternately, if the ROK or Japan made their own nuclear weapons, then China and Russia (and the United States and any

[51]J. Dhanapala, "NWFZS and Extended Nuclear Deterrence: Squaring the Circle?" *NAPSNet Special Report*, May 1, 2012, at: http://nautilus.org/napsnet/napsnet-special-reports/nwfzs-and-extended-nuclear-deterrence-squaring-the-circle/. United Nations, *Comprehensive Study Of The Question Of Nuclear-Weapon-Free Zones In All Its Aspects*, Special report of the Conference of the Committee on Disarmament, UN Doc. A/10027/Add. 1 (New York: United Nations, 1975), at http://www.un.org/disarmament/HomePage/ODAPublications/DisarmamentStudy Series/PDF/A-10027-Add1.pdf.

other NWS party to the treaty) would be bound to come to the DPRK's assistance, or would no longer be bound by the NWFZ treaty to not use nuclear weapons against the non-nuclear parties.

Because of the significance of this issue for the ROK and Japan, further reassurance for all parties could be addressed by including a clause in the negative security protocols of a NWFZ treaty stating that in the event of a verified breach of the obligations, the five guarantor NWS recognized under the NPT would be free to re-establish previous extended deterrence guarantees—as indeed is already explicit in a number of reservations NWS have already made to other NWFZs.

One risk that should be addressed in any dialogue concerning a prospective NEA-NWFZ is how serious transgression of such a zone by a NWS or a NNWS could induce some NNWSs to develop their own nuclear forces rather than reverting to the status quo ante of dependence on US nuclear extended deterrence, even in a stronger form that exists today. There may be creative ways to ameliorate this risk that have not been considered before because the security circumstances of preceding NWFZs did not have to address such issues in a stark manner as is the case in Northeast Asia.

Given the current poor relations between many of the six parties, it is premature for the United Nations to convene a study group for a NWFZ. An eminent persons group, however, might be a good vehicle by which to obtain preliminary answers before states commence official dialogue. It could consider many critically important issues that are unique to this region, for example, whether nuclear fuel cycle cooperation should be included as part of the NWFZ treaty or as a separate set of parallel side agreements (some regional in scope, some likely DPRK-specific). Should rocket programs be controlled as part of the treaty? Are side agreements needed to restrain arms racing with offensive conventional weapons that undermine strategic stability and even restore the threat of mass destruction, only this time, by non-nuclear weapons? What are the possible geographical boundaries of a NEA-NWFZ (at first glance, it would appear to cover only the national territories of the NNWSs party to the treaty, including only maritime areas encompassed by their respective territorial seas extending 12 nautical miles offshore)? How would a NEA-NWFZ complement adjacent NWFZs, and how would it facilitate a Middle East-NWFZ (and vice versa)? What special measures might reduce the risk of nuclear war arising from the interplay of complex nuclear and conventional command-and-control systems? (For example, collaborative and

even interoperable military C3I and even CISR systems may be constructed for peacetime humanitarian and disaster response operations to determine if they work together under stress. These could prove invaluable in providing for communication channels that slow decision-making in times of high tension or when combat-support systems are committed, over-whelmed, or collapsed).

CONCLUSION

This chapter began by suggesting that nuclear weapons embodied the antithesis of community by creating a set of interdependent threat relationships based on the possibility of annihilating the adversary's society or its core assets.

It concludes by suggesting that controlling and managing the existential risks created by reliance on nuclear threat for deterrence or compellence may establish the foundations for a far reaching comprehensive security system that could lead to a regional community based on shared values and interests over time. If such a regional framework only reversed North Korea's nuclear weapons break-out, this system would have failed, however. North Korea's threats are a trigger for potential nuclear war pathways between nuclear weapons states involving but not limited to North Korea, but it is not the main source of nuclear threat in the region. These remain the three geographically present nuclear weapon states and the potential proliferating but currently non-nuclear states (Japan, South Korea), plus the non-state, Taiwan.

Unless a comprehensive security system and a regional NWFZ induce these nuclear weapon states to reduce their nuclear armaments over time—along with other measures that create a genuine and inclusive security community, implement cooperative security measures, and build relationships that reduce and then remove the need for conventional arms racing and buildups—then the region will remain trapped in Cold War dynamics, with each country unable to transcend the identities defined by realist, military dominated nation-states, in spite of burgeoning cultural, social, economic, and ecological interdependence.

Conversely, should they do so, then overcoming the DPRK nuclear threat will turn out to be the fulcrum around which states in the region negotiate a new system of threat management that resolves security dilemmas between great powers. It would do so not just by removing the nuclear threat posed by a renegade small power, but by enabling the NWSs

to restrain and end strategic nuclear operations reactivated in the region primarily in response to global insecurity, not the DPRK's nuclear threat. Only then is it likely that nuclear-armed states, and states with nuclear weapons aspirations, will start to create genuinely cooperative regional security communities, reassured that no state armed with nuclear weapons intends to coerce them by threat or by attack.

THE TRUMP FACTOR

Since 1950, American nuclear leadership was based not only on its uniquely capable nuclear forces, but on a shared vision of a liberal international order supported by strategic nuclear deterrence aimed at containing illiberal states, most importantly the former Soviet Union. The concept of *nuclear hegemony* extends Cox's Gramscian theory of *global political economic* hegemony and applies it to the realm of global nuclear security.[52] Nuclear hegemony was the necessary complement to economic hegemony for a global superpower.

In this hegemonic framework, the United States and its allies negotiated their divergent interests in how to offset nuclear threats in joint, multilateral institutions or bilateral alliances whereby the hegemonic state secured the consent of the allies to its leadership role. Hegemony combined securing consent in the form of a shared nuclear ideology that rationalizes nuclear strategy with the institutionalization of nuclear-extended deterrence in the form of multilateral nuclear alliances in Europe and bilateral nuclear alliances in Asia. In Europe, this institutionalization resulted in the integration of command structures and force elements all the way down to low-level units whereby allies would deliver nuclear weapons provided for their use at the last moment by American forces. In Asia, the United States retained sole control but relied on allies to provide security and logistical support for some ground-based weapons and built an array of joint intelligence and communication systems to support nuclear operations. To sustain the whole enterprise, the United States committed its peerless strategic nuclear forces to protect not only itself, but its allies.

[52]P. Hayes, "American Nuclear Hegemony in the Pacific," *Journal of Peace Research*, 25:4 (December, 1988), 351–364, at: http://nautilus.org/wp-content/uploads/2011/12/NuclearHegemonyJPR1988.pdf.

This hegemony was never complete. Some states kept out outside the system; some retained control but stayed in the alliance under American leadership. Civil society revolted and forced out nuclear weapons in Japan, South Korea, and New Zealand, for example. In spite of these exceptions, at its peak in the mid-nineteen eighties, American nuclear hegemony encompassed North America, Western Europe, and Asia-Pacific allies in a coordinated alliance system, and it provided the multi-national power basis for first containing the Soviet Union and later China, and then constructed global nuclear arms control treaties aimed at restraining horizontal proliferation and, later, limiting vertical proliferation by the then two superpowers.

Today, the era of outright American nuclear hegemony is clearly ending. The result is a generalized crisis that affects all levels of nuclear hegemony. As Gramsci stated: "The crisis consists precisely in the fact that the old is dying and the new cannot be born; in this interregnum a great variety of morbid symptoms appear."[53] President Trump's rise to power is exactly one of these morbid symptoms.

Trump as Nuclear Commander-in-Chief

His inauguration as nuclear commander-in-chief realized many of his critics' worst fears. Mr. Trump made many, often contradictory, ill-informed, and factually incorrect statements about nuclear weapons during the presidential campaign.[54] The statements gave rise to two urgent concerns.

The first is that Mr. Trump can somehow bring about nuclear war all by himself because he has sole presidential authority over American nuclear

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[53]Z. Bauman, "Times of Interregnum," *Ethics & Global Politics*, 5:1, (2012), p. 49, at: http://www.ethicsandglobalpolitics.net/index.php/egp/article/view/17200/20073.

[54]Z. Beauchamp, "Donald Trump's very confusing thoughts on nuclear weapons, explained," *Vox*, January 18, 2017, at:http://www.vox.com/world/2017/1/18/14310168/trump-nuclear-policy-inauguration-explained.

weapons and he is ill-equipped for this responsibility.[55] That he can do so is literally true and was made so intentionally in the US nuclear command-and-control system to sustain the credibility of strategic nuclear deterrence.[56] Mr. Trump did not make this system, however. He inherited a massive "triad" of nuclear forces that previous administrations endowed with a decision-making logic so compressed in time and trapped in such rigid standard operating procedures that no human, let alone someone as challenged by his own demons as Mr. Trump, can make "rational" decisions under duress. When Mr. Trump was briefed on the nuclear fire codes, he said: "I have confidence that I'll do the right thing, the right job. But it's a very, very scary thing."[57] Unfortunately, his first weeks in office did not inspire confidence that this self-assessment is accurate.[58]

A second, less apocalyptic concern about Mr. Trump as nuclear commander is that rather than starting a nuclear war by mistake, he may damage, even destroy American nuclear alliances. In particular, he may subvert nuclear extended deterrence by making untimely and imprudent threats that are wildly disproportionate to the stakes, inviting the adversary to call the bluff and raise it one by crossing a red line or refusing to reverse course,[59] forcing the United States to back down—as has arguably

[55]T. Johnson, "Trump's finger soon will hover over the nuclear button. Will he be ready?" McClatchy DC, November 25, 2016, at: http://www.mcclatchydc.com/news/politics-government/white-house/article117054908.html.

[56]A. Wallerstein, "No one can stop President Trump from using nuclear weapons. That's by design," *Washington Post*, December 1, 2016, at: https://www.washingtonpost.com/posteverything/wp/2016/12/01/no-one-can-stop-president-trump-from-using-nuclear-weapons-thats-by-design/?utm_term=.f8198cf0cc77.

[57]M. Shelbourne, "Trump: Receiving nuclear codes a 'very sobering moment'" The Hill, January 25, 2017, at: http://thehill.com/homenews/administration/316225-trump-receiving-nuclear-codes-a-very-sobering-moment.

[58]R. Marcus, "Trump's erratic first week was among the most alarming in history," *Washington Post*, January 27, 2017, at: https://www.washingtonpost.com/opinions/trumps-erratic-first-week-was-among-the-most-alarming-in-history/2017/01/27/c6405144-e4b9-11e6-a453-19ec4b3d09ba_story.html?utm_term=.9e8e44af4002&wpisrc=nl_most-draw10&wpmm=1.

[59]J. McManus, "In Nuclear Poker, Don't Bet on Trump," Bloomberg News, January 19, 2017, at: https://www.bloomberg.com/view/articles/2017-01-19/in-nuclear-poker-don-t-bet-on-trump.

occurred already in the case of North Korea.[60] Mr. Trump already fell into this trap after Kim Jong Un's January 1, 2017, promise that North Korea will test a long-range missile. The next day Mr. Trump tweeted: "won't happen!"[61] The only way Mr. Trump can stop this test would be to attack the launch site, which would risk reigniting the Korean War and Chinese and Russian condemnation of such an attack. (He could try to shoot down a missile mid-course but the likelihood is that US anti-ballistic missiles would miss, which would make the fading hegemon look worse than doing nothing at all.)

Nuclear Disorder or Global Nuclear Ban?

Mr. Trump's nuclear policies are likely to result in chaos and confusion rather than clarity and caution. The very idea of strategic stability in the relationships between nine nuclear weapons states, their allies, and their targets, and a core element of a hegemonic vision of the role played by nuclear weapons in inter-state relations, no longer has a fixed meaning. Even if Mr. Trump were to act prudently and only use American nuclear forces defensively and in a recessed manner in relation to other nuclear states—the best imaginable case—he is already contributing to increasing nuclear complexity in ways that will certainly lead to strategic surprises and hasten the end of hegemony.

If he proactively abandons the United States nuclear hegemonic role and plunges into its interregnum, Mr. Trump may lower the nuclear threshold between all states to the point that one of them triggers an inadvertent nuclear war, even if Mr. Trump never orders the use of a single American nuclear weapon.

The countervailing logic, one based on a positive peace derived from efforts to build global and regional community rather than a negative peace

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[60]P. Hayes, "The Stalker State: North Korean Proliferation and the End of American Nuclear Hegemony," Nautilus Policy Forum Online 06–82A, October 4, 2006, at: http://nautilus.org/napsnet/napsnet-policy-forum/the-stalker-state/.

[61]M. Haberman, D. Sanger, "'It Won't Happen,' Donald Trump Says of North Korean Missile Test," *New York Times*, January 2, 2017, at: https://www.nytimes.com/2017/01/02/world/asia/trump-twitter-north-korea-missiles-china.html?_r=0.

of denial of the other based on genocidal deterrence, can only originate from below, via networked communities and cross-border communication involving cities, social movements, and corporations, in partnership with non-nuclear states seeking a new foundation for strategic stability. At critical moments of maximum nuclear risk during the Cold War just these kinds of civil society and even states confronted American nuclear hegemony in the United States itself, in Europe, and in the Asia-Pacific region —especially in Japan and South Korea—and succeeded in forcing the hegemon to retreat.

It is not a given that such non-state and state actors will mobilize again, let alone that they will succeed in blocking Mr. Trump from starting nuclear wars. But to do so effectively, they also must resolve enduring conflicts inherited from the past that now involve nine hair trigger nuclear arsenals, all of which are linked directly or indirectly to the American nuclear arsenal. These actors must invent and find new ways to supplant rapidly receding American nuclear hegemony with a post-nuclear global security community, one based on networked interdependence instead of nuclear threat.

To achieve a nuclear weapons ban, these groups must recognize the centrality of striking comprehensive security settlements between nuclear and non-nuclear-armed states in regional conflicts as well as between China, Russia, and the United States at the global level. Integral to a comprehensive security strategy is the laying of a global mosaic of nuclear weapons-free zones that will enable all states to immediately reduce the salience of nuclear threat to inter-state relations, especially in Northeast Asia.

If Mr. Trump is serious about avoiding nuclear war, then he may take note of the emergence of a global coalition between non-nuclear states and partner non-government organizations aimed at creating a global convention to ban all nuclear weapons.[62]

Such a treaty would overcome the discrimination that is at the heart of the Nuclear Non-Proliferation Treaty, that is, the distinction between

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[62]J. Muller, J. Pastore, "Two Nobel Prize-winning nuclear experts explain the unlikely reasons why Trump could be our savior," *Quartz*, February 7, 2017, at: https://qz.com/903546/donald-trump-stance-on-nuclear-weapons-remains-unclear-but-as-two-nobel-prize-winning-nuclear-experts-argue-hes-potentially-the-best-world-leader-to-abolish-them/.

nuclear weapons in have and have-not states. The only way for Mr. Trump to replace nuclear hegemony without increasing the threat of nuclear war is to withdraw from nuclear alliances and swing the United States behind this coalition. Then and only then, could he end nuclear hegemony without risking inadvertent nuclear war.

Barriers to Community-Building in Northeast Asia: Geopolitics, Nationalism, and Domestic Politics

Chung-In Moon

INTRODUCTION

"The destructive and tragic history of Northeast Asia should never be repeated. It is for this reason that a regional community, anchored by institutionalized cooperation and integration, is urgently needed in Northeast Asia"[1]

"A regional community anchored by institutionalized cooperation and integration" was the vision foreseen by President Roh Moo-hyun as early as 2004. His vision of regional community was then shared by a growing number of policy makers and scholars in the region. Despite its history of colonial domination, civil and inter-state wars, and poverty and underdevelopment, since the 1980s, the Northeast Asian region has undergone a profound transformation. China, Japan, South Korea, and Taiwan have

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[1]Roh Moo-hyun, "History, Nationalism, and Community," *Global Asia* 2:1 (Spring 2007), p. 12.

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emerged as among the most successful economies in the world and precarious cross-strait relations between Taiwan and China, and tense inter-Korean relations notwithstanding, growing economic interdependence, expanding social and cultural interactions, shared regional norms, and institutionalized networks of cooperation significantly contributed to enhancing chances for community-building in the region.

But the current regional landscape reveals a stark prospect for community-building in Northeast Asia. Whereas China's rise and its assertive behavior is being balanced by the United States and its allies, Japan's quest to become a "normal state" through constitutional amendment has alarmed China, North Korea, South Korea, and neighboring countries. Inter-Korean relations hit rock bottom with Pyongyang's acquisition of nuclear weapons and Seoul's adoption of "proactive deterrence." With the advent of the Cai Ying-wen government in Taiwan, cross-strait relations might become more uncertain than before. A spiraling conventional arms race and the possibility of nuclear dominoes have further complicated the regional security dilemma. More worrisome is the rise of a new Cold War structure in the region, dividing between the southern maritime axis led by the United States and Japan and the northern continental axis led by China and Russia. Northeast Asia is thus swept into the vortex of conflict and cooperation.

This chapter aims to examine the evolving nature of such dynamics by identifying both facilitating and inhibiting factors and exploring prospects for community-building in Northeast Asia. The first section presents a brief overview of analytical issues pertaining to community-building in Northeast Asia. The second looks into integrating and disintegrating forces underlying community-building in the region. It also identifies the revival of geopolitical discourse, the specter of nationalism, and domestic politics as the most daunting challenges to community-building. The third section makes a deeper cut into the three salient barriers by exploring how the rise of China has triggered the revival of geopolitical discourse in the region, negatively influencing the formation of regional community-building as well as tracing how parochial nationalism in China, Japan, and South Korea has impeded efforts towards cooperation and the building of a Northeast Asian regional community. The section also addresses how domestic politics in each Northeast Asian country have served as a hindrance to community-building. Finally, the chapter attempts to draw some theoretical, empirical, and policy implications for the future of community-building in Northeast Asia.

Examining the concept of a Northeast Asian community: some analytical notes

Community can be defined as a social unit of which constituents share common sentiments and values in a given geographic boundary. Nisbet believes that a community is characterized by a "high degree of personal affinity, emotional depth, moral commitment, social cohesion, and temporal continuity."[2] In such a community, members possess "we feeling, role feeling, and dependency feeling."[3] However, community is not solely confined to domestic settings, but also extends to the regional and international domain. Karl Deutsch is a pioneer in developing the concept of regional community. In his seminal work on the North Atlantic community, he argues that a community composed of nation-states is possible when there are "shared understanding, transnational values, and transaction flows." Vital to the community is social communication that can foster a "feeling of covariance" in which community members share a feeling of "we rise together and we fall together."[4]

Deutsch identified two types of regional community. One is an amalgamated community, which refers to the "formal merger of two or more previously independent units into a larger unit, with some type of common government after amalgamation." The other is a pluralistic community where, although its members retain the legal independence of separate governments, "they integrate to the point that they share the compatibility of core values derived from common institutions and mutual responsiveness."[5] As Adler and Barnett aptly point out, such a regional community, whether it is amalgamated or pluralistic, is characterized by "shared identities, values, and meaning, transnational transaction and networks, and reciprocity and altruism as a sense of obligation and responsibility."[6] Most regional communities are pluralistic precisely because an amalgamated

[2]R.A. Nisbet, *The Sociological Tradition* (New York: Basic Book, 1966).

[3]R.M. MacIver and Charles H. Page, *Society: An Introductory Analysis* (London: Macmillan, 1949), pp. 292–294.

[4]Karl Deutsch, *Political Community and the North Atlantic Area* (Princeton: Princeton University Press, 1957), p. 3.

[5]Ibid, p. 6.

[6]Emanuel Adler and Michael Barnett, *Security Communities* (Cambridge: Cambridge University Press, 1998), pp. 3–28.

community ultimately refers to a single federal government under one sovereignty. Pluralistic regional community can take several forms. The first is a security community that "creates the assurance that they will settle their difference short of war."[7] Such assurance can be arranged in two distinctively different ways. One is a collective defense system, and the other a collective security system. The former is manifested in the form of an alliance that presupposes common enemies and threats. The weak form an alliance with others to assure its survival, while the strong form an alliance to maximize its own power.[8] The alliance gives security assurance among its members, but poses threats to others who do not belong to it. The North Atlantic Treaty Organization (NATO) is a classic example of a collective defense community. Such alliances can also take the form of bilateral ones (e.g., ROK-US, US-Japan). However, the original concept of security community derives from the collective security system, an open, inclusive arrangement in which all countries in a certain region are assumed to be its members, and no one is excluded. Nevertheless, if one member undertakes an act of aggression, all other members are obliged to punish the aggressor.[9] The collective security system is embodied in the United Nations Charter, but it was rarely applied with the exception of the Korean War. However, the Helsinki Final Act of 1975 and the formation of the Conference on Security and Cooperation in Europe (CSCE) and later the Organization for Security and Cooperation in Europe (OSCE) opened the new possibility of a collective security system starting with a multilateral security cooperation regime. More recently, President Xi Jinping of China proposed a new Asian security initiative framed around the collective security system emphasizing cooperative, comprehensive, common, and sustainable security.

The second type of regional community is an economic community whose ultimate form involves a market-driven integration of independent national economies achieved by demolishing national boundaries. Bela Balassa conceptualized several stages of a regional economic community[10].

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[7]Ibid, p. 3.

[8]See Arnold Wolfers (ed.), *Alliance Policy in the Cold War* (Baltimore: The Johns Hopkins University, 1959).

[9]See George W. Downs (ed.), *Collective Security beyond the Cold War* (Ann Arbor: University of Michigan Press, 1994).

[10]Bela Balassa, *The Theory of Economic Integration* (New York: Praeger, 1966).

The most rudimentary stage is the creation of a free trade area where members remove tariff and non-tariff barriers among themselves. The second stage is a customs union in which members impose common external tariffs and non-tariff barriers to non-members. The third stage is the establishment of a common market in which factors of production move freely among its members. The fourth stage is the creation of economic union, which is predicated on the harmonization of economic policies such as collective coordination of macro-economic policies. The fifth stage is the adoption of monetary union through which members decide to use a single currency. Balassa envisioned that if the monetary union is achieved, there is a greater chance for total integration involving unification of policies and political institutions that would resemble what Deutsch calls an amalgamated community. At present, Europe reveals the highest level of economic integration reaching the stage of monetary union. But most regions have not gone beyond the level of a free trade area.

A cultural community has been suggested as another form of regional community. Certain regions share common cultural heritages such as language, history, religion, and customs. For example, Arabs share such common cultural traits, but they cannot easily be institutionalized. Generally speaking, it is quite inconceivable to institutionalize a cultural community because of its intangible and volitional nature. Sharing of a common cultural heritage can certainly serve, however, as an important necessary condition for fostering political, economic, and security community.

Why then a Northeast Asian community? Why not East Asian or Asian community? In fact, contributors to this volume have been interchangeably using East Asia and Northeast Asia. Up to now, most scholarly and policy discussions on regional community in this part of the world have focused on East Asian community since former Malaysian Prime Minister Mahathir and South Korean president Kim Dae-jung popularized the idea in the 1990s.[11] The idea of East Asian Community has been greatly inspired by the success of the Association of Southeast Asian Nations, or ASEAN. As Southeast Asian countries have made a steady progress toward the creation of a regional community by forming, expanding, and deepening ASEAN,

[11]See Christopher M. Dent, *East Asian Regionalism* (London: Routledge, 2008); Ellen Frost, *Asia's New Regionalism* (Boulder: Lynn Rienner, 2008); S. Amoko, S. Matsuoka, and K. Horiuchi (eds.) *Regional Integration in East Asia* (Tokyo: United Nations University, 2013).

many thought such regional efforts could produce spill-over effects throughout East Asia. In fact, it was ASEAN that took the initiative in fostering the ideal of an East Asian Community by regularizing the East Asian Summit.

However, East Asia is composed of two heterogeneous geographic subunits, Northeast Asia and Southeast Asia, and, thus, the idea of an East Asian Community is virtually inconceivable without having a concurrent sub-regional integration in Northeast Asia.[12] It is more so because of regional salience of Northeast Asia. From a geographical perspective, the Northeast Asian region can be seen as being composed of China, Japan, South Korea, North Korea, Russia, and Mongolia. Of these, China, Japan, and South Korea (CJK) are the most significant actors. Their combined population is 1.54 billion, accounting for 21% of world total, whereas ASEAN accounted for only 8.6% in 2014. A combined Gross Domestic Product (GDP) of CJK was $16.37 trillion in 2014, accounting for 21% of world total. ASEAN represented only 3.2%. The difference in trade volume is also striking. CJK accounted for 18% of world total trade with a combined volume of $6.91 trillion in 2014, whereas ASEAN's share was only 6.7%.[13] Here we see two contrasting asymmetries between Northeast Asia and Southeast Asia. ASEAN is no match to Northeast Asia in sheer economic size, but it is far more advanced than Northeast Asia in terms of institutionalization of regional integration. Such a mismatch makes the idea of an East Asian Community rather distant. Put more bluntly, an East Asian Community cannot be formed without building a sub-regional community in Northeast Asia.

What, then, is the status of integration and community-building in Northeast Asia? At present, there is no formalized institutional mechanism for regional integration in Northeast Asia although the China–Japan–South Korea trilateral summit (CJK) has been regularized and the CJK Trilateral Cooperation Secretariat (TCS) was set-up to foster trilateral cooperation. As Muthiah Alagappa's chapter in this volume argues, being divided by an American-centered alliance bloc and non-alliance group, a regional security community in the form of a collective security system

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[12]An exceptional study that focuses solely on Northeast Asia is Kent Calder and Min Ye, *The Making of Northeast Asia* (Stanford: Stanford University Press, 2010).

[13]The Trilateral Cooperation Secretariat, 2014 *Trilateral Statistics* (Seoul: TCS, August 2015).

seems highly unlikely. On the contrary, protracted inter-Korean conflict, North Korea's possession of nuclear weapons and potential for nuclear domino, and China's rise and hegemonic rivalry with the United States have emerged as stumbling blocks to security cooperation in the region. And as Peter Hayes' chapter noted in this volume, efforts towards building a nuclear weapons-free zone in Northeast Asia have been limited. Choong Yong Ahn in this volume shows that economic interdependence among CJK has over time greatly expanded through market driven supply-chain networks. But there is no formalized institutional arrangement for regional economic cooperation. Although CJK have engaged in a tenth round of negotiations for the establishment of a trilateral free trade area, they have not yet made any tangible progress. Although a Northeast Asian economic community is most desired, Ahn argues, it cannot be achieved without cultivating mutual trust. Seung-yeon Oh's chapter in the volume reveals that cultural and societal networks among CJK have significantly grown with some promising outlook, but their impacts on regional integration and community-building have not been significant. What is the future outlook, then, for community-building in Northeast Asia?

Dynamics of integrating and disintegrating forces

The outlook of community-building in Northeast Asia is rather mixed because forces of integration and disintegration are delicately intertwined. Let's examine both integrating and disintegrating forces before delineating the outlook for building a Northeast Asian community.

Forces of integration

Regional integration and community-building are plausible only when there are peaceful relations among countries in the region. This situation occurs simply because the existence of mutual distrust and conflict does not warrant any cooperation and integration. For those who have memories of the Second World War, the Chinese civil war, the Korean War, the Vietnam War, and even China's invasion of Vietnam, Northeast Asia is still remembered as a wretched region of the planet. But the region has witnessed an amazing peaceful development since the early 1980s. Stein Toennesson observed that, since 1979, East Asia has been surprisingly peaceful. "While there was an annual average of ten regional armed

conflicts from 1946 to 1979, it was down to an annual average of eight in the period from 1980 to 2005. From 1946 to 1979 there was an average of four wars in East Asia every year. In 1980–2005, the average was down to 0.5 wars per year. While the total number of battle deaths in East Asia during the thirty years from 1950 to 1979 is estimated at 4.2 million, the number of battle deaths in the 26 years from 1980 to 2005 is calculated at just a little over 100,000."[14] Timo Kivimaki also finds a similar trend. Although peace in East Asia has been relative, "East Asia has witnessed a drastic reduction in conflict battle deaths, one-sided violence, and criminal violence. Conflict has not just found new forms, and peace has not been overshadowed by new types of violence."[15] Salience of peace in Northeast Asia has been much more pronounced than that in Southeast Asia or East Asia in general. Since the Chinese invasion of Vietnam in 1979, Northeast Asia has not experienced any overt conflict such as inter-state wars, which is definitely a positive factor toward regional integration.

This trend has been reinforced by a growing economic interdependence in Northeast Asia. Ratio of intra-regional trade among China, Japan, and South Korea out of total trade rose from 14% in 1992, 23.7% in 2005, and 19.1% in 2014. More specifically, the figure increased from $1.29 billion in 1999 to $6.3 billion in 2014, a 4.9 time increase. Albeit uneven, cross-investments among CJK have also significantly expanded. Whereas Chinese investments in Japan and South Korea were $434 and $269 million in 2014, respectively, Japanese investments in China and South Korea were $6.74 and $3.15 billion in the same year. 10.7% ($3.75 billion) of South Korea's outward investment went to China in 2014, whereas for Japan it was $579 million.[16] Despite the absence of an explicit institutional mechanism for economic integration, intra-regional trade and investment in Northeast Asia have been on the rise for the past twenty years. Such economic interdependence among CJK has certainly contributed to peaceful relations among them as well as to forging a

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[14]Stein Toennesson, "What is it that best explains the East Asian Peace 1979? A Call for a Research Agenda" *Asian Perspective* vol. 33, no. 1 (March, 2009), p. 112.

[15]Timo Kivimaki, "East Asian relative peace?" *The Pacific Review* vol. 23, no. 4 (2010), p. 526. Also see his *The Long Peace of East Asia* (Surrey: Ashgate, 2014).

[16]The Trilateral Cooperation Secretariat, *2014 CJK Trilateral Economic Report* (Seoul: TCS, 2015), pp. 37–47.

common understanding toward an economic community such as a free trade area.

Increasing social, cultural, and human interactions among the three countries can be seen as another positive factor facilitating the process of cooperation, integration, and community-building. China, Japan, and South Korea share a common cultural heritage of Chinese character and Confucianism. Whereas Korean pop culture is popular in China and Japan, Japanese *manga* (cartoons) are well received among Chinese and South Korean youth. Interest in traditional Chinese culture is resurging in Japan and South Korea. In addition, human interactions among CJK have also grown phenomenally. Personal visits among CJK were 6.58 million persons in 1999, and the figure increased to 20.9 million persons in 2014 by 3.1 times. Daily flights among the three countries have concurrently risen with 706 daily flights/45 routes between Japan and South Korea, and 922 daily flights/123 routes between China and South Korea.[17] Along with this, as the chapter by Oh in this volume indicates, non-governmental organizations in the three countries have formed extensive human and organizational networks. Such deepening intra-regional economic interdependence and social and cultural exchanges among countries in the region can significantly contribute to forming a sense of regional community among the people in the three countries.[18]

Finally, an increasing trend toward formal and informal institutionalized linkages among CJK is another factor conducive to community-building. Regularization of tripartite summit talks involving China, Japan, and South Korea can be seen as a very positive step. Even after the Cold War, leaders of CJK were reluctant to hold a tripartite summit. At the suggestion of South Korean President Kim Dae-jung, however, CJK held the first tripartite summit in 1999. It was held concurrently with the ASEAN Summit in the form of ASEAN plus Three. But leaders of CJK held the first independent tripartite summit in 2008 and established the Trilateral Cooperation Secretariat (TCS) in Seoul to support its activities. Consequently, inter-government cooperation among CJK has considerably expanded. At present, 19 ministerial talks among the three countries are being held in political, economic, energy and environmental, social, and

[17]Trilateral Cooperation Secretariat, 2014 *Trilateral Statistics* (Seoul TCS, 2015).

[18]S. N. Katada and M. Solis, *Cross Regional Trade Agreements: Understanding Permeated Regionalism in East Asia* (Boston: Springer, 2008).

cultural fields. And 60 inter-governmental consultative meetings among CJK are now being activated.[19] The CJK states have not only signed an agreement on investment protection, but also engaged in tenth round negotiations on the establishment of a CJK free trade arrangement (FTA) since November 2012.

Although there is no formal mechanism to address security and peace in the region, Northeast Asian countries have been active in promoting the idea of multilateral security cooperation. The Six Party Talks, along with the Asian Regional Forum (ARF), are good examples in this regard. And a plethora of security dialogues among government officials and non-governmental organizations have been instrumental in cultivating a sense of epistemic community among regional actors. Acharya has been vocal in advancing the thesis that regionalization, shared norms and interests, and institutionalized linkage have led to peace and stability in the region.[20] David Kang is also optimistic about the future of cooperation in the region because of a China-centric hierarchical regional order,[21] whereas Robert E. Kelly believes that shared Confucian norms could promote a cultural peace in the region.[22]

Forces of conflicts and disintegration

From a transactional point of view, thus, Northeast Asia is full of factors conducive to regional cooperation, integration, and community-building. But in reality, community-building in Northeast Asia seems quite challenging and even uncertain. Several flash points in the region remain intact, while military tension has been increasingly heightened, clouding regional peace and community-building. When peace is measured by the number of

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[19]ROK Ministry of Foreign Affairs, 2015 *Hanjungil Hyeopryok Gaehwang* (An Outline of CJK Cooperation) (Seoul: ROK Foreign Ministry, 2015), pp. 7–10.

[20]See Acharya, "Democracy or death? Will democratization bring greater regional instability to East Asia?"; *The Pacific Review* vol. 23, no. 3. (2010), pp. 335–358.

[21]David C. Kang, "Hierarchy, Balancing, and Empirical Puzzles in Asian International Relations" *International Security* vol. 28, no. 3. (Winter, 2003) pp. 165–180.

[22]Robert E. Kelly, "A 'Confucian Long Peace' in pre-Western East Asia?" *European Journal of International Relations* vol. 18, no. 3 (2012), pp. 407–430.

war related deaths, there has been a surprising level of peace in the region. Or put it differently, a simple intuition tells us that the region has been pacified because there have not been any overt inter-state or civil wars in East Asia, especially in countries of Northeast Asia. But when such operational meaning of peace is relaxed, a different picture emerges. If peace is defined as the state of full cooperation with the absence of fear, insecurity, and conflict, Northeast Asia seems far from enjoying a state of peace. Several survey results reveal that people in Northeast Asian countries feel increasingly insecure.[23] To that extent, community-building seems elusive.

Despite the end of the Cold War, the Korean peninsula still remains a major flashpoint of East Asia. The sinking of South Korea's Cheonan navy corvette in March, 2010, North Korea's shelling of Yeonpyong Island in November 2010, and the Pyongyang's sixth nuclear test in 2017, underscore the fragility of the security situation on the Korean peninsula. No easy compromise can be seen in the cross-strait relationship. Although the People's Republic of China (PRC) has not relaxed its earlier position of use of force against Taiwan when and if it attempts to declare its independence, it has become much more reconciliatory by adopting the policy of "one state, two systems," which would allow Taiwan to enjoy domestic sovereignty even including its own armed forces and currency. But election of President Cai and her more independent policy could make the sovereignty contest between China and Taiwan a major ticking bomb in the region.

The Northeast Asian region is also littered with unresolved territorial disputes that could flare into major escalations. The most pronounced case is the East China Sea in which dispute over the Senkaku (Diaoyu) islands could become a major source of military tension between China and Japan. Disputes over South China Sea involving Spratly (Nansha) archipelago, the Paracel (Xisha) islands, and the Senkaku (Diaoyu) islands could also easily trigger spill-over effects in Northeast Asia. Another unresolved case is the dispute between Japan and the Soviet Union over four islands off the northeastern tip of Hokkaido, Etorofu, Kunashiri, Habomai, and Shikotan. The South Korean-Japanese dispute over Dokdo (what Japanese call Takeshima) has become another source of diplomatic and even military tension between the two countries. These territorial disputes have become pronounced not only because of the issue of nominal sovereignty, but also

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[23]*Hankook Ilbo*, November 11, 2011. http://news.hankooki.com/lpage/world/201111/h2011111122005322450.htm.

because of history and economic interests involving natural resources (e.g., oil) and fishery rights. Ironically, it is with the enforcement of the Exclusive Economic Zone (EEZ) that these territorial disputes have become all the more salient. Failure to resolve these territorial issues in a peaceful manner may well undermine regional stability.

Proliferation of weapons of mass destruction and missiles was a distinctively Cold War syndrome. However, passage of the Cold War has not resolved the security dilemma. Several countries in the region possess, or are on the verge of possessing, weapons of mass destruction including nuclear ones. China and Russia are nuclear powers. After having undertaken six underground nuclear tests, North Korea now claims that it is the ninth nuclear weapons state in the world, emerging as a dangerous nuclear spoiler. Since Japan and South Korea have both technological and economic capability to possess nuclear weapons, any failure to prevent North Korea's nuclear weapons can easily trigger a nuclear domino in the region. In view of this, Northeast Asia can be seen as the most volatile region in terms of proliferation of nuclear weapons.[24] In addition, American efforts to build extensive networks of missile defense (MD) have produced a major backlash, undercutting strategic stability in the region. MD posits North Korea and China as actual or potential enemies. Such threat perception by the United States, coupled with China's assertive naval posture in East and South China Sea, has precipitated a new strategic divide in Northeast Asia between the southern axis of the United States-Japan-South Korea and the northern axis of China-Russia-North Korea.

Growing economic interdependence, social and cultural exchanges and cooperation, and formal institutional linkages notwithstanding, why do such volatile flashpoints still remain? I argue the revival of geopolitical thinking, the rise of assertive nationalism, and domestic political abuse and misuse of foreign policy have stalled the prospects for peace and community-building in Northeast Asia. Let me examine each of these elements.

Geopolitics has long been dismissed as a relic of the past not only because of its negative connotation associated with Nazi's logic of Lebensraum,[25] but also because of the pacifist dream of a "borderless

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[24]Paul Bracken, *The Second Nuclear Age* (New York: Times Books, 2012).

[25]Jakub J. Grygiel, *Great Powers and Geopolitical Changes* (Baltimore: Johns Hopkins University, 2011), p. 7.

world" shaped by globalization and regionalization. But geopolitical discourse is recently resurrecting with newly shifting power configurations.[26] As stated by Jakub J. Grygiel, "geography has been forgotten, not conquered".[27] The end of the Cold War and forces of globalization and regionalization have not completely erased geopolitical thinking. Although concern over geopolitical dynamics was raised in the early 1990s in the context of China's rise, optimism prevailed then as Robert Ross forecasted: "The prospects for regional peace and stability are good because geography minimizes the likelihood of a power transition and because stable bipolarity encourages timely balancing and great power ability and interest to create order."[28] But such optimism is drastically dwindling with the real rise of China. American efforts to re-balance China have rekindled old debates on the geopolitical equation.

Equally critical is a new trend toward power transition, as epitomized by the relative decline of American hegemonic power and China's sudden rise. These two trends lead to a critical question as to whether the latter's material growth will continue, as it has for the last 30 years, and might it become a dissatisfied revisionist power that would challenge the United States not only in the region but on the global stage? This logic has in turn fueled the "China threat" argument that a rising China would become a long and mid-term danger to Asia security.[29] Those who adhere to the "China threat" have operationalized their arsenal of arguments with particular reference to China's rapidly growing material capabilities, which they believe reflect its expansionary intentions. In 1994 Roy presented the China-threat argument by saying, "If behavior reflects capabilities, China's potential to build a larger economy also makes it likely to be assertive and

[26]On the rise of geopolitics, see Jeremy Black, *Geopolitics* (London: Social Affairs Unit, 2009); Harm de Blij, *Why Geography Matters More than Ever* (New York: Oxford University Press, 2012); Klan Dodds, *Geopolitics-A Very Short Introduction* (New York: Oxford University Press, 2014).

[27]Jakub J. Grygiel, *Great Powers and Geopolitical Changes*, p. 15.

[28]Robert S. Ross "The geography of the peace: East Asia in the twenty-first century." *International Security* 23:4 (1999), p. 117.

[29]Aaron L. Friedberg, "The Future of U.S.-China Relations: Is Conflict Inevitable?," *International Security*, Vol. 30, No. 2 (Fall 2005), pp. 7–45.

uncooperative."[30] Mearsheimer also predicted such an outcome in his debate with Brzezinski. He argued that "China cannot rise peacefully, and if it continues its dramatic economic growth over the next few decades, the United States and China are likely to engage in an intense security competition with considerable potential for war."[31] The proponents of this thesis argue that a rising China would not only challenge the US-centered regional and international order, but also aggressively seek to resolve territorial disputes with other Asian states, especially with Japan.[32]

Beneath the geopolitical discourse lie three layers of theoretical and policy concerns.[33] First is the logic of "getting rich nation, making strong army" (*buguk gangbyong/fukoku gyohei/fuguo qiangbing*), which all countries in the region have set as their national goal. The pursuit of this national goal is, however, fundamentally delimited by the geopolitical situation that is dictated by "lines of communication and centers of natural and economic resources." Thus, securing trade routes and the location of resources becomes a primary national concern. Second, such orientations

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[30]Denny Roy, "Hegemony on the Horizon: China's threat to East Asian Security" *International Security*, Vol. 19, No. 1 (Summer 1994), p. 165. For assessing the future of Asian security in regard to a rising China factor, see Joseph S. Nye, "China's Re-emergence and the Future of the Asia-Pacific," *Survival*, Vol. 39, No. 4, 1997, pp. 65–79; Gerald Segal, "The Coming Confrontation Between China and Japan," *World Policy Journal*, Vol. 10, No. 2 (Summer, 1993); Paul Dibb, "Towards a New Balance of Power in Asia," *Adelphi Paper* No. 295 (London: International Institute for Strategic Studies/Oxford University Press, May 1995).

[31]Zbigniew Brzezinski and John J. Mearsheimer, "Clash of the Titans," *Foreign Policy* (Jan./Feb. 2005).

[32]Geoff Dyer, *The Contest of the Century: The New Era of Competition with China* (New York: Alfred Knopf, 2014); Nicholas D. Kristof, "The Rise of China" *Foreign Affairs* vol. 72, no. 5 (Nov./Dec. 1993), pp. 59–74; Gerald Segal, "Does China Matter?" *Foreign Affairs*, Vol. 78, No. 5 (Sept/Oct 1999); Richard Bernstein and Ross H. Munro, "The Coming Conflict with America" *Foreign Affairs*, vol. 76, no. 2 (March/April 1997), pp. 18–32; Brad Roberts and Robert Manning, et al. "China: The Forgotten Nuclear Power" *Foreign Affairs* (July/August 2000), pp. 53–63.

[33]This is well discussed in Robert D. Kaplan, *The Revenge of Geography* (New York: Random House, 2102).

shape actual strategies and foreign policies.[34] Robert Kaplan argues that China has to expand abroad to ensure its economic survival. For this reason, China has been expanding "throughout the parts of Africa that are well endowed with oil and minerals and wants to secure port access throughout the Indian Ocean and the South China Sea, which connect the hydrocarbon-rich Arab-Persian world to the Chinese seaboard. Having no choice in the matter, Beijing cares little about the type of regime with which it is engaged…" and it is destined to be "in conflict with the missionary-oriented United States, as well as with countries such as India and Russia, against whose own spheres of influence China is bumping up."[35] What makes China's move more formidable is its financial and technological capability. More than a decade ago, Paul Bracken warned that globalization and economic progress are not necessarily a blessing because economic progress both spurs and makes possible the development of weapons of mass destruction.[36] The current confrontation between China and the United States exemplifies how geopolitical considerations have shaped a new strategic landscape in Northeast Asia, complicating existing conflicts which are becoming all the more entangled.

For a brief moment at the end of the Cold War, it seemed that the age of nationalism was over, supplanted by a new era of modernization and globalization. But such thinking has proven to be wrong. As Gilbert Rozman persuasively argues in this volume, national identity and nationalism have become more pronounced than ever before, affecting the patterns of bilateral interactions among China, Japan, and South Korea. Nationalism can be defined as "a social construct of identity of nation or statehood affecting patterns of national behavior."[37] Two types of nationalism have surfaced in Northeast Asia. One is proactive nationalism that can be defined as a conscious political agenda or project to achieve national goals such as independence, political and territorial integrity, and national unity. The other is reactive nationalism that can be defined as the

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[34]Robert D. Kaplan, "The Geography of Chinese Power- How Far Can Beijing Reach on Land and at Sea?" *Foreign Affairs* vol. 89, no. 3 (May/June 2010).

[35]*Ibid.*, pp. 27–28.

[36]Paul Bracken, *Fire in the East: The Rise of Asian Military Power and the Second Nuclear Age* (New York: Harper Collins, 1999).

[37]Peter J. Katzenstein, *The Culture of National Security: Norms and Identity in World Politics* (New York: Columbia University Press, 1996), p. 6.

collective expression of nationalist sentiments toward external stimuli that undermine national identity or interests. Unlike proactive nationalism, reactive nationalism lacks corresponding ideologies or movements and fluctuates over time and across different issue areas. Reactive nationalism mostly involves spontaneous and voluntary mass participation, but from time to time, it can be amplified by the ruling elite for domestic political purposes. Significantly, it is external stimuli that trigger reactive nationalism.[38]

Nationalism undercuts prospective regional peace and community-building in three ways. First, the collective memory of the historical past and subsequent cognitive dissonance among China, Japan, and Korea weighs heavily on the present.[39] In the past, Northeast Asia revealed a rather distinctive pattern of regional order based on a Confucian tributary system in which China was the center of the universe, whereas Korea perceived itself superior to Japan due to its geographic and cultural proximity to China. But Japanese colonial domination and subjugation shattered the hierarchical order. The collective memory of this common humiliating history has been the critical factor in the formation of modern national identity in China and South Korea. Cognitive barriers emanating from the past history of bitter enmity have forged national identities that undermines mutual cooperation and peace.[40]

Second, historical memory has combined with custom and culture to intensify nationalist movements in Northeast Asia. The modernization process has not dismantled nationalism in China, Japan, and Korea. Indeed, nationalism has resurfaced in different forms. In Japan, it has re-emerged as neo-nationalism, defying the burden of defeat in World War II. In China, the nationalist resurgence transcends the socialist governing ideology of the Chinese Communist Party. In South Korea, nationalism is still entrenched. In North Korea, a fanatical form of

[38]Chung-In Moon and Chun-fu Li, "Reactive Nationalism and South Korea's Foreign Policy on China and Japan: A Comparative Analysis" *Pacific Focus* vol. 25, no. 3 (December 2010).

[39]Dal-choong Kim and Chung-In Moon (eds.), *History, Cognition and Peace in East Asia* (Seoul: Yonsei University Press, 1997); Yoichi Funabashi (ed.), *Reconciliation in the Asia-Pacific* (Washington DC: United States Institute of Peace Press, 2003).

[40]Jennifer M Lind, *Sorry States: Apologies in International Politics* (Ithaca: Cornell University Press, 2008).

nationalist ideology has taken root, expressed in nuclear weapons. Nationalist fervor has bred domestic forces that drive assertive or even hostile foreign policy on neighboring countries, capitalizing on issues pertaining to territorial and historical sovereignty.[41]

Finally, nationalism has become an impediment to regional peace and community-building because the partisan politicization of nationalism has triggered negative chain reactions among China, Japan, and South Korea. These chain reactions usually originated in Japan. Japanese right-wing politicians' intentional and sporadic provocation of historical issues such as textbooks, beautification of Japan's colonial rule, and tributes to the Yasukuni Shrine for domestic political purposes have evoked and then amplified negative reactions in China and South Korea, which would in turn strengthen right-wing nationalist sentiments and movements in Japan. The formation of such an antagonistic coalition has made it more difficult to resolve the question of nationalism.

Il Hyun Cho makes an interesting argument that "the pacifying effects of the democratic peace should not be automatically assured."[42] He attributes this vulnerability to "incomplete democratic consolidation, combined with the political salience of national identity that sparked a process of acute inter-group competition among domestic political actors."[43] As he observes, foreign policy cannot be exempted from domestic political process, and regardless of regime type, be it democratic or authoritarian, the dynamics of domestic politics seem to undermine the prospects for liberal peace and community-building in Northeast Asia. If this is the case, how then does domestic politics factor into foreign policy-making in Northeast Asia?

Domestic politics adversely affects peace and community-building in three important ways: public opinion, domestic coalitional dynamics, and political leadership. First, public opinion matters. Geo-politics and nationalism do not become major policy issues when public opinion is calm. But when a series of events become publicized, be they disputes over

[41]Chung-In Moon and Chun-fu Li, "Reactive Nationalism and South Korea's Foreign Policy on China and Japan: A Comparative Analysis," op. cit.

[42]Il Hyun Cho, "Democratic Instability: Democratic Consolidation, National Identity, and Security Dynamics in East Asia," *Foreign Policy Analysis* 8 (2012), pp. 196.

[43]*Ibid.*, p. 191.

territorial and historical issues or concerns over arms racing, mass media highlight them and they become political. These issues may also spill-over and be amplified in cyber spaces such as social media, further aggravating the situation. Political leadership then responds to public opinion by taking a tough stance on foreign policy. Perhaps with the exception of North Korea, where there is no functioning public opinion, political leadership in China, Japan, and South Korea are all susceptible to volatile public opinion. What matters in this context is the overall national mood. Existence of mutually friendly perceptions could mitigate the worsening of the situation in this dynamic, and vice versa. Thus, the nature and direction of public opinion affects overall foreign policy.

Second, domestic political coalition dynamics are significant. The liberal coalition shaped by the process of globalization and regionalization favors friendly relations with neighboring countries, pressing for a liberal peace, integration, and community-building.[44] On the contrary, military planners, hardline conservatives, business interests including those rooted in military industrial complexes, and nationalists all advocate a more confrontational policy vis-a-vis neighboring countries. What deserves scrutiny here are newly emerging transnational coalitions. Conservative hardliners and nationalists in China, Japan, and South Korea form an adversarial coalition with their counterparts. On the geo-political side, hardliners in Japan and South Korea show very sensitive reactions to China's increased defense spending and increasingly offensive military capabilities. Meanwhile, nationalists in China and South Korea make political mileage out of Japanese conservatives' maneuvers by mobilizing the masses, reaffirming nationalist sentiments, and forming a joint anti-Japanese stance. It is this unintended transnational coalition of mutually hostile, intensely nationalist forces in China, Japan, and South Korea that has been responsible for worsening public perception and mutual distrust among them, obstructing institutionalized intra-regional cooperation.[45]

[44]Etel Solingen, *Regional Orders at the Century's Dawn-Global and Domestic Influences on Grand Strategy* (Princeton: Princeton University Press, 1998).
[45]See Chung-In Moon and Chun-fu Li, "Reactive Nationalism and South Korea's Foreign Policy on China and Japan: A Comparative Analysis", op.cit.

Finally, political leadership plays a crucial role in mitigating or aggravating the situation. Translation of public sentiments and coalitional politics into provocative or self-restraining policy depends largely on each political leadership's self-perception and corresponding action. Leadership choice is in turn shaped by the other party's actions and reactions. If one country's grievance is met with corrective behavior from the source of external stimuli, then its leadership may take self-restraining measures. However, if the country of the origin of external stimuli fails to respond to its grievances and continues with recurrent provocations, then the other country's leadership is likely to respond in kind, resulting in the intensification of a negative spiral. Under certain domestic political conditions, such as electoral cycles or declining popularity, political leadership may well initiate provocative actions independent of the other's actions. Likewise, shifting geopolitical discourses, the revival of parochial nationalism, and volatile domestic politics have become the primary sources of hindrance to cooperation, integration, and community-building efforts in Northeast Asia. Let's examine each of these disintegrating or inhibiting factors in detail.

Barriers to community-building in Northeast Asia—a deeper cut

China's rise, geopolitical responses, and stalled community-building

Since the Deng Xiaoping launched China's opening and reform in 1979, it has pursued a peaceful development strategy that aims to create a "*xiao kang* (well-to-do) society" by 2020. To achieve this goal, China has pursued a "harmonious (*hexie*) society" internally and a peaceful (*heping*) relationship with the outside world.[46] The peaceful development strategy has paid off. Within less than three decades, China has become the second largest economy in the world with a GDP size of $11.3 trillion in 2015, only next to the United States ($18.3 trillion), and the number one trading

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[46]Bonnie S Glaser and Evan S. Medeiros, "The Changing Ecology of Foreign Policy-Making in China: The Ascension and Demise of the Theory of 'Peaceful Rise'" *The China Quarterly* vol. 190 (June 2007).

and exporting nation (surpassing Germany in 2009). As of 2015, China has amassed the largest foreign reserves of any country, exceeding more than $3 trillion in the world. Several forecasts project the economy of China's may exceed the size of the US economy within a decade.[47]

Its stellar economic performance has also boosted the defense sector. According to an analysis by *The Economist*, China's defense spending was $89.8 billion ($143 billion measured by PPP) in 2011, about one seventh of US defense spending. Assuming that China allocates 2.1% of its GDP every year amidst 8% annual growth rate for the defense sector, while the United States allocates 3% of its GDP with 2.7% annual growth rate, *The Economist* projected that China's defense spending will be equal to the United States in 2036 ($800 billion), and it will exceed the United States in 2050 ($1.7 trillion vs. $1.2 trillion).[48] For example, Chinese defense spending was $214 billion in 2015, gradually catching up with the United States ($596 billion).[49] After having aggressively pursued defense modernization, China has not only launched manned space crafts and an aircraft career, but it also developed Zen-20 stealth fighters and a series of Dongfeng missiles that could target American aircraft carriers. China's build-up of naval power has been particularly noticeable.[50]

Changing China's power configuration has not altered its strategic intention, however. President Xi Jin-ping made it clear in his speech at the 2013 People's Congress that his leadership will continue China's policy of peaceful development by stating that "Chinese people love peace. We will promote peace, development, cooperation, and the banner of win-win. We will continue the road to peaceful development, an open-door strategy for

[47]See Yan Xuetong, *Lishide Guanxing* (Inertia of History) (Beijing: China Citic Press, 2013), pp. 3–41; Bloomberg, "China May Surpass U.S. by 2020 in 'Super Cycle,' Standard Chartered Says" November 15, 2010; Derek Scissors, "The United States vs. China—Which Economy Is Bigger, Which Is Better" *Backgrounder published by The Heritage Foundation*, April 14, 2011. http://www.heritage.org/research/reports/2011/04/the-united-states-vs-china-which-economy-is-bigger-which-is-better.

[48]*Economist*, "China's Military Rise: The Dragon's New Teeth," April 7, 2010.

[49]*Nihon Kezai Shinbun*, March 15, 2016.

[50]See Roger Cliff, *China's Military Power* (New York: Cambridge University Press, 2015); *SIPRI Yearbook 2014: Armaments, Disarmament and International Security* (Stockholm: SIPRI, 2014).

mutual benefit and gain…"[51] Likewise, Chinese leadership has officially relinquished any hegemonic ambition. Conversely, as Xi emphasized in his speech at the first World Peace Forum in July, 2012, China will not tolerate any external interference with its sovereignty and territory. He also stated that China will even risk war to protect its political and territorial integrity.[52]

China has officially defined its external strategy as being defensive in line with the peaceful development policy. However, some PRC military theorists deliberated on an assertive maritime strategy framed around the idea of two island "chains" that would form a geographic basis for China's maritime defensive perimeter. Whereas the first island chain refers to a chain linking the Aleutians, the Kuriles, Japan's archipelago, the Ryukyus, Taiwan, the Philippines, and Borneo, the second island chain runs from the north at the Bonin Islands and runs southward through the Marianas, Guam, and the Caroline Islands. This maritime idea was first developed by Adm. Liu Huaqing, who was chief of the PLAN (1982–1988) and later vice chairman of the Central Military Commission (1989–1997).[53] But the Chinese government has never officially adopted the maritime strategic doctrine, making it subject to wild speculation.[54] In a similar vein, China has pursued an assertive policy on Central Asia because it felt threatened by terrorists operating out of Central Asia and by insurgent elements in Xinjiang, particularly since the attack on New York on September 11, 2001. Stephen Blank neatly summarizes the rationale behind China's assertive policy on Central Asia as follows: "Economic growth, energy and strategic interests are inextricably tied together. But the precondition for realizing China's strategic and energy objectives is founded on the premise of internal stability in Xinjiang. Thus China's Central Asian policies as a whole are fundamentally strategically conceived and grow out of a preoccupation with internal stability in Xinjiang."[55]

China's defensive strategic stance notwithstanding, America and its allies and friends perceive its strategic posture differently. China's moves are being

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[51] *People's Daily*, March 18, 2013.

[52] *Xinhua*, "Chinese VP Addresses World Peace Forum" July 7, 2012.

[53] PLA, *Memoirs of Liu Huaqing*, (Beijing: People's Liberation Army, 2004)

[54] See *Global Security*, "People's Liberation Navy – Offshore Defense". http://www.global security.org/military/world/china/plan-doctrine-offshore.htm.

[55] Stephen Blank, "Xinjiang and China's strategy in Central Asia," *Asia Times*, April 3, 2004.

seen as offensive and warranting corresponding measures. Even before China's real rise, Thomas J. Christensen warned that China's rise and resulting unpredictable changes in capabilities could increase uncertainty and mistrust, sparking a regional arms race.[56] Geopolitical calculation serves as a key factor in heightening their fear of China. For example, Robert Kaplan acknowledges that China is important because of its geographic location that commands the main sea lines of communication connecting oceans and continents. In this view, China enjoys geopolitical advantages because it fronts the Western Pacific and has depth on land reaching to oil- and natural gas- rich Central Asia.[57] He even asserts that "China is using all forms of its national power—political, diplomatic, economic, commercial, military, and demographic—to expand virtually beyond its legal and sea borders to encompass the borders of imperial China at its historical high points."[58] Jakub J. Grygiel also concurs with him by stating that "The new challenge will be from China, a power that has easy access to oceans and the interest and the capacity to develop a blue-water force sufficient to threaten American maritime hegemony in the Pacific."[59]

This geopolitical perception drove the Obama administration in 2012 to declare a "pivot" towards Asia.[60] The strategic shift sent a clear signal to his allies and friends that the United States will guarantee its allies' security.[61] But it may have also increased the probability of conflict between a more materially capable and politically demanding China and the regional states, particularly the United States and Japan, both of whom resist a rising China.[62] The shift in American policy towards Asia-Pacific might have been

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[56]Thomas J. Christensen, "China, the US-Japan alliance, and the security dilemma in East Asia." *International Security* vol. 23, no. 4 (1999), pp. 49–80.

[57]Robert D. Kaplan, *The Revenge of Geography*, p. 31.

[58]*Ibid*, p. 221.

[59]Jakub J. Grygiel, *Great Powers and Geopolitical Changes*, op. cit., p. 168.

[60]Robert S. Ross, "The Problem with the Pivot: Obama's New Asia Policy Is Unnecessary and Counterproductive" *Foreign Affairs* (November/December 2012).

[61]Kenneth Lieberthal, "The American Pivot to Asia- Why President Obama's turn to the East is easier said than done," *Foreign Policy*, December 21, 2011.

[62]For a more theoretical survey, see Avery Goldstein, "Power Transition, Institutions, and China's Rise in East Asia: Theoretical Expectations and Evidence" *Journal of Strategic Studies* vol. 30, no. 4–5 (August-October, 2007), pp. 639–682.

unavoidable in order to maintain American global maritime supremacy,[63] but it also invites strong opposition from China, thereby undercutting the chance for peace and community-building in Northeast Asia.

Power transitions, especially those centered on a rising China, essentially presents a rationale for regional states to back US balancing strategies towards China. To do so, they may strengthen their alliances with the United States as well as increase their own military defensive capabilities (which may contain offensive elements). From China's perspective, such a chain of military capabilities supporting a regional US strategy increasingly looks like one of military containment designed to isolate and subordinate China to American power. Unsurprisingly, China has promoted an alternate self-help system whereby regional states may cooperate to "survive in the face of threats from aggressive competitors."[64] As a matter of fact, Japan, South Korea, Australia, and even India have officially or unofficially joined such balancing efforts by not only endorsing the pivot strategy, but also strengthening their defense capability, especially naval forces with long-range, and the ability to play support roles to US naval task groups, and other systems (especially related to intelligence, reconnaissance, and surveillance).

Even before the United States announced the pivot to Asia strategy, Japan promoted its own path of "value-oriented diplomacy" to create "the arc of freedom and prosperity" in 2006. Aso Taro, then Japanese foreign minister, declared that he will work to construct the arc in the outer rim of Eurasia, stretching from Northeast Asia to Central Asia and the Caucasus, Turkey, Central and Eastern Europe, and the Baltic states.[65] Referring to universal values as democracy, freedom, human rights, rule of law, and market economies, Aso was seeking to counter China's expansion into the outer rim of Eurasia and search for secure sea lines of communication as

[63]Aaron Friedberg, *A Contest for Supremacy: China, America, and the Struggle for Mastery in Asia* (New York: Norton & Co., 2011).

[64]Thomas Christensen and Jack Snyder, "Chain Gangs and Passed Bucks: Predicting Alliance Patterns in Multipolarity," *International Organization* vol. 44, no. 1 (Spring, 1990), p. 140.

[65]Taro Aso, Minister for Foreign Affairs, "Arc of Freedom and Prosperity: Japan's Expanding Diplomatic Horizons" a speech at the Japan Institute of International Affairs Seminar November 30, 2006. http://www.mofa.go.jp/announce/fm/aso/speech0611.html.

well as oil, gas, and natural resources supplies. When the Democratic Party of Japan (DPJ) seized political power in 2009, however, new Prime Minister Hatoyama Yukio emphasized instead engagement of and collaboration with China and the idea of an East Asia community, and jettisoned the "arc of freedom and prosperity." This policy shift fostered acute tension with the United States, which also confronted Japan over the return of an American marine base in Okinawa. Consequently, the DPJ under Prime Minister Noda altered the Hatoyama foreign policy line.

In 2012, the Liberal Democratic Party led by conservative Shinzo Abe won a landslide victory in the December general election. Apart from his commitment to revive the Japanese economy, Abe's election campaign pledges included the amendment of the Peace Constitution, renaming of the "Self-Defense Forces" as the "National Defense Forces," and the exercise of collective self-defense rights. He also reiterated his commitment to strengthen Japan's defense capability. Abe's bold step toward making Japan a normal state paid off politically when China began its incursions into Japanese territorial waters around the Senkaku/Diaoyu islands and during and after North Korea's rocket launch and underground nuclear testing.[66] During his recent visit to Washington, D.C., Abe did not hide his ambition. After his meeting with President Barack Obama, he stated that "Japan is not, and will never be, a tier-two country." He also asserted that "it is high time, in this age of Asian resurgence, for Japan to bear even more responsibility to promote our shared rules and values." He further reaffirmed that Japan "simply cannot tolerate any challenge now, or in the future" to the ownership of the Senkaku islands.[67] This stance is a direct geopolitical challenge to China, straining ties between the two countries.

China and South Korea celebrated the twentieth anniversary of normalization of relations in late September 2012. Given the memory of the Korean War and the legacy of the Cold War, Seoul's normalization with Beijing in 1992 was a diplomatic coup since it was done without requiring the United States to "cross-normalize" with North Korea. And

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[66]Hisahiko Okazaki, "Japan's step toward normalcy" *Japan Times*, February 20, 2013.

[67]*CNN Online*, "Abe lays out vision of Japan power in Asia", February 23, 2013. http://edition.cnn.com/2013/02/23/business/japan-us-abe-visit/.

normalization opened the floodgates for trade and investment across the West Sea which increased from $6 billion to over $202 billion in less than two decades. Concurrently, cultural and social exchanges between the two countries flourished.[68] And in May 2008, then newly-elected President Lee Myung-Bak traveled to Beijing to elevate South Korea's relationship with China to a "strategic cooperative partnership." President Lee's initiative was applauded back home as an early breakthrough in his foreign policy.

But the Lee administration elevated South Korea's relationship when he actively sought a value-based alliance with the United States in line with Aso's "arc of freedom and prosperity." Underlying his intention was a geostrategic concern about China, however. Despite massive economic inter-dependence with China, its rise was seen as a major geopolitical challenge, and fear of Finlandization was apparent. Thus, for the Lee government, balancing and hedging against China through a stronger alliance with the United States was viewed as a logical and necessary choice. As a result, his pro-US balancing diplomacy generated serious discomfort in Beijing. During President Lee's official visit to Beijing in May 2008, PRC Foreign Ministry spokesman Qin Gang, in an unusual break with diplomatic convention, openly criticized the ROK-US alliance as a relic of the past.[69] Yet, the Lee administration ignored this warning from China and pursued dramatic strengthening of the ROK-US alliance, as well as unprecedented trilateral cooperation among South Korea, Japan, and the United States. Ironically, this trilateral bond failed to develop due to opposition from the South Korean public to closer security collaboration with Japan. The ROK-US alliance did tighten considerably, but with negative effects on relations with Beijing, Pyongyang, and Tokyo. For example, joint ROK-US naval exercises in the West Sea following the sinking of Cheonan and North Korea's shelling of Yeonpyong Island invited fierce criticism from Beijing. Moreover, China has sent many overt signals to South Korea on the danger of participation in missile defense schemes, especially the deployment of THAAD (terminal high altitude aerial defense), in cooperation with Japan and the United States.

[68]Korean Chamber of Commerce, *Statistics on Twenty Years of China-ROK Diplomatic Normalization*, August 12, 2012 (in Korean).
[69]*Yonhap News*, May 28, 2008.

Likewise, revival of geopolitical discourses associated with China's rise has triggered negative chain reactions among China, Japan, and South Korea in their threat perception, action and reaction, severely undercutting chances for trust-building and cooperation. Such geopolitical confrontation might pose the most formidable barrier to cooperation, integration, and community-building in Northeast Asia.

Specter of nationalism and fragmented community in Northeast Asia

Questions of national identity and nationalism remained dormant during the Cold War. As Gilbert Rozman aptly observes, however, when the Cold War overlay was removed, the specter of national identity and nationalism began to haunt dyadic interactions among countries in Northeast Asia, defying post-nationalist and cosmopolitan identities generated by globalization, regionalization, and shared norms and institutional linkages. Nationalist clashes in this region usually originate from Japan. Japan's territorial claim on Dokdo/Takeshima as well as Senkaku/Diaoyu islands, the revival of the textbook controversy, and the tribute to the Yasukuni Shrine by Japanese leaders, contrary to public appeals from China and South Korea to not fuel these flames, have led to a negative amplification of mutual distrust and suspicion, resulting in a chronic security crisis among the three countries and an inability to deal jointly with the most dangerous source of instability and war, North Korea. Why does Japan exhibit such a stubborn attitude? Japan's rigidity is closely associated with the sudden resurgence of nationalist sentiments since the 1990s.[70] First, the conduct of politics played a major role in this outcome: The dissolution of the grand conservative ruling coalition under the rubric of the Liberal Democratic Party (LDP) deepened political uncertainty in Japan. One way of coping with it was to appeal to nationalist sentiments such as territorial integrity, national defense, promotion of national consciousness, and enhancement

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[70]This section draws partly on Chung-In Moon and Seung-won Suh, "Identity Politics, Nationalism, and the Future of Northeast Asian Order," in John Ikenberry and Chung-In Moon (eds.), *The U.S. and Northeast Asia* (Landham: Rowman & Littlefield, 2007), pp. 198–203. Also refer to Ho-sop Kim, Myon-woo Lee, Won-duck Lee, and Sang-il Hahn, *Ilbon Uik Yongu* (*The Study of Japanese Right-wing*) (Seoul: Joongsim, 2002).

of patriotism.[71] This political path was especially attractive to some politicians because of the political leadership's weak domestic support base. LDP leaders such as Koizumi, Aso, and Abe capitalized on an ultra-nationalist agenda to win elections. Furthermore, the marginalization of liberal political forces such as the Social Democratic Party and the Communist Party also contributed to the trend.

Second, neo-nationalism was a response to the breakdown of Japan's economic and social system. While the *Heisei* recession followed by the bubble economy significantly depressed the Japanese economy, a series of social and natural disasters such as youth crime, the sarin gas attack in the subway, a major safety accident at the *Tokaimura* uranium reprocessing plant, the *Kobe* earthquake, and most recently the East Japan tsunami and earthquake in 2011 heightened insecurity in people's daily lives. Such fear was easily exploited. Resurgence of nationalist sentiments is one way that many people console themselves over the social and physical melt-down that is manifest in many aspects of Japan's "post-industrial" syndromes.

Last, but not least, Inoue argues that the rise of neo-nationalism can be ascribed to the collapse of the existing Japanese system that was characterized by the triad of order composed of the state, market, and community.[72] The weakening of community embodied by organizations such as private firms, bureaucracies, and schools, each of which functioned as healthy intermediate organizations linking the state to market, encouraged many Japanese to seek community in nationalism.

Neo-nationalism is now one of the major driving forces behind Japan's foreign and domestic policy. Although the grass-roots push for revisionist history has produced some visible results, such as the publication of new history textbooks, Japan has been steadily preparing to become a normal state through legislative changes and the strengthening of its overall defense posture. China's rise and nuclear and missile threats from North Korea provide Japan with an ideal public rationale for the realignment. Abe's attempt to amend the Peace Constitution's Article 9 can be seen in this context. It is in this framework that Chinese and South Koreans, both elite and the masses, have expressed their grave concerns over the Japan's

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[71]Soichiro Tahara, Susumu Nishibe, and Sang-jung Kang, *Aikokushin (Patriotism)* (Tokyo: Kodansha, 2003), p. 32.

[72]Tatsuo Inoue, *Jiyu, Kenryoku, Yutopia (Liberty, Power, and Utopia)* (Tokyo: Iwanami, 1998).

claim on Dokdo Island/Senkaku/Diaoyu Islands, the textbook revision, and the Yasukuni issue.

The resulting impact of such dynamics was vividly apparent in South Korean-Japanese relations. Since diplomatic normalization in 1965, bilateral ties between Seoul and Tokyo have widened and deepened in all areas. Economic interdependence through trade, finance, and investment, quasi-quasi alliance ties facilitated by the United States and dense social and cultural networks have facilitated such a relationship. However, Japan-South Korean relations have fluctuated depending on the overall national mood. Following the inauguration of the Kim Dae-jung government, Seoul-Tokyo ties reached a peak when the two countries adopted the Declaration on Future Partnership in October 1998.[73] Moreover, the co-hosting of the World Cup in 2002 and the Korean culture boom in Japan further contributed to strengthening bilateral ties. But this positive trend did not last long, and the situation radically altered in 2005 when the Roh Moo-hyun government was on the verge of declaring diplomatic war on Japan.

What went wrong? The clash of national identity mattered. A series of nationalistic moves by Japan triggered angry reactions from South Korea, eventually altering its foreign policy toward Japan. The first trigger was a Japanese local government's territorial claim over Dokdo Island (Takeshima for Japanese). On February 23, 2005, the Shimane Prefectural Council in Japan introduced an ordinance designating February 22nd as "Takeshima Day," which also urged the Japanese government to recover the island from South Korea's illegal occupation. Koreans were especially affronted by the move precisely because imperial Japan had annexed Dokdo Island by force to the Shimane prefecture the exact same day (February 22nd) a century before as a trophy of its victory in the Russo-Japanese War. Hosoda Hiroyuki, then Cabinet Minister of the Koizumi Cabinet and a remark by Mr. Takano, Japanese Ambassador to Seoul, who stated in an official press conference on February 23rd that Takeshima is part of Japanese territory, convinced the Korean people that the Shimane Prefectural Council's move to designate February 22nd as "Takeshima Day" was a premeditated plan between the central and local

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[73]Chung-In Moon and Seung-won Suh, "Security, Economy, and Identity Politics between Japan and South Korea under the Kim Dae-jung Government," *Korea Observer* vol. 36, no. 4 (Winter 2005), pp. 561–602.

governments. Despite strong protest from the South Korean people and government, the Shimane Prefectural Council passed the ordinance on March 16, 2005. Most Koreans regarded Japan's uncompromising attitude as an unjustifiable assault on their territorial integrity and their collective memory of the injustices inflicted on Koreans by Japan in the recent historical past.

The Japanese actions were unacceptable to South Koreans precisely because the claim over territorial integrity (Dokdo), distortion of the past history (history textbook), and the glorification of Japan's past imperial aggression (Yasukuni) were viewed as a direct challenge threatening their national identity. Departing from the old practice of quiet diplomacy, President Roh Moo-hyun himself took the initiative in warning and attacking Japanese. In his speech commemorating the 86th anniversary of the March 1 anti-Japanese movement, he stated "true reconciliation with Korea can come only after apology and reparation, which is predicated on the finding of truth." Roh's statement raised a serious question on the continuing validity of the provision on reparations embodied in the Basic Treaty on Japan-South Korean Normalization. The Japanese government was shocked. But more was to follow.

The South Korean government not only withdrew its earlier position in support of Japan's permanent membership in the UN Security Council, but also initiated a diplomatic campaign to block its entry. In retaliation, Japan cast an opposition vote to Ban Ki-moon's election to Secretary General of the United Nations. Negotiations over the Japan-South Korea FTA were derailed at the sixth round in November 2004 and were never resumed. In the two summit talks held in June and November 2005, history, Yasukuni, and territorial issues dominated the leaders' agenda, but ended without any substantive outcomes, except reaffirming different attitudes on those three issues. The following summit talk scheduled for December was canceled, and the summit shuttle diplomacy between the two countries was also suspended. The year of friendship ended up being one of the worst years in Japan-South Korea relations since the diplomatic normalization in 1965. The clash of past history and national identity so deeply anchored in the domestic politics of both countries completely undermined and reversed in only a few years what had become a congenial Seoul-Tokyo relationship.

Another example of the contribution of clashing national identities to regional insecurity can be found in China-South Korean relations. Since diplomatic normalization in 1991, South Korea had steadily improved its

ties with China. Along with the expanding economic, social, and cultural ties, China became an important diplomatic partner of Seoul. China not only successfully initiated and mediated the Six Party Talks process in order to resolve the North Korean nuclear crisis in a peaceful manner, but it also generally enhanced its political weight in regional and global diplomacy. It is against this backdrop that the Roh Moo-hyun government pursued a pragmatic, balanced diplomacy that some mistook as "bandwagoning" with China, while reducing its dependence on the United States. This growing popularity of China among Koreans was reflected in opinion polls. According to an opinion survey conducted by the *Donga Ilbo* on May 3, 2004, 62% of respondents regarded China as the most important country to South Korea, whereas only 26% regarded the United States as the most important.[74] The political elite also shared such favorable public perception toward China. Sixty three percent of newly elected National Assembly members of the then ruling Open Uri Party designated China as South Korea's most important diplomatic and trade partner, with only 26% regarding the United States as its most important partner.[75]

However, this trend did not last long. Since early 2004, Beijing-Seoul ties soured upon the completion of the Chinese government's Northeastern Project (*Dongbei Gongcheng*). The Chinese Academy of Social Science and the Academy of Social Science in three northeastern provinces (Liaoning, Jilin, and Heirongjiang) initiated a project to rewrite the ancient history of China's Northeastern area under the official endorsement and sponsorship of the central and provincial government in 1996.[76] Its core objectives were to achieve "state unification, national unity, and stability in China's borderland areas" by "incorporating all the historical events that happened in Chinese territories into China's local history."[77] The project was a strategic move to legitimize China as "a unified multi-national state."[78] What

[74]*Donga Ilbo*, May 4, 2004.

[75]*Ibid.*, April 29, 2004.

[76]Jae-ho Chung, "China's 'Soft' Clash with South Korea: The History War and Beyond." *Asian Survey* vol. 49, no. 3, pp. 468–483.

[77]On the Northeast Project, refer to the homepage of the Center of China's Borderland History and Geography Research, Chinese Academy of Social Sciences (http://china borderland.cass.cn/).

[78]Kap-soo Choi, Dongbuka Yoksaronjaenggwa Minjokjuui (the History Debate in Northeast Asia and Nationalism), *Jinbo Pyongron* (2005).

angered South Koreans was the article, "Some Issues in the Study of Goguryo History," which was published on June 24, 2003, in a Chinese daily newspaper, *Guangming Ribao*, by Bian zhong.[79] Their claims were shocking and even outrageous to Koreans. They argued that "the history of the Goguryo dynasty was part of Chinese history and that Goguryo was a decentralized local government of China."[80] They presented various evidence to justify their claim: (1) Goguryo was located in Chinese territory; (2) Goguryo's activities were delimited to the four counties of the Han dynasty (*Han si jun*); (3) Goguryo maintained sovereign-subject relations with successive generations of Chinese dynasties; (4) Goguryo subjects were incorporated into the Chinese Han race after its dissolution; (5) There was no historical continuity between Goguryo and Goryo not only because of the absence of a blood line, but also because of the long interval in succession (250 years).[81]

This project and associated claims outraged Koreans, especially South Koreans, triggering immense anti-Chinese sentiments and movements. For them, Goguryo is a proud part of its ancient history, when it ruled over the Northern part of the Korean Peninsula and most of Manchuria during the period of the Three Kingdoms. Treating it as part of China's borderland history was tantamount to denying Korean history, identity, and ultimately historical sovereignty.

Let's take another example of the impact of the clash of national identity on bilateral relations. As noted before, China-Japan relations deteriorated with the shifting balance of power. But what has made the situation worse is dispute over the Senkaku/Diaoyu Islands, which have been a constant source of tension between the two countries. In April 2012, then Tokyo governor Shintaro Ishihara announced his plan to purchase the islands and establish a Senkaku fund. He was able to raise 1.47 billion yen ($18.7 million) from more than 100,000 donations. He argued that since the Japanese government has been too passive in responding to Chinese sovereignty claims, there is a need to acquire the islands by concerned

[79] *Guangming Ribao*, June 24, 2003. This article was authored under the pen name Bian zhong, which represented three historians from the Research Center for the Historiography of the Borderland at the Chinese Academy of Social Science.

[80] *Ibid.*, June 24, 2003

[81] *Shin Dong A*, September 1, 2003 "Special Feature: Why Does China Want to Devour the Gogyryo History?" pp. 332–345, in Korean.

citizens. Facing tough opposition from the Chinese government, however, the Noda cabinet decided to purchase the islands from a Japanese citizen in September 2012. Reaction from the Chinese government was immediate and fierce. It dispatched nearly twenty marine surveillance ships to patrol through the islands, prompting a full alert by Japan's Coast Guard. Meanwhile, as Sheila Smith noted, "anti-Japan demonstrations spread across China, reaching more than 100 cities, with Japanese businesses targeted for looting and damages. China's Internet was alive with condemnation of Japan on September 18, the anniversary of the Japanese military's invasion of Manchuria in 1931."[82] Tension between the two countries remained high, and possible military clashes could not be ruled out.

Why did the islands become a potent flashpoint? Nationalist sentiments were deeply entangled with this dispute. China lost the islands as a result of the Sino-Japanese War in 1894. After the Pacific War, the islands were incorporated into Okinawa under the American control in 1945. When the United States returned Okinawa to Japan in 1971, the islands were also transferred to Japan. The Japanese government contends that neither China nor Taiwan made legal claims over the islands during the process. But both mainland China and Taiwan have claimed the islands belong to them legally and historically. Especially for China, the islands are seen as a symbol of restoration of its national pride. Meanwhile, for Japan—which believes that it lost Dokdo (Takeshima) to South Korea and Northern territories to Russia—it is unthinkable to make concessions on these islands to China. As the Economist neatly puts, "China is re-emerging after what it sees as 150 years of humiliation, surrounded by anxious neighbors, many of them allied to America. In that context, disputes about clumps of rock could become as significant as the assassination of an archduke."[83] The issue has become complicated not only because of its contending territorial claims, but also because of collective memory of the history, especially for China.

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[82]Sheila A. Smith, "Japan, China, and the Tide of Nationalism," *Council on Foreign Relations* September 19, 2012. http://www.cfr.org/asia/japan-china-tide-nationalism/p29080.

[83]*Economist*, "China and Japan- Could Asia really go to war over these? The bickering over islands is a serious threat to the region's peace and prosperity," September 2, 2012.

Territorial and even historical sovereignty were not big issues during the Cold War. But it is ironic to note that the end of the Cold War has invoked disputes over territorial and historical sovereignty. What matters is the collective memory of historical past and clashes of national identities. Especially, politicization of parochial nationalism has impeded prospects for cooperation and integration, while fueling mutually hostile sentiments. National identity trumps economic interdependence, social and cultural transactions, and even institutionalized networks of cooperation among governments.

Public opinion, domestic politics, and leadership motives

Geopolitical factors and clashes of national identity are by-and-large input variables to regional security and community-building. That is, they can be mitigated or aggravated by domestic political processes. But in Northeast Asia, domestic politics have aggravated far more than mitigated the situation. Public opinion is sensitive to such issues in all countries. Hard-line conservative/nationalist coalitions have outweighed moderate/liberal coalitions in each country regardless of regime type. Most critically, political leaderships have tried to capitalize on the worsening situation for its short-term political gain. This dynamic reveals that neither capitalist peace nor democratic peace has deep social and institutional roots in the Northeast Asian region.

A survey jointly conducted by *Donga Ilbo* (South Korea), *Asahi Shimbun* (Japan), and the Chinese Academy of Social Science (China) in April 2005 during which the clash of national identity was heightened exemplifies this situation.[84] Ninety-four percent of South Korean respondents (sample size: 1500) and 61% of Japanese respondents (sample size: 1781) believed that Japan-South Korea relations were worsening. Compared to the same survey conducted in 2001, in which only 34% of South Koreans and 35% of Japanese responded that Japan-South Korean relations were getting worse, it is evident that mutual perceptions have deteriorated sharply. And, 63% of South Koreans responded that they did not like Japan, while only 8% gave a positive view of Japan. As to the Japanese, 22% answered that they disliked South Korea, while 16% responded that they liked South Korea. Even worse, 90% of South Korean

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[84]*Donga Ilbo*, April 26, 2005.

respondents and 67% of Japanese respondents point out that the history issue has become a major impediment to mutual and regional cooperation. South Koreans appear to be most pessimistic about the resolution of history issues, as 82% of South Korean respondents answered that it would be extremely difficult to resolve the past history issues. However, 40% of Japanese respondents believed that past history issues cannot be resolved easily.

According to the survey, the most serious obstacle to intra-regional and bilateral cooperation was the Japanese attitude on history, such as the revision of history textbooks and Prime Minister Koizumi's tribute to the *Yasukuni Shrine*. Ninety percent of South Korean respondents, 87% of Chinese respondents, and 67% of Japanese respondents point to the history issue as a major impediment to regionalism. South Koreans appear to be most pessimistic about the resolution of history issues, as 82% of South Korean respondents answered that it would be extremely difficult to resolve the past history issues. Public opinion on China-South Korean relations shows a similar pattern.[85] In an opinion survey conducted by the *Donga Ilbo* on May 3, 2004, 62% of respondents regarded China as the most important country for South Korea, whereas only 26% felt the same about the United States.[86] Before the Goguryo incident, China was the most favored country by both the South Korean elite and the masses. But South Korean perception of China has since drastically deteriorated. According to one survey conducted on December 13, 2006, 89% of respondents answered that they feel threatened by the rise of China's military power.[87] Another survey conducted in 2007 shows that South Koreans' favorable perception of China decreased from 65% in 2005 to 44% in 2007, whereas that of the United States rose to 61%.[88] The clash of national identity between China and South Korea undercut the underlying perceptual foundation.

In 2014, almost ten years later, the situation did not seem to be improving. According to a 2014 survey by the Pew Research Center, only 7% of Japanese respondents were in favor of China, whereas 56% of South

[85]Jae-ho Chung, "China's 'Soft' Clash with South Korea: The History War and Beyond" *Asian Survey* vol. 49, no. 3, pp. 468–483.

[86]*Donga Ilbo*, May 4, 2004.

[87]*Joongang Ilbo*, December 13, 2006.

[88]*Hankook Ilbo*, September 22, 2006.

Koreans regarded China favorably. There was a huge distance between Japan and South Korea on their perception of China. China showed a reciprocal response. Only 8% of Chinese respondents were in favor of Japan. Despite its strong anti-Japanese stance, 22% of South Koreans regarded Japan favorably. Meanwhile, 47% of Chinese and 21% of Japanese respondents regarded South Korea favorably.[89] The same can be said of China and South Korea. As long as citizens of the three countries perceive each as being mutually hostile, rhetoric of peaceful relations and community-building seems far-fetched.

Coalitional dynamics also play an important role. Japan and South Korea have cultivated dense human networks since diplomatic normalization in 1965. Ties between businessmen, politicians, and scholars have become deep and wide. To cite a few, the Japan-ROK Business Council, the Japan-ROK Parliamentarian Union, and the Japan-ROK Cultural Association have promoted bilateral ties. And a large number of local governments and non-governmental organizations (NGOs) have established cooperative ties with their counterparts in Japan. More importantly, many South Korean elite figures educated in Japan have occupied strategic posts in South Korean society. None of these pro-Japanese social forces attempted to save the sinking ties. Whenever issues associated with national identity and nationalism became pronounced, their voices were unheard, whereas voices of nationalists, regardless of left and right, became dominant.

The same can be said of China-South Korean ties. As can be seen in the dispute over the Goguryo dynasty, historians, students, NGOs, and most importantly the mass media rallied for the Korean cause. Historians, especially those specializing in ancient Korean history, took the leadership in rallying against China. Civic organizations soon joined Korean historian efforts in denouncing China's Northeast Project. On December 12, 2003, the Citizens' Solidarity League for Correctly Understanding Our History launched a nationwide campaign to collect one million signatures in protest of Chinese distortion of Goguryo history and delivered them to the Chinese embassy in Seoul. On December 29, 2003, fifty civic organizations formed the Pan-citizens' Solidarity League to Protect Goguryo History and initiated a public campaign to collect 10 million signatures to protest

[89]Pew Research Center, "Chapter 4: How Asians view each other" *Global Attitudes and Trends* (2014).

China's move. Along with this, Vank, a non-governmental cyber organization formed to promote the public image of Korea abroad, sent an e-mail message to 13,000 historians and those involved in the designation of UNESCO's world heritage sites pointing out China's distortion of historical facts regarding the Kingdom of Goguryo. Nationwide protests of the Northeast Project and its distortion of Goguryo history continued throughout the first half of 2004.[90] Mass media amplified the social mood, and none of the social and political forces who have close ties with China spoke out against the trend. Given that Seoul's trade volume with Beijing exceeded more than $200 billion and that 40,000 Korean firms have direct investments in China, business associations such as the Federation of Korean Industries and the Korean International Trade Association could have issued statements calling for self-restraint. But none dared to make such moves during the dispute.

China-Japan relations are even worse. Since the diplomatic normalization in the 1970s, Japan cultivated multiple ties with all walks of Chinese society, economy, and politics. Since the Tiananmen incident in 1989, these ties have waned. In May 2005, angry Chinese citizens not only boycotted Japanese products, but also physically attacked Japanese-owned shops in protest over Koizumi's tribute to the Yasukuni Shrine and distortion of history textbooks. None of these ties worked to stop this dynamic. Those in China who had interests with Japan stood idle. As a result, a widespread anti-Chinese mood peaked in Japan. Some Japanese leaders, such as Kobayashi, Chairman of Fuji-Xerox and Koichi Kato, a leading politician from the LDP, who were worried about the worsening relations called for calmness. Right-wing extremists threatened to assassinate Kobayashi, while setting fire to Kato's local office in 2006. As in China and South Korea, conservative and ultra-nationalist forces prevailed over liberal forces in Japan.

The most troublesome barrier reversing this dynamic is political leadership. Leading politicians have chosen to politicize rather than calm bilateral relations, aggravating the situation. Former Prime Minister Koizumi is the case in point. During his election campaign for the premiership, Koizumi pledged to pay a regular tribute to the *Yasukuni* Shrine to console the dead souls of the past wars. But South Korea and

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[90]See *Yonhap News*, March 16, 2004.; *Hankook Ilbo*, October 20, 2003; *Hangyerye*, November 10, 2003; *Kukmin Ilbo*, Nov. 28, 2003; *Donga Ilbo*, Nov. 27, 2003.

China had long opposed the visit of Japanese political leaders to the shrine, not only because it keeps the remains of class-A war criminals during the Pacific War, but also because of its museum, *Yushukan*, which exhibits relics justifying and even glorifying the imperial system and the Pacific War.[91] Koizumi encountered a major dilemma. Paying a tribute to the shrine could invite formidable political opposition from neighboring countries. But not paying the tribute to the shrine could be tantamount to breaching his election pledge. Domestic political considerations prevailed. He paid visits to the shrine five times during his premiership (August 13, 2001, April 21, 2002, January 14, 2003, January 1, 2002, and October 17, 2005). Koizumi justified his visit by stating "I paid the tribute to the shrine in order to express my condolence to those who were sacrificed during the past wars with the hope that war should not take place again."[92] Public opinion in China and South Korea was extremely critical of his visits, profoundly eroding Japan's bilateral relations with China and South Korea.

Another example can be found in South Korea. Former President Myong-bak Lee was well known for his pro-Japan stance. His brother once described that President Lee is pro-Japanese to the bone marrow. But then a major anomaly erupted in Lee's orientation. In August, 2012, several months before the end of his term, he made a surprise visit to Dokdo. Departing from his previous position, he openly remarked that "Japan is no longer a country of international leadership. Japan's international influence is waning." In addition, he angered the Japanese people by stating that "Japan's emperor should make an apology to families of independence movement fighters should he want to make a visit to South Korea." His unexpected action and remarks drove Japan-South Korean relations to rock bottom since diplomatic normalization in 1965. Lee made such moves as part of his efforts to rekindle waning domestic political support. The same can be said of President Park Geun-hye, who politicized the comfort women issue out of proportion at the expense of strategic interests for domestic political purposes.

Politicization of bilateral relations by leadership is not confined to democratic countries such as Japan and South Korea, but also extended to China. As former Director of the Department of National Intelligence

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[91]See http://www.historyfoundation.or.kr/History/Issue/SchoolBook.asp (search date: March 15, 2008).
[92]*Asahi Shimbun*, August 14, 2001.

James Clapper testified in the Senate, the Chinese leadership "that is confronting these internal challenges is also likely to maintain uncompromising positions on foreign policy issues, especially those involving maritime and territorial disputes in the South and East China Seas."[93]

Public opinion, coalitional politics, and leadership preference and style in China, Japan, and South Korea do not seem to be conducive to intra-regional cooperation and community-building.

CONCLUSION

The formation of an East Asian Community is strongly desired because it can assure peace and stability in the region. Whereas such community-building is under way in Southeast Asia, however, the above examination clearly shows the geopolitical, social, and political foundations for an enduring cooperation and community-building have not yet arrived in Northeast Asia. Consequently, in this region community-building seems a distant dream, which in turn makes an East Asian Community rather inconceivable.

Economic interdependence, democracy, and dense social, political, and economic networks have not automatically engendered robust peace and cooperation among countries in the region. Although there have not been any overt military conflicts and related casualties (except for those between the two Koreas), the current degree of peace and community-building in the region seems thin, precarious, and even elusive. These findings demand that we should attend to old and new impediments to community-building such as the revival of geopolitical discourse, the specter of assertive nationalism, and domestic political dynamics.

First, we need to make more prudential analytical efforts to deconstruct the current geopolitical map framed around the China threat thesis, which I believe is more contrived than real, through an epistemological reorientation. Bandwagoning on offensive realism would lead the region to the brink of catastrophic war and economic havoc, making community-building all the more impossible.

Second, countries in the region should get away from the trap of parochial and antagonistic nationalism. Nationalism can serve as a valuable

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[93] *Mainichi Shimbun* "China to hang tough on isle row with Japan: U.S. official" March 13, 2013. http://mainichi.jp/english/english/newsselect/news/20130313p2g00m0dm06800 0c.html.

asset for enhancing national harmony and unity, but its exclusive application that preys on neighboring countries can not only aggravate identity-driven distrust among them, but also block any chance for the formation of a common regional identity.

Third, liberal, transboundary coalitions among members of civil society, especially NGOs, needs to be cultivated throughout the Northeast Asian sub-region. For they can serve as the most effective integrative forces as well as a credible deterrent against disruptive antagonistic coalition anchored in parochial nationalism.

Finally, visionary political leadership is valued more than ever before. As the founding fathers of European integration in the early 1950s demonstrated, new visionary leaders should transcend parochial national interests, lead rather than follow public opinion, and offer a concrete and viable roadmap for the future of a Northeast Asian community.

The Trump Factor

Donald Trump's unexpected victory in the 2016 US presidential election sent shock waves around the world not only because of his "America First" policy but also his impulsive and bullying behavior. It is unclear to what extent he is willing to honor and sustain the US-led liberal international order. American foreign policy under President Trump is likely to be more uncertain and unpredictable than ever before.

Mr. Trump has not yet unveiled his Asian policy. Nonetheless, judging by his statements during the presidential election campaign four major trends are discernible. First, he is not likely to continue former President Obama's "Pivot to Asia" policy if only to distance himself from the policies of Mr. Obama and Hilary Clinton. This shift could lead to a major strategic readjustment in Asia, in which the encirclement of China is no longer a top US policy priority.

Second, Mr. Trump could overhaul the US-led alliance architecture in Northeast Asia. During the election campaign, he repeatedly stressed that Japan and South Korea have been free riders in alliance relations and that he will reduce or withdraw American troops stationed in those countries unless they pay an increased share of joint defense burdens and costs. Tokyo might try to accommodate such demands but Seoul could strongly resist, depending on its domestic political climate. Thus, rupture in alliance ties cannot be ruled out, signaling a major change in the strategic landscape of the region.

Third, the advent of the Trump administration could deal a critical blow to the existing liberal trade order in the region. Mr. Trump has officially announced that he will scrap the Trans-Pacific Trade Partnership. At the same time, he has warned that he will scrutinize bilateral trade relations with Northeast Asian countries. Accusing China, Japan, and South Korea of unfair trading practices, including the running of huge trade surpluses with the United States, he pledged to impose import restrictions on China and to amend or discard the KORUS free trade arrangement.

Finally, past US presidents were committed to rule- or structure-bound prudent policy behavior, while restraining their emotions. But Mr. Trump seems quite different from them. Seemingly impulsive, unilateral, and even retaliatory in his temperament, his management style of counterparts in Northeast Asia may prove to be abusive, volatile, and unpredictable. This tendency was evidenced by his abrupt phone exchange with President Cai Ying-won of Taiwan, an overt violation of "one China policy," which brought about unnecessarily tense relations with China.

Overall, therefore, the early signs prefigure that Mr. Trump's Asia policy will be full of uncertainty, sending mixed signals to those who are committed to building a Northeast Asian community in the coming decades. Three possible scenarios of the US president's impact on regional community building in Northeast Asia are conceivable.

The first scenario would reflect his isolationism and eventual US disengagement from Northeast Asia. If the Trump administration actively seeks to put "America First" at the expense of its alliance and free trade networks in the region, then Japan and South Korea could entertain more reconciliatory relations with China. This trend would greatly facilitate the formation of a Northeast Asia regional community, a paradoxical blessing from the Trump leadership. Such a grand regional realignment might not be probable during Mr.Trump's tenure, but the possibility cannot be completely ruled out.

The second scenario is Mr. Trump's re-adoption of the "Pivot to Asia" policy and a deeper entanglement in the region. This scenario is predicated on the rapid deterioration of China-US bilateral relations and a more explicit confrontation between the two hegemonic rivals. There are several flash points: Mr. Trump's assertive rapprochement with Taiwan, the South China Sea conflict, serious trade disputes with China, and a growing gap in policy coordination in dealing with the North Korean nuclear issue. If one of these issues flares up, the Trump administration would have to strengthen its alliance ties with Japan and South Korea. Mr. Trump might

even try to win the support of Russia. Such a development would be likely to pose the worst challenge to community-building in Northeast Asia.

The third scenario is the continuation of an unstable *status quo* that results from an incoherent American foreign policy on Northeast Asia. On the one hand, institutional inertia, intense lobbying by Japan and South Korea, and bureaucratic support in Washington might induce the Trump administration to continue the existing policy framed around the "Pivot to Asia." On the other hand, Mr. Trump's bullying isolationist stance (for example, emphasis on non-foreign entanglement, sporadic tension with China, alliance disputes with Japan and South Korea) could easily heighten domestic American sentiment in favor of disengagement from the region. Thus, Washington could send conflicting signals to the region, making its strategic outlook all the more unpredictable. This American posture could either facilitate a much closer cooperation among countries in the region to cope with the uncertainty, or impede the process of community-building by creating a chaotic situation in which Japan and South Korea seek a "wait and see" policy.

Regardless of the scenarios that unfold during Mr. Trump's presidency, what is important is the will and commitment of the citizens and political leaders in China, Japan, and South Korea. If they genuinely want to build a regional economic, cultural, and security community in Northeast Asia, the Trump factor will not prove to be an insurmountable barrier. The United States, Russia, and North Korea would follow their lead. It is the citizens and leaders of Northeast Asia who should determine the regional community of common destiny for peace and prosperity.

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