

East Asian Regionalism and its Enemies in Three Epochs: Political Economy and Geopolitics, 16th to 21st Centuries

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This paper examines the dominant forces at play in East Asia in an effort to chart regional dynamics within a global non-Eurocentric framework in the course of three epochs. In the first era, spanning the 16th to the early 19th century a China-centered tributary trade order provided a geopolitical framework within which private trade could also flourish. At its height in the 18th century, as East Asia linked to a wider regional and global economy, core areas achieved high levels of peace, prosperity and stability. The second period is notable for dislocation, war and radical transformation spanning the years 1840-1970. In this era profound transformations were the product of system disintegration, colonial rule, world wars, and anti-colonial wars and revolutions. With the collapse of the regional order, bilateral relations, colonial and postcolonial, predominated. Since the 1970s there have been signs of the emergence of a third epoch notable for progress toward the formation of a new East Asian regional order resting on foundations of dynamic economic growth. From the perspective of East Asian integration, the US-China opening of 1970 marked both the end of a century of war and polarization and the emergence of economic complementarity and geopolitical restructuring that have transformed both East Asia and the world economy. In assessing the resurgence of East Asia and the emerging character of East Asian regionalism, emphasis is placed on relations among China, Japan and Korea as ascending regional-global powers and the position of the United States as a powerful but declining superpower. The analysis considers the interplay of geopolitics and political economy in structuring hierarchies of wealth, power and position both within Asia and in the world order or disorder. Is the emergence East Asian regional order a basis for regional independence or a new framework for US penetration? What insights can the past offer toward the emergence of a viable regional order in East Asia, or, at a minimum, pitfalls to skirt?*

I- East Asian Regionalism: The 18th Century

Throughout the nineteenth and well into the twentieth century, the dominant view in both East and West privileged a dynamic Western world order over a weak, inward-looking and conservative East Asia that collapsed in the face of Western capitalism and military predominance. The result was a Eurocentric world vision that reified the perspective of the colonial powers and their successors.¹ The essentialist presumption that continues to pervade a substantial literature is that Western superiority is an historical constant, once and forever immutable.

An alternative paradigm that has emerged in recent years recognizes the salience of China not only as the dominant economic and geopolitical center² of an East Asian regional order but also as a major actor in the global political economy from at least the 16th to the 18th century and arguably continuing to the arrival of the Western powers in full force in the mid-19th

¹ The quintessential works in this literature are David Landes, *The Unbound Prometheus. Technological Change and Industrial Development in Western Europe from 1750 to the Present* (Cambridge: Cambridge University Press, 1969) (2nd edition, 2003); W. W. Rostow, *The Stages of Economic Growth. A Non-Communist Manifesto* (Cambridge; Cambridge University Press, 1962).

² China was arguably the geopolitical center of East Asia in the 18th century, but it is important to note that at that time, as during the Mongol dynasty earlier, China was ruled by a steppe people, the Manchus, thereby lending a distinctive character to the Qing empire and its dealings with peoples on its borders, notably the Mongols, Tibetans and Uyghurs of Central Asia but also the peoples of Southeast Asia as well.

century.³ Interestingly, the avatars of this China-centered perspective on East Asia and the world economy emerged not primarily from Chinese scholarship but from the writings of Japanese and American researchers.⁴ China's economic strides of recent decades, and, above all, the resurgence of East Asia with China, Japan and Korea as an expansive center of the capitalist world economy in the final decades of the long twentieth century and into the new millennium, lend plausibility to this approach. This has led some to anticipate that China will lead the way in creating a new Asian regional order, or even an Asia-led world system in the new millennium. History does not, of course, repeat itself, yet it may offer insight into possible options. While sympathetic to approaches emphasizing contemporary East Asian dynamism and its continued strength into the 21st century, I propose to rethink both Eurocentric and Sinocentric perspectives on East Asia as a world center prior to its destruction by European colonizers in the nineteenth century, and to consider subsequent regional restructuring and the contemporary implications of alternative perspectives that break with Eurocentrism with particular reference to China-Japan-Korea relations and East Asia's position in global perspective.

Drawing on the work of Takeshi Hamashita, R. Bin Wong, Kenneth Pomeranz, Kaoru Sugihara, Anthony Reid and Andre Gunder Frank, among others, it can be said that between the sixteenth and eighteenth century, at the dawn of European capitalism, East Asia was the center of a vibrant economic and geopolitical zone with its own distinctive characteristics. Two elements of the East Asian order together defined its distinctive regional and global features.

First, among the most important linkages that shaped the political economy and geopolitics of the East Asian world was the China-centered tributary trade order, pivoting on transactions negotiated through formal state ties as well as providing a venue for informal trade conducted at the periphery of tributary missions. The system was also driven by a wide range of legal

³ For an overview of work by the postwar generation of Japanese scholars and translations of major articles, see Linda Grove and Christian Daniel, eds. *State and Society in China: Japanese Perspectives on Ming-Qing Social and Economic History* (Tokyo: University of Tokyo Press, 1984). This literature, together with a Eurocentric modernization literature, provided the prelude to the revisionist thrust by Takeshi Hamashita and others whose work is examined here.

⁴ Takeshi Hamashita, edited by Mark Selden and Linda Grove, *China, East Asia and the Global Economy: Regional and historical perspectives* (London: Routledge, 2008); Giovanni Arrighi, Takeshi Hamashita and Mark Selden, eds., *The Resurgence of East Asia: 500, 150 and 50 year perspectives*, London: Routledge, 2003; R. Bin Wong, *China Transformed: Historical Change and the Limits of European Experience*, Ithaca: Cornell University Press, 1997; Kenneth Pomeranz, *The Great Divergence: China, Europe, and the Making of the Modern World Economy*, Princeton: Princeton University Press, 2000; Andre Gunder Frank, *ReORIENT: Global Economy in the Asian Age*, Berkeley: University of California Press, 1998; Gary Hamilton, *Commerce and Capitalism in Chinese Societies*, London: Routledge, 2006; Hidetaka Yoshimatsu, *The Political Economy of Regionalism in East Asia. Integrative Explanations for Dynamics and Challenges*, Basingstoke: Palgrave Macmillan, 2008; Mark Beeson, *Regionalism and Globalization in East Asia: Politics, Security and Economic Development*, Basingstoke: Palgrave Macmillan, 2007; Timothy Brook, *The Confusions of Pleasure; Commerce and Culture in Ming China*, Berkeley: University of California Press, 1998; Francesca Bray, *The Rice Economies: Technology and Development in Asian Societies*, New York: Oxford University Press, 1985; Nola Cooke and Li Tana, eds., *Water Frontier: Commerce and the Chinese in the Lower Mekong Region, 1750-1880*, Lanham MD, Rowman and Littlefield, 2004; Anthony Reid, *Southeast Asia in the Age of Commerce, 1450-1680* (2 vols), New Haven: Yale University Press, 1988 and 1993. The issues have been sharply debated by historians and economists in symposia in *The Journal of Asian Studies*, *American Historical Review*, and *Modern China* among others. They have also been examined by a range of Japanese scholars. See especially Sugihara Kaoru's edited collection on the links between Japanese development, intra-Asian trade, and the Asian economies, *Japan, China and the Growth of the Asian International Economy, 1850-1949*, Oxford: Oxford University Press, 2005. For an important recent Chinese interpretation, see Wang Hui, *The Politics of Imagining Asia: Empires, Nations, Regional and Global Orders*, *Inter-Asia Cultural Studies*, 8, 1, 2007, pp. 1-34.

and illegal trade, much of it linking port cities that were beyond the reach of the Chinese imperial state. While Korea, Vietnam, the Ryukyus and a number of kingdoms of Central and Southeast Asia actively engaged in tributary trade with China, Japan sent no tributary missions in the course of the 17th-19th centuries. China-Japan direct trade nevertheless continued through Nagasaki as well as indirectly through the Ryukyus and Hokkaido, in addition to coastal trade that the Chinese state defined as piracy. In short, despite the imposition of inter-state trade restrictions by both the Qing and Tokugawa governments, through both tributary and informal networks, dynamic East Asian trade continued, underlying the region's economic dynamism.⁵

Second, East Asian linkages with the world economy from the sixteenth century forward, mediated by silver exchange, transformed East-West trade relations as well as the domestic Chinese and regional economies. Silver flows, to pay for tea, silk, ceramics and opium among other products, were critical in binding Europe and the Americas with East Asia, particularly China, with Manila as the key port of transit. Indeed, the large-scale flow of silver from the Americas to China beginning in the sixteenth century and peaking in the mid-seventeenth century linked the major world regions and transformed both intra-Asian trade and China's domestic economy. The silver-lined story that Hamashita, Pomeranz and Reid detail began not with the multiple disasters associated with the drainage of silver to pay for opium, or with the debacle in the Opium War that led to China's and Asia's forced opening on terms dictated by the Western powers, and the associated loss of Chinese sovereignty associated with the Treaty Ports and extraterritoriality. It began rather with the preceding epoch of Chinese global trading predominance and flourishing intra-Asian commerce. Reid writes of Chinese-Southeast Asian trade in global perspective in the years 1450-1680: "The pattern of exchange in this age of commerce was for Southeast Asia to import cloth from India, silver from the Americas and Japan and copper cash, silk, ceramics and other manufactures from China, in exchange for its exports of pepper, spices, aromatic woods, resins, lacquer, tortoiseshell, pearls, deerskin, and the sugar exported by Vietnam and Cambodia."⁶ The end result was massive silver flows into China from other parts of Asia, Europe and the Americas in exchange for silk, tea, porcelain and other manufactures. China's domestic economy was also transformed as silver became the medium for taxation in the Ming's single whip reform, deeply affecting the agrarian economy as well as urban exchange.

Silver provides a thread to link Europe, the Americas and Asia as well as a means to deconstruct Eurocentric history and to chart profound changes internal to Chinese economy and society. Tracing the world-wide flow of silver from the sixteenth century problematizes the unilinear notion of world history as determined by the discovery of the "New World," followed by the flow of silver to Europe, and thence from Europe to Asia. As Hamashita shows, the articulation of Asian silver markets with Euro-American silver dynamics shaped world financial flows and facilitated the expansion of trade that took place in the sixteenth and seventeenth centuries.⁷

⁵ An important issue that we do not address here is the fact that the Qing empire that carried China to a peak of peace and relative prosperity in the 18th century was the product of Manchu leadership, thus raising important questions about the multiethnic character of the Chinese state and nation, and its relations with Central Asia and the steppe regions generally, as well as with East and Southeast Asia.

⁶ Anthony Reid, *Southeast Asia in the Age of Commerce, 1450-1680* vol.2, p. 33.

⁷ Chapter 4: "Silver in Regional Economies and the World Economy: East Asia in the Sixteenth to the Nineteenth Centuries." Translation by J.P. McDermott. *China, East Asia and the Global Economy*. Cf. Andre Gunder Frank, *ReORIENT*, especially pp. 131-64; Kenneth Pomeranz, *The Great Divergence*, espec. pp. 159-62, 267-74.

Long before the discovery of New World silver as well as after it, Asia was the center of large-scale regional silver circulation and the flow of silver would be determined in large part by the manufacturing dominance that China enjoyed in its relations with Europe and North America through the early eighteenth century. Silver became an important medium for trade in Korea, Japan and Vietnam somewhat later than in China. Recognition of these facts puts paid to perspectives that privilege Western merchants and traders as the driving force in world trade in general and silver circulation in particular.

Silver provides one significant thread that ties China, Asia and the world economy over five centuries. Maritime perspectives on China and the world economy contrast to the long dominant statecentric, specifically land centered and inward looking, China scholarship. We seek to examine the interplay of statist tribute and private commerce both in the seaborne sphere with silver as a primary medium of trade and finance from the sixteenth century, and landed trade, including barter trade, that linked China to Inner Asia and extended across the silk road to Europe.

Beyond the tributary system and the importance of silver is a spatial vision centered less on national economies and state policies, and more on open ports and their hinterlands. It is an approach that requires new spatial understanding of the relationship between land and sea, between coastal and inland regions, and among port cities and their hinterlands.

Here we cannot limit discussion of intra-Asian trade to the formal parameters of the tributary order. Consider, for example, the fact that, while the Ryukyus actively participated in tributary relations with China, in order to obtain pepper and other products that were mandated by the Chinese tributary relationship, Ryukyuan merchants traded far and wide throughout Southeast and Northeast Asia and the Pacific Islands from at least the fifteenth century. Likewise, Nola Cooke and Tana Li highlight the autonomous trade patterns that gave rise to the “water frontier” linking southern coastal China and Indochina in the 18th century, thereby contributing to the transformation of the domestic economies of the Mekong region. Fuller understanding of non-tributary linkages among China, Vietnam, Korea, the Ryukyus, Inner Asia and insular Southeast Asia is likely to reveal extensive trade networks independent, or at the margins, of official tributary missions, and strengthening regional economic linkages. Such an approach could shed new light not only on the tributary trade system but also on current scholarship highlighting global city networks largely autonomous from central state controls that would emerge with new vigor in the course of the long twentieth century and particularly with respect to China since the 1980s.⁸

At its height in the eighteenth century, large regions of East Asia, with China at its center, experienced a long epoch of peace and prosperity on the foundation of a tributary-trade order at a time when Europe was more or less continuously engulfed by war and turmoil.⁹ If tributary and private trade lubricated the regional order, so too did common elements of statecraft in the neo-Confucian orders in Japan, Korea, the Ryukyus, and Vietnam. In contrast to European colonialism in the eighteenth and nineteenth century, this Sinocentric order

⁸ See for example Saskia Sassen, *The Global City*: New York, London, Tokyo, Princeton: Princeton University Press, 2001 2nd.ed); Saskia Sassen, *Cities in a World Economy*, 3rd Ed. Thousand Oaks, California: Pine Forge, 2006.

⁹ China achieved the peak of territorial expansion during the 18th century, extending the reach of empire north and west into Inner Asia including incorporation of Tibet, Mongolia and Xinjiang, and China’s informal reach extended into Southeast Asia as well. Most of China south of the Great Wall, and particularly coastal China, by contrast, enjoyed protracted peace.

placed fewer demands for assimilation on China's neighbors when contrasted with European conquerors, was less exploitative in economic terms, and, at its height, secured general peace throughout large areas of East and Southeast Asia for protracted periods.

Indeed, a distinctive feature of this regional order is the fact that China, subsidized peace and stability through the tributary trade order. This meant sanctioning the regimes of favored local rulers as well as assuring a sustained transfer of resources to them via direct subsidies and guaranteed access to lucrative trade with Korea, Vietnam, and the Ryukyus among others. Even Japan, which sent no tributary missions to China during the Tokugawa period (1600-1868), bought into the system through behind-the-scenes domination of Ryukyu tribute missions to secure lucrative trade with China while subordinating the Ryukyu kingdom to Japan in its own version of a tributary order. Likewise, Vietnam implemented a sub-tributary order with Laos.

In these and other ways, viewed in *longue durée* perspective, a distinctive regional political economy emerged in a prosperous East Asia that was linked to other parts of Asia, Europe and North America in the world economy of the 16th to 18th centuries. This is particularly significant in light of the tendency in the reappraisals of imperialism beginning with S. B. Saul, J. Gallagher, R. Robinson, and D. C. M. Platt, to slight Asian dynamism, indeed to treat Asia in a negative or exclusively reactive fashion, and of the general Orientalist dismissal of the East within an East-West binary.¹⁰

Our discussion has focused on tribute, trade, and other economic and financial mechanisms during the long 18th century. We can here only briefly enumerate certain other distinctive features of the regional order at its height prior to the onslaught of European imperialism.

- While Mark Elvin saw China caught in a high-level equilibrium trap, Sugihara Kaoru and Kenneth Pomeranz demonstrate that income and consumption levels in core areas of China and Japan were comparable to or higher than those prevailing in Western Europe and North America in the 18th century.¹¹ Building on the insights of Akira Hayami and Jan de Vries for Japan and the Netherlands on the "industrious revolution," they contrast China's and Japan's distinctive technological and institutional path, predicated on labor intensive development, with the capital intensive approach that emerged in 18th century England to power that nation's advance in the age of empire.

- The Chinese empire, under Manchu rule, may be viewed as the hegemonic power in East Asia during the long 18th century in the triple sense of being the most powerful state presiding over a protracted peace and legitimating selective regimes in wide areas of the region, the leading manufacturing exporter and magnet for the world's silver, and radiating cultural-political norms as exemplified by the predominance of Neo-Confucian thought and modes of statecraft in Japan, Korea, Vietnam, the Ryukyus and beyond.

II- The Demise of the East Asian Regional Order: China's Disintegration, Competitive Colonialisms, Japan's Asia, Anti-colonial and Revolutionary Movements, America's

¹⁰ Alain Gresh, "From Thermopylae to the Twin Towers: The West's Selective Reading of History," *Le Monde Diplomatique*, January 2009.

¹¹ Kaoru Sugihara, "The East Asian path of economic development: a long-term perspective" and Kenneth Pomeranz, "Women's work, family, and economic development in Europe and East Asia: long-term trajectories and contemporary comparisons," in Arrighi, Hamashita and Selden, eds., *The Resurgence of East Asia*, pp. 78-172. See also Giovanni Arrighi, *Adam Smith in Beijing: Lineages of the Twenty-First Century*, London: Verso, 2007; Mark Elvin, "The Historian as Haruspex," *New Left Review* 52, July/August 2008, pp. 83-109; Akira Hayami, "A Great Transformation: Social and Economic Change in Sixteenth and Seventeenth Century Japan," *Bonner Zeitschrift für Japanologie*, 8, 1986, pp. 3-13.

Asia, and Bipolarity in Postwar Asia, 1840-1970

The disintegration of the Qing in the early 19th century set the stage for the onslaught of the Western imperialist powers in China and East Asia, bringing to an end the regional order and the protracted peace that had extended across East and Inner Asia to parts of Southeast and Central Asia.

As the Chinese state crumbled internally and was battered by foreign invaders, tens of millions of Chinese migrants spread across Asia and the world from the second half of the nineteenth century. The migration of Chinese to Manchuria, Southeast Asia, the Americas and elsewhere coincided with the disintegration of the Qing empire and creation of Western and Japanese colonial empires. Beginning with silver remittances to the coastal communities of South China by overseas workers and merchants, migration created foundations for Chinese banking networks at home and abroad. We note the progression from the earlier flow of goods to the flow of silver to the movements of people and the return flow of goods and silver to China. If the largest number of migrants were Chinese, significant numbers of Japanese and Koreans also migrated to other parts of Asia, as well as to Hawaii and the Americas. Each group created new networks and flows of labor, remittances and capital. Despite such foundations for regional development, geopolitics trumped political economy. While the Japanese economy soared, much of Asia was subordinated to the colonial powers giving rise to new bilateral ties but undercutting multilateral relationships.

From the latter half of the nineteenth century, with China in disintegration facing invasion and rebellion, and then carved up by the Western powers and Japan, with much of Southeast Asia colonized by the British, Dutch, French and Americans, and with Korea, Taiwan and the Ryukyus incorporated within the Japanese empire by the first decade of the twentieth century, the protracted peace of the 18th century grounded in the former tributary-trade order and private trade gave way to a century-long inter-colonial conflict and bilateral metropolitan-periphery relations which precluded the re-emergence of a coherent regional economy.

In the final decades of the 19th century and the early 20th century, Japan and the United States expanded into the Asia-Pacific, inaugurating a process that would lead to the eventual clash of empires. In the early decades of the 20th century, Japan emerged as the dominant power in East Asia and the challenger to the European-centered colonial order that had transformed the region in the 19th century. With the seizure of the Ryukyus, the integration of Hokkaido, the colonization of Taiwan and Korea, the victory in the Russo-Japanese War and the establishment of the puppet state of Manchukuo between 1872 and 1932, and eventually over the next decade the conquest of large swatches of China and Asia, Japan became the only nation of Asia, Africa or Latin America to join the club of the colonial powers. It is fruitful to compare Japan's approach to regional integration with that of the 18th century tributary-trade order.

As Japan extended its reach, Taiwan, Korea, Manchuria and China all experienced invasion and occupation or colonization, though Japan never succeeded in completing the conquest of China. We will consider Japan's Asia from three perspectives: first, economic development and social change; second, war, nationalism, and anti-colonialism; and third, regional dynamics and regional ties to the world economy.

Like the Western colonial powers, Japan actively mined the colonies for natural resources and human resources to spur Japan's industrialization. At the same time, far more than either the Chinese tributary-trade order or the Western colonial order elsewhere in Asia, Japan fostered

colonial agricultural and industrial development, notably in Korea, Taiwan and Manchukuo. Between the 1920s and 1945, Japan presided over large-scale migration – to Japan (from Korea, Taiwan and mainland China) and from Japan and its colonies to the farthest reaches of its empire, but above all to Manchukuo in the years 1931-45.¹²

As Angus Maddison has shown, per capita GDP gains in Taiwan and Korea in the years 1913-1938 were 2.2 and 2.3 percent respectively, compared with 2.3 percent for Japan. These figures are substantially higher than those for all other colonies in East and Southeast Asia, and probably in Latin America, the Caribbean, and Africa.¹³ Strikingly, by 1938, per capita GDP in Korea and Taiwan were 53 and 60 percent respectively of that of the metropolitan country, Japan. By comparison, the range was 10-25 percent for British, French, Dutch and US colonies in Asia (Booth Table 2). In short, the developmental impact on Japan's colonies, and the degree of economic integration with the metropolis, were far greater than in the case of European or American colonies.

Trade between Japan and its colonies and dependencies expanded rapidly. The trade of Manchukuo, Korea and Taiwan were all dramatically redirected (in many instances away from China and toward Japan) between the late nineteenth century and the late 1930s. As Samuel Ho noted, Taiwan's exports to Japan increased from 20 percent of total exports at the time of colonization in 1895 to 88% by the late 1930s, with rice and sugar the dominant products.¹⁴ Comparable trade dependence on the metropolis in the late 1930s was similarly notable in the case of Korea.¹⁵ Economic bonds among the colonies, by contrast, remained weak, in part as a result of a lack of complementarities, but above all by imperial design. Like that of the European colonial powers, Japan's spokes and wheel trade pattern in Asia precluded the development of trade complementarities or other forms of economic integration among the colonies and dependencies.

In contrast to the Qing empire, imperial Japan directly assimilated colonized and conquered peoples, above all the Koreans, Taiwanese, the peoples of Manchuria (including Chinese, Mongols, Hui (Muslims) and Manchus), and Ryukyans.¹⁶ The colonized were educated in the language of the conqueror and subjected to intense assimilation as Japanese (or Manchukuo) citizens and subjects, particularly in rapidly growing urban centers. In all these respects, Japan broke sharply with patterns of the tributary-trade order in East Asia and also differentiated the Japanese from European and American colonization in the degree of assimilation.

In the 1930s, Japan extended its territorial reach but at the price of sapping the nation's resources, deepening its isolation from European and American power, and strengthening the bonds between China and other powers. Landmark events were Japan's 1932 incorporation of

¹² Anne Booth, "Did It Really Help to be a Japanese Colony? East Asian Economic Performance in Historical Perspective," *The Asia-Pacific Journal: Japan Focus*.

¹³ Angus Maddison, Maddison, *The World Economy: Historical Statistics*, Paris: OECD Development Centre, 2003, cited in Booth, Table 3.

¹⁴ Samuel Ho, "Colonialism and Development: Korea, Taiwan, and Kwantung" in Ramon H. Myers and Mark R. Peattie, Eds., *The Japanese Colonial Empire, 1895-1945*, Princeton: Princeton University Press, 1984, p.382.

¹⁵ Booth, "Did It Really Help to be a Japanese Colony," Table 11. Booth shows that the pattern of metropolitan domination of the trade of the colonies was not universal. While the model well fit the Philippines (United States), in the late 1930s, trade dependence on the metropolis was less than twenty percent in the case Malaya (Britain) and Indonesia (Holland).

¹⁶ Hui-yu Caroline Ts'ai, *Taiwan in Japan's Empire Building. An institutional approach to colonial engineering*, London, Routledge, 2009.

Manchukuo, its 1937 invasion of China south of the Great Wall, the abortive attack on Russian forces at Nomonhan in 1939, and the widening US-Japan conflict. By 1940, a US oil and scrap iron embargo would lead inexorably to Japan's attack on Pearl Harbor in a desperate attempt to supplant the European and American colonial powers throughout East and Southeast Asia and the Pacific. At its height in the early 1940s, Japan's vast Asian empire and its pursuit of a pan-Asian order led to an extreme example of regional autarky, Japan's earlier strong economic and cultural ties to Europe and the Americas having been severed as a result of inter-imperialist rivalry. If Meiji Japan had placed its hopes for modernization and prosperity on economic, political and cultural ties with, and emulation of, the Western powers, Japan now found itself isolated from core regions of the world economy while fighting wars against powerful adversaries on multiple fronts.¹⁷

Perhaps most striking, in contrast to the protracted peace of eighteenth century East Asia under the earlier tributary order, is the permanent turmoil that extended across the Asia-Pacific region throughout the century of imperialism and continuing in the wake of World War II. This was notably true during the half century of Japan's ascendancy, but we emphasize the fact that it continued in the postwar decades.¹⁸ However important a watershed World War II was from many perspectives, far from bringing peace to East Asia, the end of the war paved the way for a new wave of wars and revolutions that coincided with the US advance into Asia and its attempts to establish a permanent presence.

We note three important legacies of the colonial era for Asian peoples: first, massive dislocation, destruction and loss of life that were the product of colonial and world wars; second, the stimulus to nationalist and anti-colonial revolutions, initially of Japan's victory over the Western powers from the Russo-Japanese War to the conquests of 1942 and subsequently Japan's own defeat, that would propel nationalist independence movements and the formation of new nations in the wake of the Pacific War; third, the stimulus to economic development and industrialization in Japan's colonies and dependencies, notably Korea, Taiwan and Manchukuo, which would establish foundations for postwar economic growth in these areas.

In both the lofty rhetoric of empire and the brutality of the conquest and subjugation of Asian peoples, notably in its war with China but also in battles with its rival nations, Japan shared much in common with the Western colonial powers. Features that differentiated the Japanese from Euro-American empires include geography and race. European and American colonialists traveled to the ends of the earth to conquer racially and culturally distinct peoples. In seeking to subjugate China, Korea, Taiwan, Manchukuo and Vietnam, and subsequently much of Southeast Asia by contrast, Japan fought people who were not only for the most part racially indistinguishable and were near neighbors, but also, in the cases of China and Korea in particular, they were people the Japanese had long admired for their accomplishments in statecraft and culture that had profoundly shaped Japan's historical development over the preceding millennium.

A comparison may clarify several points concerning the nature and consequences of the war that Japan fought against China and then extended to Southeast Asia and the Pacific. Priya Satia observes that "British imaginings about Arabia were circulated in the main by a

¹⁷ Sven Saaler and J. Victor Koschmann, eds., *Pan-Asianism in Modern Japanese History. Colonialism, regionalism and borders*, London, Routledge, 2008).

¹⁸ Mark Selden, "Japanese and American War Atrocities, Historical Memory and Reconciliation: World War II to Today," *The Asia-Pacific Journal: Japan Focus*.

community of intelligence agents who ventured to the land of the Bible hoping to find spiritual redemption under cover of patriotic duty.” This set the stage for analysis of a landmark event in the history of the bombing of civilians, the 1920s British bombing of Iraq. The British bombing of Iraq, and above all European conduct of World Wars I and II in Europe, cautions against assumptions that Japan was uniquely brutal in its treatment of Chinese in the Sino-Japanese war. It is a reminder that the bombing of civilians began with British and German attacks in the Middle East and Africa long before World War II.¹⁹ “Flying in the face of what James Scott has told us about how modern states see,” Satia observes of the British, “this regime fetishized local knowledge not as an antidote to but as the foundation of its violent effort to render nomad terrain legible.” Satia concludes, in a comment equally applicable to Japan in China, that “imperialism is a political relationship more than a perspective; intimacy does not make it go away.” The deep admiration on the part of many Japanese for Tang poetry and Chinese thought generally no more protected Chinese from Japanese brutality than British awe concerning the Holy Land protected Arab civilians from bombing.²⁰ For Japan, neither racial similarity nor cultural bonds mitigated the onslaught against the Chinese population in a “war without mercy” which was certainly no less brutal than the U.S.-Japan war which John Dower memorialized with this phrase, a war fought across racial and cultural divides.²¹ Indeed, the China war exacted the heaviest toll in lives of all colonial wars – 10 to 30 million Chinese deaths being the best estimates available in the absence of official or authoritative statistics.

Historians of all persuasions have taken World War II as the major watershed of twentieth century Asian and global geopolitics, as indeed it was in so many ways. It marked the defeat and dismantling of the Japanese empire and the rise of the US as the dominant superpower and major force in the Asia Pacific and globally. It also touched off or energized waves of nationalist-inspired revolutionary and independence movements that transformed the political landscape of Asia. If the Chinese, Vietnamese and Korean revolutions were landmark events in postwar East Asia, independence movements in the Philippines, Malaysia, the Dutch East Indies, Burma, India and elsewhere brought profound change to other parts of Asia, signaling the end of the classical colonial empires.

From the perspective of Asian regionalism, however, it is important to note that continuities spanned the 1945 divide. Far from inaugurating an era of peace, the end of WW II brought a new wave of wars in which East and Southeast Asia was the primary zone of world conflict throughout the following quarter century. US occupation of Japan and Korea on the one hand, and the Chinese, Korean and Vietnamese revolutionary wars on the other, produced independent nations whose subsequent wars took an immense toll in Asian lives.

The Chinese, Korean and Vietnamese wars and revolutions – playing out within the purview of US-Soviet conflict and giving rise to divided nations – were the decisive events establishing Asia’s division in the wake of World War II. New nations, or nation fragments, established primary relationships with one of the superpowers, the US or the Soviet Union, forging relationships that were paramount in defining each nation’s international relations in the immediate postwar decades. In short, as in the century of colonialism, in post-colonial

¹⁹ Yuki Tanaka and Marilyn Young, eds., *Bombing Civilians: A Twentieth-century History*, New York: The New Press, 2009.

²⁰ Priya Satia, “The Defense of Inhumanity: Air Control and the British Idea of Arabia,” *American Historical Review* Vol 111, No. 1, 2006, pp. 16-51. The author finds it superfluous to remind readers that the same applies to the American war in Iraq eight decades later.

²¹ John W. Dower, *War Without Mercy. Race and Power in the Pacific War*, New York: Pantheon Books, 1986.

Asia bilateral ties to one of the great powers were decisive and multilateral intra-Asian linkages largely absent. In this postwar disorder, as was the case over the preceding century, there was scant room for horizontal linkages among Asian nations or Asian societies.

III- Economic Resurgence, Complementarity and the Sprouts of Regionalism in East Asia

World attention has focused on China's rapid and sustained economic growth in the wake of earlier surges by Japan and Korea. Yet contemporary East Asian development is best understood not as a series of discrete national phenomena but in terms of regional and global dynamics that include economic development but equally require attention to geopolitics and cultural interchange. This is not because national policies are no longer important in an epoch of globalization; they remain vitally important. It is rather, we will show, the growing interpenetration of Asian economies, politics and cultures in the new millennium and the expansive role of the region in global perspective.

China's unity and strength were central to the 18th century political economy and geopolitics of the tributary-trade system, which underlay an epoch of protracted peace in East Asia and flourishing East-West trade. We have contrasted this with China's disintegration, the relative decline of Asia in global perspective, the multiple colonialisms that produced a century of war and a wheel and spokes version of political and economic ties between Asian colonies and the metropolitan countries, in Europe, North America and Japan, as well as the subsequent primacy of ties to the US or the Soviet Union in postwar Asia.

To locate Japan's postwar resurgence, followed by the rise of the Newly Industrializing Economies (Taiwan, Hong Kong, Singapore and South Korea) and China's sustained double-digit growth in GDP and trade in recent decades, it is critical to grasp the interpenetration of trade and investment among the East Asian nations of China, Japan and Korea, and the extension of this pattern of intertwined economies to Southeast Asia. To be sure, institutional ties among Asian nations, long divided by 'Cold War' divisions deepened by hot wars in China, Korea and Indochina, are far weaker than those of the European Union. There is no East Asian Union, no common currency, parliament or high court. Nor do we find a military equivalent of the NATO alliance. Above all, the United States remains the dominant military power in the region, a major presence bolstered by an extensive network of military bases and alliances with Japan, South Korea, and Taiwan, among others. Yet US dominance is also being tested as a result of the combination of a relative decline in power, ideology and credibility specific to the failures of the Bush administration, but above all a product of the longterm decline culminating in the meltdown of the US economy that began with industrial erosion in the 1970s. If the emblematic expression of this decline is the economic and financial crisis that began in 2007 – not in East Asia as it did in 1997 but in the United States – and has subsequently touched off the most serious world recession of the postwar era. We return below to the present conjuncture. To gauge the character and assess the prospects of East Asian regional development, however, requires assessment of the geopolitics and political economy of the last four decades in the region and globally.

1970 set the stage for new East Asian regional possibilities and a global reconfiguration of power: in the wake of the China-Soviet rift of the 1960s, the US-China entente and economic relationship opened the way for ending the bifurcation that had characterized not only postwar Asia but East-West global relations. The end of China's isolation in 1970, its assumption of a UN Security Council seat, above all its re-emergence with access to US markets, and its eventual position at the center of East-West trade and investment, opened the way to the

reknitting of economic and political bonds across Asia and strengthening Asian linkages with the global economy. Among the critical developments of subsequent decades were China's full engagement in, indeed, its emergence as the workplace and motor driving the Asian and world economies, the deepening and/or opening of Japan-China and South Korea-China relations, and the expansive trade and investment role of overseas Chinese in linking China with Asian and other economies. With the reunification of Vietnam (1975), of Germany (1989) and subsequently of China with Hong Kong (1997) and Macau (1999), only a divided Korea and the China-Taiwan division remained of the major national ruptures that were the legacy of World War II and subsequent conflicts. Moreover, even the latter two divisions have eroded since the 1990s. These profound changes illustrate the interface of geopolitics and political economy both in global (particularly US-China) interface and regional (China-Japan-Korea as well as mainland China-Taiwan) terms.

Among the remarkable changes made possible by the post-1970 US-China opening has been the emergence and deepening of China-ROK relations: from anti-Communist Mecca, a South Korea that fought China in the Korean War and then in Vietnam, would emerge as one of China's most important trade and investment partners beginning in the 1980s and snowballing thereafter. Within a few decades, China, South Korea, and Japan would become one another's leading trade and investment partners, surpassing in significant ways even their bonds with the United States. In 2007 they were the world's 2nd, 4th and 14th largest economies by IMF reckoning.²²

Another important regional development has been the trade, investment and technological partnership that links Taiwan and mainland China. In less than two decades, the core of Taiwan's high tech production migrated across the Straits. Approximately one million Taiwanese workers, engineers and managers and family members presently work and live on the mainland, most of them in Guangdong, Fujian, and especially the Shanghai-Suzhou corridor, the center of Taiwan enterprise. Taiwanese capital and technology are central to China's industrialization and export drive.²³ In turn, Taiwan's economic future rests firmly on the performance of mainland industry, its exports and the expansion of its domestic market. The deep political gulf between the two claimants to the Chinese mantle, exacerbated under the leadership of the Democratic Progressive Party of Taiwan, did not substantially slow their economic integration. Nevertheless, the 2008 electoral victory of the Guomindang's Ma Ying-jeou as president strengthened cross-straits ties as indicated by the initiation of regularly scheduled flights as well as direct shipping and postal links between Taiwan and mainland China, the signing of oil development agreements, and China's offer of a \$19 billion loan package to Taiwan enterprises in China – all factors suggestive of further possibilities for economic, social and political integration.²⁴

The role of diasporic Chinese capital, technology and labor, including a major role for returnees from North American and European graduate schools, has been large, multi-directional, and embracing the full range of activities spanning investment, technological transfer, networking, and labor migration back and forth across the Pacific and throughout

²² In purchasing power parity terms, in 2007, China ranked 1st, Japan 2nd, South Korea 3rd and Taiwan 7th. Wikipedia Figures for nominal GDP in 2007 in Wikipedia For per capita GDP (PPP) figures see here. For per capita GDP (nominal) figures see here.

²³ Yu Zhou, *The Inside Story of China's High-Tech Industry. Making Silicon Valley in Beijing*, Lanham, Rowman & Littlefield, 2008.

²⁴ Yu-huay Sun and Eugene Tang, Taiwan, China Start Direct Links as Relations Improve, Bloomberg December 15, 2008.

Asia. The US, Taiwan, Hong Kong, and Singapore are among the inter-linked sites for movement back and forth from and to Chinese cities.

Comparable, but much slower, strides have brought together the two Koreas, a process made more difficult by the fact that the US, which never signed a peace Treaty to end the Korean War, long sought to isolate North Korea, and by the North Korean nuclear program. With the Kim Dae Jong – Kim Jong-il summit of 2000 as the key point of inflection, the bitter hostility between the two Koreas yielded to efforts toward rapprochement and economic integration.²⁵ However, the 2008 election of Lee Myung-bak as president of South Korea, and the stroke suffered by North Korean leader Kim Jong Il have slowed rapprochement to a halt, indicative of the fragility of the relationship and the deep divisions in Korean politics. Lee's election has not, however, slowed the deepening economic and cultural ties between South Korea, Japan and China.

As multilateral intra-Asian trade and investment deepened from the 1970s, so too did the region's ties to Europe and the US. Trade between the East Asian trade surplus nations and the US, the world's leading deficit nation, presently comprises one of the signature patterns of the contemporary world economic order. The enormous surpluses generated by China, Japan and South Korea account for the largest part of the massive US trade deficit, and in turn, these nations have made it possible for the US to continue to live beyond its means as dollar surpluses (more than \$2 trillion for China as of December 2008, and even larger sums for Japan) were recycled back to the US, primarily in the form of Treasury bonds but also as direct and indirect investment. As of November 2008, according to the US Treasury Department, China with 682 billion dollars and Japan with 577 billion dollars in US treasuries ranked first and second in the world, accounting for 40 percent of the world total of \$3.1 trillion.²⁶ Chinese and Japanese purchases of treasury bonds over the last five years helped to hold down US interest rates and the yuan-dollar and yen-dollar ratio, boosting the trade and growth of all three economies, and financing the Iraq and Afghanistan Wars at the same time that US manufacturing jobs continued their inexorable move to China.²⁷

In short, even as the Asian regional economy took shape and intra-Asian trade and investment soared, the East Asian economic powerhouses, China, Japan and South Korea, played central roles in the Asia-Pacific and world economies. Specifically, US and other manufacturing jobs migrated to China and the US economy, ever more dependent on the financial and service sectors, became the world's leading deficit nation, its prosperity resting on credit provided by East Asian and oil-producing economies whose own prospects rested heavily on access to US markets and who in turn provided the surplus dollars that allowed continued US profligacy that could only end in financial implosion of global consequences.

China's reentry in the world economy and the formation of a dynamic interconnected East Asian economic zone from the 1970s coincided with and was made possible by two major developments of global significance. The primary global war zone, whose greatest intensity had been in East Asia since the 1940s – the Pacific War followed by Chinese, Korean, and Indochinese revolutionary wars as well as independence struggles in the Philippines,

²⁵ To be sure, progress toward rapprochement has slowed under South Korean Pres. Lee Myung-bak.

²⁶ US Treasury Department.

²⁷ Mark Landler, "Dollar Shift: Chinese Pockets Filled as Americans' Emptied," *The New York Times*, December 25, 2008; R. Taggart Murphy, *Asia and the Meltdown of American Finance*; Kosuke Takahashi and R. Taggart Murphy, *The US and the Temptation of Dollar Seignorage*; James Fallows, "Be Nice to the Countries That Lend You Money," *Atlantic Monthly*, December 2008.

Malaysia, and the Dutch East Indies among others – subsequently shifted to the Middle East and Central Asia.²⁸ If intra-Asian politics remains contentious, the growth and deepening of the Asian regional economy since the 1970s has taken place in the midst of a general peace, widening cultural and economic exchange, and easing of tensions throughout East Asia.²⁹ Second, China's full entry into the world economy took place at precisely the moment when the postwar global economic expansion came to an end, the B-phase in the Kondratieff cycle began, and the US sought ways to prevent economic collapse through the expansion of a world economy that included China even as its industrial strength and economic growth rates plummeted and its economy became ever more dependent on finance and services.³⁰

A number of comparisons to the colonial era in general, and Japan's Greater East Asia Co-Prosperty Sphere in the years 1930-1945 in particular, are instructive. First, the rapidly growing multidirectional flow of trade and investment involving China, Japan, South Korea, Hong Kong, Singapore and Taiwan in recent decades may be contrasted with the predominantly bilateral economic relationships linking European, American and Japanese colonies with the metropolis as well as framing the dependent relationships with the metropolis of the prewar and early postwar periods. In the years 1988-2004, as world trade expanded at an annual rate of 9.5%, intra-East Asian trade grew at 14% per year, compared with 9% for that of the European Union. East Asia's share of world exports increased by 6% in the course of those years, while that of the European Union decreased by 3%.³¹

Second, in contrast to the autarky of East Asia between 1942 and 1945, since the 1970s the region has been fully enmeshed in global trade, financial and investment networks. So, too, of course, have many other regions. What then "explains" the resurgence of East Asia in these decades at a time when others who shared a post-colonial history and incorporation in world trade networks have languished, disintegrated or experienced more measured growth? Among the historical and contemporary factors facilitating rapid economic development, industrialization, substantial growth in per capita income and the formation of a vibrant multi-directional East Asian regional economy, the following seem particularly important:

- The legacy of Asian economic and political strengths examined earlier in the epoch of Chinese preeminence, protracted peace, and the regional tributary-trade order of the 18th century, legacies that would become clear with the resurgence of Chinese strength at the center of an emergent East Asia.
- The role of the Chinese, Japanese and Korean diasporas in re-linking Asian and Western economies through trade, technology and investment networks that extend across the region and link East Asia globally.
- Early postwar developmental and social change strategies throughout East Asia predicated on state-led accumulation and investment, social change strategies that pivoted on land reform, and measures that blocked takeover by international capital while creating firm foundations for the domestic economy.

²⁸ The shift to Central Asia and the Middle East certainly seems correct pertaining to American wars, but other military conflicts of course continued in Africa and Latin America and the Caribbean.

²⁹ This is not to suggest that rapid economic growth can only occur in a peaceful milieu. Japan's post-WWII recovery and economic growth was in part a product of an industrialization fostered by the US as a means to support the Korean and Vietnam wars. Japan's gain was bought at the price of devastation of Korea and Indochina.

³⁰ For recent discussion of the Kondratieff moment see Immanuel Wallerstein interviewed by Jae-Jung Suh, *Capitalism's Demise?* and, especially Robert Brenner interviewed by Jeong Seong-jin, *Overproduction not Financial Collapse is the Heart of the Crisis: the US, East Asia, and the World*

³¹ Douglas H. Brooks and Changchun Hua, "Asian Trade and Global Linkages," ADB Institute Working Paper No. 122, December, 2008, "Intra-regional Trade of Major Regions (1988-2007), Fig. 6, p. 10.

- The reknitting of the region bridging the divide that we have traced to the era of colonialism and regional disintegration and which continued in the era of US-Soviet conflict that defined global geopolitics and political economy in the immediate postwar decades.

If intra-Asian factors are of primary importance, the resurgence of East Asia as a region has been shaped by global factors, notably the role of the United States in the Asia Pacific. During the immediate postwar decades the US played a key role not only in shaping such global institutions as the World Bank, IMF and United Nations, but also in structuring a bifurcated Asia Pacific, in plunging the region into protracted wars, and in assuring the primacy of bilateral over multilateral relations. Since 1970, it has facilitated the resurgence not only of the national economies of East Asia but also made it easier to transcend at least some of the divisions inherent in earlier East-West conflicts.

In light of a two centuries-long pattern characterized by the primacy of unequal bilateral relationships and a virtual absence of multilateral bonds, a number of recent multilateral initiatives merit attention in terms of changing regional geopolitics in East Asia. For only the second or third time since the eighteenth century, and the first in half a century, China has taken the lead in an important regional and even global geopolitical initiative:³² as host, and arguably the leading force in the six-party talks that may eventually lead to a breakthrough that results in North Korean denuclearization and opens the way toward ending the half century Korean War between North Korea and the United States and between North and South Korea. Although the Bush administration failed to complete an agreement on North Korean nuclear weapons, under pressure from China, Russia and South Korea, both the US and North Korea took important steps, including nuclear dismantlement and ending North Korea's classification as an outlaw state (by US edict), thus enabling that regime to modestly expand its trade, to regain eligibility for international aid and to envisage the possibility of normalization of relations with the United States. The intertwined issues of the unresolved Korean War and the division of Korea remain critical to regional and even global accommodation. This is but the most intractable of concerns that can only be resolved in multilateral terms, requiring a striking departure from US unilateral attempts to impose its will on others through military action. The persistence of a divided China and a divided Korea have not prevented important strides toward the formation of a cohesive economic region, laying the basis for further political accommodation and, eventually, addressing the environmental and political economy issues of poverty and inequality that have accompanied galloping growth. (We return to these issues below.)

As it gained strength in recent decades, China has spearheaded other initiatives directed toward regional solutions: these include efforts to bring about an ASEAN + 3 arrangement involving China, Japan and Korea to unify East and Southeast Asia; agreement on an ASEAN-China Free Trade Area to take effect by 2010. It should be noted, however, that in contrast to China's centrality in the tributary-trade order of the 18th century, Southeast Asian nations, through ASEAN, have played a leading proactive role in the emerging regionalism in the new millennium, as in the planning for a free trade area. These agreements have been predicated on a willingness by the parties to set aside for future resolution such contentious territorial issues as Chinese border disputes with India, Russia, Japan, and Vietnam among others, including disputes over potentially oil rich islands, the Spratlys and Paracels, that involve claims by many Southeast Asian nations. Particularly notable for its potential regional

³² Other instances that merit comparative analysis are the Geneva Conference on Indochina of 1955 and the Afro-Asian Conference at Bandung in the same year, proclaiming the importance of newly emerging nations in a post-colonial world.

and global significance, is the China-Japan provisional accord on territorial issues involving the Diaoyutai/Senkaku Islands and Okinotorishima, making possible an agreement for joint oil exploration in the disputed area, although conflicts continue.³³

As China's star has burned brightly in regional and global affairs, Japan, the world's second economic power, and the motor that drove region-wide economic growth in the 1960s and 1970s, has virtually disappeared from much analysis of Asian regionalism and global geopolitics. This is a product of three main factors. First is the surge in China's economic and financial strength over the last two decades while Japan's economy has never recovered momentum since the bubble burst of 1990 resulting in a decade of stagnation and the collapse of stock market and real estate values. Second is Japan's reluctance to exercise leadership of an emerging Asia, in no small part because of fears that regardless of its efforts, the region will be dominated by a resurgent China. Finally, perhaps most important and directly related to the second point, Japan remains firmly in the American embrace, viewing its future in terms of the US-Japan alliance and maintaining an ambivalent view at best toward Asia. Japanese leaders continue to prioritize their subordinate relationship within, and dependence on, the US-Japan relationship, what Gavan McCormack controversially calls the Client State bond.³⁴ This includes the primacy of the US-Japan economic and security relationships above all others, the US nuclear umbrella, the stationing (at Japanese expense) of US forces on the Japanese mainland and Okinawa, and ample Japanese financial and logistical support for successive US wars, recently buttressed by the dispatch of Japanese naval, air and army forces to Iraq and the Persian Gulf. In short, despite the growing strength of intra-regional financial and economic ties and the overall decline of American power in Asia and globally, despite Japan's growing cultural influence throughout Asia, and with the world's second most powerful naval force and advanced air power as well as the second largest economy, Japan continues to prioritize its relationship with the United States and has been slow to exercise leadership in a resurgent East Asia.³⁵

The question is whether there are politically acceptable geopolitical alternatives to the status quo for Japan's leaders at a time of political crisis other than the course favored by some neonationalists, a course that would involve the renunciation of the Peace Constitution's Article 9 and an expansive Japanese military role throughout the Asia Pacific.

In recent years East Asia has taken steps toward interregional cooperation in numerous areas including economic and financial security, nuclear nonproliferation, resource management, fishing, counterterrorism, drug, smuggling, piracy, human trafficking and organized crime control, disaster relief, environmental degradation and container security. The 1997 Asian financial and currency crisis provided impetus for regional responses, the most important of which was the currency swaps initiated with the Chiang Mai initiative of May 2005 to help

³³ See, for example, Suisheng Zhao, "China's Global Search for Energy Security: cooperation and competition in the Asia-Pacific," *Journal of Contemporary China*, issue 55, 2008, pp. 207-27; Michael Richardson, *A Southward Thrust for China's Energy Diplomacy in the South China Sea* and David Rosenberg, *Managing the Resources of the China Seas: China's Bilateral Fisheries Agreements with Japan, South Korea, and Vietnam*, *Japan Focus*

³⁴ *Client State: Japan in America's Embrace*, London: Routledge, 2007.

³⁵ The combination of Japan's military power and the aspirations of neonationalist politicians suggests other possible outcomes. The MSDF presence in the Indian Ocean since 2003 tasked with refueling US and allied ships in the Afghan War, now showing signs of becoming a permanent presence, means that Japan's navy has taken up positions critical to guaranteeing its oil supplies from the Middle East. Similarly, plans are under review for an active military role in response to Somali hijacking of Japanese ships. See Michael Penn, *Political Winds Drive Japan to the Gate of Tears off Somalia*. *Japan Focus*.

shore up nations facing currency and financial crises (efforts to do so at the time of the 1997 Asian financial crisis were blocked by the United States), an initiative reinforced in 2008.³⁶

The first summit of the three East Asian nations, held in Fukuoka, Japan on December 13, 2008 in an effort to frame a common policy in response to the world recession is illustrative of the possibilities for East Asian regional responses to the contemporary financial and economic crisis. The brief meeting, however, also suggests the obstacles to framing common policies at a time when world recession presents severe challenges that may derail even—or particularly – their high-flying economies with its heavy reliance on export markets and foreign investment.³⁷

Intra-Asian conflicts, including historical memory conflicts centered around a Japan whose government and neonationalist elements continue to prevent it from laying to rest the divisive memories associated with the Asia-Pacific War and colonial rule, could undermine or slow these promising regional beginnings, as indeed they did in China-Japan relations in the reign of Prime Minister Koizumi, 2001-2006. However, the most important challenge centers on resolving issues pertaining to the United States and its role in East Asian or in Asia Pacific geopolitical outcomes, issues exacerbated by the economic meltdown that has confronted all nations and regions since 2008.

A critical question remains concerning the role of the US in East Asia and the Asia Pacific. David Shambaugh has noted the preponderance of the “US-led security architecture across Asia. This system includes five bilateral alliances in EA; non-allied security partnerships in SEA, SA and Oceania; a buildup of US forces in the Pacific; new US-India and US-Pakistan military relations; and the US military presence and defense arrangements in SW and CA.”³⁸ That formulation can be supplemented by recognizing the importance of the multiple US military bases throughout the region and beyond, the US militarization of space where again it has a virtual monopoly, the fact that as of 2006 65% of US sea-launched ballistic missiles were deployed in the Pacific maritime region, and the expansive conception of the US-Japan Security Treaty which has led Japan to extend its military reach to the Indian Ocean and to explore security arrangements with India and Australia which can only be directed against China.³⁹ In early 2009, moreover, both China and Japan have responded to Somalian piracy with the dispatch of ships to patrol off the coast of Africa, and South Korea is considering similar actions, involving a major expansion of the military posture of each of these nations.

Signs abound of the weakening of American power in East Asia and globally. While the collapse of the Soviet Union left the US without serious geopolitical constraints, the rationale for permanent stationing of US forces – in Japan/Okinawa, in South Korea, in Taiwan, and in Guam, for example – was simultaneously weakened in the eyes of almost everyone except Pentagon planners. The US, moreover, lost international credibility as a result of failed protracted wars in Iraq and Afghanistan and the heavy pressures it imposed on other nations to pay for those wars and support them militarily. To be sure, no nation or group of nations

³⁶ Mark Beeson, East Asian Regionalism and the Asia-Pacific: After American Hegemony, *Japan Focus*.

³⁷ Xetrad, “Japan, South Korea, China: trilateral ties, tensions; Brad Setser, This Doesn't Look Good: Taiwan, Korea and China Exports Tank, *Japan Focus*.

³⁸ David Shambaugh, “China Engages Asia: Reshaping the Regional Order,” *International Security* 29.3 (2004), pp. 64-99.

³⁹ Peter J. Katzenstein, “Japan in the American Imperium: Rethinking Security,”; Richard Tanter, *The Maritime Self-Defence Force Mission in the Indian Ocean: Afghanistan, NATO and Japan's Political Impasse*; Mel Gurtov, *Reconciling Japan and China*; Gavan McCormack, “Conservatism” and “Nationalism”: *The Japan Puzzle*.

has attained the military power to directly challenge US might or to effectively challenge the international primacy of the US. Yet US ability to effectively dominate geopolitics has been undermined by successive stalemated wars and the immense costs that will be required if the US is to overcome the present economic and financial crisis. The Obama decision to dispatch 30,000 additional troops to fight a failed war in Afghanistan, with larger troop deployments scheduled to follow, makes clear that the problem transcends the Bush legacy. Occurring, moreover, at precisely the moment when the nations of East and Southeast Asia have taken strides toward regional accommodation and addressing of the spectrum of problems that confront the region, the Obama administration's expansion of the Afghanistan-Pakistan War, could have the effect of strengthening proponents of East Asian regionalism.

Paradoxically, Mark Beeson observes, "the legacy of the Bush administration may be that U.S. foreign policy effectively undermined the multilateral transnational basics of American power by encouraging the creation of regionally based groupings with which to represent and protect local interests."⁴⁰ East Asia confronts multiple problems at a time when the meltdown of the world economy has discredited the core principles of neoliberal economics on which Washington banked its claims to world leadership over the preceding three decades. To be sure, the weaknesses of other emerging regional formations including ASEAN + 3 and the Shanghai Group (China, Russia and four Central Asian states of Kazakhstan, Kyrgyzstan, Tajikistan and Uzbekistan, with India, Iran, Pakistan, and Mongolia as observers), are palpable. New regional bonds, moreover, will face more demanding tests as the world economy enters its most difficult period since the depression/World War of the 1930s-40s, a period in which Asia's high-flying export-oriented economies too confront economic and financial reverses after several decades of sustained expansion. The prospects for the Asia Pacific surely include a substantial American role in both geopolitical and economic perspective. Yet the ability of the US to dominate the geopolitics and political economy of East Asia and the Pacific has been fundamentally and perhaps irrevocably weakened.

It is too soon to tell whether East Asian nations will devise regional solutions to deal effectively with the most serious economic recession of the postwar era whose consequences are already so clearly visible in the sharp downturn of exports and GDP in early 2009, still less whether the US, casting aside neoliberal premises in favor of a new Keynesian gospel, will succeed in overcoming the challenges of the recession.⁴¹ Still less, whether structural problems inherent in Asia's, and above all China's developmental surge will be able to address effectively the massive environmental and social challenges inherent in the race for growth. What is certain is that the verities of the postwar world will now give way to a new order or disorder in which East Asia is likely to play an increasingly significant role and US primacy to be called into question.

Conclusion

This essay has highlighted important steps that East Asia has taken to overcome the fragmentation associated with several centuries of colonial rule and the postwar US-Soviet division to reassert its position as a major world region. The combination of deepening intraregional economic bonds in the world's most dynamic economic zone, together with region-wide efforts that have begun to confront acute environmental, territorial and security

⁴⁰ Beeson, *East Asian Regionalism and the Asia-Pacific: After American Hegemony*.

⁴¹ Brad Setser documents the sharp downturn of Chinese, Korean and Taiwanese exports in December 2008. *This Doesn't Look Good: Taiwan, Korea and China Exports Tank*. In that same month, Japan's GDP fell 9.6% year on year and in January the bankruptcy rate rose by 16% to 1.360, the highest level in six years. Mure Dickie, "Japanese economy faces big squeeze," *Financial Times*, February 9, 2009.

issues, suggests possible futures compatible with substantially reduced US- and US-Japan-dominated dynamics and momentum toward expanded regional coordination.

The growing economic strength of the region is a foundation for recent steps toward autonomy and multilateral coordination. If the US continues to hold important cards, its weaknesses, and the importance of East Asia for the US and global economy are readily apparent.

At the same time, intra-Asian conflicts are evident not only in responding to US demands and unilateral actions, with respect to wars and the war on terror, but also in myriad conflicts inherent in or exacerbated by China's rise as a regional power, unresolved legacies of divided nations (Korea and China/Taiwan) and other territorial conflicts rooted in WW II, and historical memory issues that pit Japan against her neighbors over unresolved issues that are the legacy of the epoch of colonialism and war. Equally important, questions of the sustainability of economic growth patterns that exact a horrendous toll on the environment, and conflicts among neighboring nations over water, energy, and emissions, could, in combination with global economic and financial problems and the rampant social inequality that is particularly notable in China, sidetrack the high growth economies of the region.⁴²

We have briefly surveyed three historical models for organizing East Asia: a Pax Sinica (16th to 19th century), the divisions and conflicts of an era of China's disintegration, colonialism, war and revolution (1840-1970) dominated respectively by Japan and the US, and the resurgence of Asia and the sprouts of a dynamic regionalism since the 1970s.

Does the Pax Sinica offer insights into the possibilities for regional harmony or hegemony in a period of peace in East Asia in the new millennium? It was, of course, a hierarchical model predicated on a China-centered order and prioritizing the bonds of Asian states with China. At its height in the 18th century, East Asia enjoyed an era of protracted peace and relative prosperity fueled in part by exchange through tributary-trade bonds and a favorable position in world trade networks, as well as a hegemonic politics predicated on a relatively nonintrusive approach to the peoples on China's East Asian peripheries. Both the subsequent Japan- and US-centered models, for all their dynamism, proved incapable of ending endemic war or creating effective regional bonds, each prioritizing bilateral relations with the dominant power and prioritizing its own military primacy and security during epochs of permanent warfare. If the emergence of wide-ranging and deep mutual economic relations across East Asia, including but not limited to the greater China constellation comprised of both China and the diaspora, provides foundations for a new regional order, China will surely be central to it. In contrast to the 18th century, however, China, after decades of high-speed growth, remains far behind such major competitors as Japan and the US in its level of development as measured by per capita income, including calculations in terms of purchasing power parity. Equally important, with its own deep developmental problems, above all the enormous toll on land, water and air associated with Chinese developmentalism, and internal divisions of region, ethnicity and class, and with challenges to the regime compounded by the economic downturn of the coming years,⁴³ China's continued dramatic rise is far from assured. Above all, with Japan and the US as major powers in the region, China is unlikely to play a

⁴² Ching Kwan Lee and Mark Selden, "Inequality and Its Enemies in Revolutionary and Reform China," *Economic and Political Weekly*, January 13, 2009, pp. 27-36.

⁴³ On the environmental obstacles to China's continued rise see Paul Harris, *Confronting Environmental Change in East and Southeast Asia: Eco-politics, Foreign Policy, and Sustainable Development* (UN University Press, 2005).

hegemonic role comparable to that of the earlier epoch or, for that matter, of subsequent eras of Japanese and US primacy, in coming decades. In contrast to realist international relations analysts such as John Mearsheimer, who project the emergence of a hegemonic China in East Asia based on assumptions about China's economic growth, a more likely prospect is a regional order in which the pace of development slows and no single nation reigns supreme.⁴⁴ Meanwhile, immediate challenges both to national development trajectories and to regional accord will come from economic recession, geopolitical conflicts of which a divided Korea remains the most dangerous, American challenges to Asian regionalism, and historical memory issues that continue to divide China, Japan and Korea.

Our discussion has centered on Asian regionalism in three epochs. The present conjuncture, however, suggests one other important theme that differentiates the present era from that of both the Pax Sinica of the 18th century and the Pax Nipponica of the first half of the twentieth century. In both of the earlier epochs, East Asia was embedded in the global economy, yet the geopolitical reach of its dominant powers remained centered in East Asia. In the new millennium, both China and Japan are carefully weighing the global reach of their economies, as exemplified by China's engagement in Africa, the extension of Chinese and Japanese naval power to the Middle East and the African coast, the global search by both nations for critical energy resources, and their heavy stakes in the US and European economies. But China and Japan are also, in their own ways, eyeing wider global geopolitical roles. The possibility of regional and global realignment looms, particularly in an epoch of economic malaise that cannot but affect all nations.⁴⁵

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⁴⁴ John Mearsheimer, *The Tragedy of Great Power Politics* (New York: Norton, 2001), p. 402. This is Mearsheimer's assumption about a China which succeeds in extending its developmental drive to become a wealthy nation. See Mark Beeson's astute discussion of hegemony in postwar East Asia, "Hegemonic transition in East Asia? The dynamics of Chinese and American power," *Review of International Studies* (2009), 35, pp. 95–112.

⁴⁵ Uradyn Bulag drew attention to the potentially expansive global roles of both China and Japan.