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**Published on:** 01 Jan 2005 - Journal of European Public Policy (Routledge)

**Topics:** European union, Regionalism (international relations), Regional integration, Economic integration and East Asia

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## **Re-thinking Regionalism: Europe and East Asia in Comparative Historical Perspective**

*Mark Beeson*

This paper was presented at the Oceanic Conference on International Studies, Canberra July 14-16, 2004.

### *Abstract:*

Regionally-based processes of political and economic integration, security cooperation, and even social identification have become increasingly important and prominent parts of the international system. Nowhere have such processes gone further than in Western Europe. Somewhat surprisingly, similar patterns of regional integration have been steadily developing in East Asia – a region many observers consider unlikely to replicate the European experience. What are the factors that encourage regional political cooperation and economic integration? Are there common forces encouraging such outcomes in very different geographical areas and at very different moments in history? This paper uses an historically grounded comparative approach to examine the historical pre-conditions that underpinned the formation of the European Union, and then contrasts them with the situation in East Asia today. While the overall geopolitical and specific national contexts are very different, the East Asian experience may ultimately generate relationships and structures that are more like the European Union's than some of the sceptics imagine.

One of the most widely noted and counter-intuitive features of the contemporary 'global' era is that it has a distinctly regional flavour. While it is true that some of the globalisation literature has been over-heated and over-generalised, the persistence - if not the intensification - of regional processes is still striking and somewhat surprising. Whether it is measured by trade and investment flows, political cooperation, or even the development of regionally based security communities, it is clear that regionally-based interactions are central components of the international order at the start of the twenty-first century.

While there is now a substantial and growing literature on regionalism (see, Mansfield and Milner 1999), this generally focuses exclusively on the 'new' variety, which gathered pace in the aftermath of the Cold War's end, and which is primarily

associated with increased economic integration. Less attention has been given to the origins of regional processes, either in the most recent wave of regional development, or in the earlier period of regional integration, which is associated primarily with the emergence of European Union (EU). It is the central contention of this paper that we can learn something about both phases of regional development by placing them in comparative historical perspective. This sort of historically grounded analysis reveals some interesting parallels between the 'old' and 'new' regionalisms, as well as some noteworthy differences. While much of the impetus for regional initiatives comes, unsurprisingly, from regional actors, it is striking how influential extra-regional geo-political forces have been in shaping regional processes – even where they were not consciously intended to be so. A comparative analysis of the early post-war initiatives that paved the way for the EU in Western Europe on the one hand, and the recent emergence of ASEAN+3 in East Asia on the other, suggests that, although the origins of regionalism may be complex and their ultimate outcomes unpredictable, much depends on the dynamic interplay of regional and extra-regional influences. In other words, regionalism is not simply a contingent, functional response to the 'needs' of international capital, but an essentially political process informed by multidimensional economic and strategic factors.

The paper is organised in the following way. First, I outline some of the more influential ways of conceptualising regionalism. Such an analysis highlights key differences between the old and new versions of regional theorisation and activity, as well as the different dynamics that drive economic, political and strategic interactions at the regional level. Second, I revisit the early post-war origins of what has now become the highly developed institutional structure of the EU. What is striking here is not simply that the EU's present form was unimaginable in that early period, but that the driving force for such an initiative came primarily from outside Western Europe, and was a consequence of both the Cold War generally and American foreign policy in particular. In East Asia by contrast, which I consider in the third section, although American hegemony and the wider geo-political setting are still crucial influences on regional processes, they are having an inadvertent rather than intentional impact. Whereas the EU sprang directly from a – highly successful – attempt to reconstitute Western Europe on a new integrated basis, in East Asia American foreign policy is

having a more ambivalent impact on a region that is gradually moving to assume greater autonomy, despite rather than because of American policy.

### **Re-thinking regionalism: Theoretical perspectives**

At the outset it is important to be clear about what regionalism is, and about when it started to become an important feature of international relations. The latter point is more difficult to answer than it might appear, for even the most cursory glance at the historical record suggests that the emergence of the earliest political communities, trade relations and empires had strong regional biases (Buzan and Little 2000). It could hardly be otherwise; for most of human history technology was insufficiently developed to allow anything else. One of the reasons that regional processes have attracted such interest of late, and one of the qualities that distinguishes them from simply the unplanned interactions born of sheer propinquity, is that there is a degree of *intentionality* about contemporary processes that sets them apart from most earlier forms. Consequently, much recent scholarship about regional processes makes a basic distinction between *regionalism* and *regionalization*. In this formulation regionalism refers to the political process in which states drive cooperative initiatives. Regionalization, by contrast, refers to processes of economic integration which, while they may be influenced by state policies, are essentially the uncoordinated consequence of private sector activities (Breslin and Higgott 2000).

Although the first wave of regionalism is generally associated with the emergence of the EU in the aftermath of the Second World War, attempts to impose regionally-based political orders and trade relations were made by both Nazi Germany and Japan either before or during the war (Beasley 1987; Eichengreen and Frankel 1995). A number of points are worth noting about these earlier episodes: first, they were both driven by a combination of economic and strategic concerns; second, the United States played a pivotal role in both ending these abortive regional adventures and in creating the new orders that replaced them; third, the war itself paved the way for new patterns of international relations in which Europe would be a region amongst regions, rather than the centre of world order (Fawcett 1995: 12). The final point that these earlier episodes highlight is the difference between ‘malign’ and ‘benign’ forms

of regionalism. In the case of both Germany and Japan, each power attempted to impose a malign form of bilaterally-based, discriminatory trade and finance agreements on weaker countries that were designed to benefit the dominant power (Wyatt-Walter 1995: 78-79). The parallels with contemporary American policy, which has an increasingly bilateral flavour in the economic sphere (Ravenhill 2003), are both striking and at odds with the idea of a benign form of regionalism that is not supposed to discriminate against outsiders.

Thinking about regions at a general theoretical level, especially in the aftermath of the first wave of Western European integration in the 1950s and 1960s, took on a decidedly 'functionalist' tenor (Hass 1964, 1958; Deutsch 1969). As a theoretical orientation, functionalist explanations have always been preoccupied with explaining how regional processes work and the benefits that flow from their capacity to generate 'spillovers'; they are less good at explaining the creation of regional orders in the first place (Hurrell 1995). While expectations about the inevitable intensification of regional processes and the development of new political communities that might pool sovereignty to promote greater economic integration and efficiency may have been overly optimistic, technocratic and insufficiently alert to the inherent political difficulties of such processes, the idea that regional integration is a necessary component of economic development has not gone away (see, for example, Vayrynen 2003). On the contrary, there is still a belief that the global integration of production processes means that firms will 'increasingly *demand*, and states will be more willing to *supply*, regional trade arrangements' (Milner 1997 : 79, emphasis in original). Indeed, some observers go further and suggest that regionalisation is in fact a response to globalisation (Oman 1994: 12-13). In this formulation, globalisation refers primarily to the growth of the financial sector, money markets and the transnational restructuring of production, and regionalization to those political initiatives that are intended to competitively advantage entire regions in response to it. The general claim is that economic competitive pressures are best mediated and accommodated through regional mechanisms.

While this may help to account for some of the economic dynamics that underpinned the second wave of regional integration, which occurred in the context of simultaneous processes associated with globalisation, it neglects other factors that

have influenced regionalism in both East Asia and Europe. As Breslin and Higgott (2000: 335) perceptively point out, one of the glaring omissions of the first wave of theorisation about regions was its failure to take the 'idea of region' seriously. In other words, inadequate attention was paid to the way regional identity was conceived and promoted, either internally, or in opposition to some notional 'other'. This is a potentially significant issue, because one of the things that has distinguished the EU, particularly when compared to East Asia, is a more highly developed sense of regional identity. The ability to translate a nascent sense of regional identity into a more developed sense of 'regioness', in which 'a geographical area is transformed from a passive object to an active subject capable of articulating the transnational interests of the emerging region' (Hettne and Soderbaum 2000: 461), is a critical measure of regional development. It is manifest in the shift toward more formal, *de jure* forms of regionalism, as opposed to *de facto* forms of regionalization in which such potentialities have yet to gain formal political expression. While the EU is plainly the key historical exemplar of this possible transformation, it is important to remember that there was never anything 'natural' or inevitable about this and, as we shall see, in the immediate aftermath of the Second World War, nothing could have seemed less likely.

Although we should not assume that the European experience is either the only possible route to greater regioness, or the definitive end point against which all others should be judged, there is something revealing and of potentially wider comparative significance about the strategic context within which early European integration took place. One of the most striking aspects of the Cold War period generally in Western Europe, and of the role and emergence of the North Atlantic Treaty Organization (NATO) in particular, was the manner in which a distinctive security discourse effectively unified allies in response to a perceived Soviet threat (Klein 1990; see also, Waever 1996). While it has become increasingly commonplace to emphasise the socially constructed nature of security threats (Buzan, Waever and de Wilde 1998), and while there is clearly a link between the increased regionalization of security issues and the ending of the Cold War in particular (Buzan and Waever 2003; Lake and Morgan 1997), it is important to remember that the deepening of economic and strategic ties in Western Europe had its genesis in the immediate aftermath of the war, and was a consequence of contingent geo-political forces, rather than the inevitable

structural logic of the bipolar system. In other words, security concerns were being placed on a regional footing and encouraging a concomitant sense of regional identity long before the end of the Cold War. Indeed, this was a self-consciously pursued part of the American-led creation of the post-war European order. The contrast with post-war East Asia is a stark reminder of just how differently regional security architectures can develop when the hegemonic power of the day adopts a different approach and creates a bilaterally-based security architecture, rather than one which encourages greater regional multilateralism and self-reliance (Hemmer and Katzenstein 2002).

While the attention being paid to the regional level of analysis is welcome, we need to remember that such processes occur in a wider context. On the one hand this means that the long term, primarily economic, processes associated with globalisation are integrating formally discrete national economies in new ways that transcend national borders, but which continue to have strong regional biases. Nation states can respond proactively to such pressures, and regional cooperative strategies are one important potential element of such accommodations. Such insights have dominated the study of regional integration, particularly during the 1990s, when it seemed that geo-economics had permanently trumped geopolitics on the agendas of policymakers everywhere (Luttwak 1998). Recent events and the renewed preoccupation with security have not simply altered the calculus of national policy making priorities, but they have also forced a re-think of the way regional integrative processes may be occurring as a consequence. Plainly, the heightened concern with security and the new strategic relationships it is generating will affect the trajectory of regional development in unpredictable ways. One of the few historical parallels available is the period in the immediate aftermath of the Second World War, when a similarly fluid geopolitical and strategic environment forced policymakers to recalibrate their thinking about international and regional relations. While the parallels may not be precise, and although the underlying structural conditions may have changed in important ways, the importance of strategic issues, the role played by the US in both periods, and its capacity to influence the course of regional integration and identity building provide some illuminating points of comparison.

## The Origins of European Regionalism

The EU has become such a taken-for-granted part of the international scene it is easy to forget that in the immediate aftermath of the Second World War the idea that a united, prosperous group of capitalist democracies might come to dominate Western Europe seemed unimaginable. That former foes Germany and France might form the central pillars of such an organisation would have appeared an even more remote prospect. And yet, despite occasional disagreements about the pace and direction of development, the undoubted success of the European project, and the deeply institutionalised nature of the relationships between its members, have made the EU by far the most integrated of regional arrangements. While the consolidation and institutionalisation of the EU may have gathered a momentum of its own and become a self-sustaining *European* process (Wallace 1995), it was not always thus. Paradoxically, the origins of European integration can be found in profoundly unpropitious economic and political circumstances, and a strategic environment that threatened further destruction, rather than the unparalleled period of economic expansion and political cooperation that actually eventuated. The critical factor that enabled much of Western Europe to overcome these unpromising circumstances was a newly ascendant America determined to ensure that 'potential adversaries must never again be allowed to gain control of the resources of Eurasia through autarkical economic practices, political subversion, and/or military aggression' (Leffler 1992: 23). In short, geopolitical imperatives, rather than economic dynamics provided the critical initial impetus for European regionalism.

During the 'crisis of 1947' the very survival of a number of European countries as independent liberal-capitalist entities seemed in doubt as Europe's devastated economies and infrastructure struggled to cope with the aftermath of war (Milward 1984). It is worth remembering that at this time the Soviet Union was not just a formidable economic and strategic competitor, but a significant ideological rival. The interwar period had been marked by an almost terminal crisis of capitalism that culminated in the Second World War; the renaissance and ultimate triumph of capitalism as the dominant form of global political and economic organisation was far from assured. Socialism was a credible and attractive alternative to a market order that seemed inescapably prone to crisis. It was against this backdrop of economic crisis



and ideological rivalry that the Americans instituted the Marshall Plan. While the immediate goal of the Marshall Plan was to provide a direct boost to Europe's ailing economies, in the eyes of its architects it was seen as 'the key to social harmony, to the survival of private-enterprise capitalism, and to the preservation of political democracy' (Hogan 1987: 428). Crucially, and in sharp contradistinction to the prevailing neoliberal ideology that is promoted under US auspices in present day East Asia, the American approach to Western European reconstruction was one that was based on America's own highly successful experience of planned economic development during the New Deal (Burley 1993) – ideas that were subsequently projected onto the international system and which became significant components of the original Bretton Woods agreements (Latham 1997).

Thus, the significance and desirability of European economic integration and development cannot be understood in isolation from the US's overarching geopolitical goals and imperatives. As Gaddis (1982) points out, European economic reconstruction was a key part of the wider strategy of containment and the goal of establishing countervailing centres of power around the world - outposts of liberal capitalism that might stand as bulwarks against Soviet expansionism. Whether one accepts Gaddis' (1997: 38) further claim that 'the American empire' emerged as a consequence of this sort of external pull rather than an internal push is more debateable, but what is clear is that the US's prominent role in the economic and strategic affairs of post-war western Europe was to a significant degree an 'empire by invitation' (Lundestad 1986). The comparative significance of this is not simply the obvious material benefit that accrued to the Europeans as a consequence of their increasingly close alignment with the US, but that such an initiative generally enjoyed the strong support of the national populations involved. Significantly, of course, the devastating impact of the war had brought about significant political and social change within Europe, making such a realignment more feasible and attractive as class-based opposition to American hegemony was substantially weakened (Maier 1981). As we shall see, not only have crises in Asia been of a significantly less traumatic order, but they have not worked anything as fundamental a transformation in underlying class relations and social values. Indeed, where crisis does seem to have had an impact is in reinforcing rather reducing tensions with the US.

The most decisive impact of American influence in the longer term was not simply to prop up the European economies and make them bulwarks against Soviet expansionism, but to significantly influence the long-term development of the countries themselves. As Westad points out:

...the US response to the “invitations” came to be shaped – not as a rescue operation for besieged (and to a great extent discredited) political leaderships but as a conscious and comprehensive attempt at changing Europe (and Japan) in the direction of US ideals and models... This, perhaps, was the real revolution of the Cold War period: that the United States over a period of fifty years transformed its main capitalist competitors according to its own image (Westad 2000: 555).

Given the extensive literature that discusses varieties of capitalism and the persistence of difference in forms of economic organisation (Coates 2000), there is plainly a debate to be had about how complete the process of structural transformation actually was – especially in East Asia. Nevertheless, it is clear that in both Europe and East Asia, while American policy may have been preoccupied with the security issues, and although America’s domestic politics and the nature of the American state itself may have come to reflect such preoccupations at the height of the Cold War (Hogan 1998), there was always a fundamental desire to ensure ‘that the world be made safe and assessable for the American economic system’ (LaFeber 1999: 284). In other words, there has always been an intention to pursue simultaneous strategic and economic objectives. The distinctive feature of the post-war reconstruction period as far as American planners were concerned, was that it offered ‘a way to reconcile ostensibly incompatible economic and security imperatives’ (Hogan 1988: 291). This goal is an increasingly explicit part of contemporary American policy, too. As we shall see, however, the unification of East Asia is not the intended outcome. American power may be a critical influence, but its precise impact is uncertain and dependent on contingent historical circumstances.

Somewhat surprisingly, even at the outset of post-war European reconstruction, when it might be supposed that the exhausted European powers would be especially amenable to American initiatives, it is important to acknowledge that both French and British diplomatic efforts were crucial in shaping post-war outcomes. In the

strategic sphere the British played a decisive role in promoting the idea of a pan-European security organisation in the face of ‘considerable American reluctance’ (Folly 1984: 60). Likewise the French were the driving force behind the development of the European Coal and Steel Community that paved the way for a deeper process of European integration and the rehabilitation of Germany (Lovett 1996). Having said that, the resolution of the ‘German problem’ and its acceptance as a central part of both Europe’s nascent economic and strategic architecture was made easier because of American participation (Stirk 1996: 108). Indeed, in many ways America’s strategic and political leverage was actually of greater significance than its direct economic assistance. Despite the praise heaped upon the Marshall Plan as an example of what looks like – especially when compared to contemporary policies – an example of selfless and far-sighted diplomacy (Kunz 1997), the scale of direct economic assistance was actually fairly modest, both in absolute terms and as a proportion of the income of the recipient countries (Milward 1984: ch. 3). Similarly, it is important to emphasise that initiatives like the European Coal and Steel Community were not simply technocratic initiatives designed to coordinate steel output in Western Europe; on the contrary, the principal purpose of ‘economic’ projects like the Schumann Plan which provided a blueprint for post-war European integration was to provide a *political* framework to bind together former foes and ensure Germany’s peaceful integration at the heart of Europe (Trachtenberg 1999).

Thus, the general points to emphasise about this period are that firstly, the foundations of European integration are to be found in the rather mundane, technocratic and unpropitious-looking negotiations for post-war economic reconstruction and integration. Although the political ambitions and development of the EU may have expanded dramatically over the ensuing years (Milward 2000), its origins, and the critically important capacity to bind France and Germany together as the central pillars of the nascent organisation, may be found in economic initiatives that seemed unremarkable at the time. It is also important to recognise, as Milward (1984: 492) reminds us, that Europeans pursuit of their perceived *national* interests was a major force in paving the way for European integration (see, also Moravcsik 1998). In other words, European integration was not simply an externally imposed project over which Europeans had no influence, but neither were its principal architects necessarily as ‘visionary’ about the long-term implications and prospects of European cooperation as might seem the

case in retrospect. The second point to make is that while the US's economic assistance was clearly important and far-sighted, its political and strategic role was arguably more decisive in pushing Europe's own political integration, underpinning the new security architecture that came to dominate Western Europe, and ultimately in helping to bring about the long-term redefinition of European identities in ways that would have been unimaginable immediately after the war (see, Marcussen et al. 1999).

The world in which European integration had its origins is plainly a very different place from today's. Although there is currently a good deal of debate about the nature and durability of American hegemony (see, for example, Bacevich 2002; Kupchan 2002), especially in the aftermath of the invasion of Iraq, the US has been the world's dominant power for more than half a century. At the dawn of European integration, however, not only was European development a work in progress, but so was the construction of the wider geopolitical order of which it was a part. American views about the new world order it hoped to create were profoundly influenced by the perceived need to contain the Soviet Union; Western Europe was seen as a pivotal arena in which this Manichean struggle would be played out (Harper 1994).

Economic integration in Western Europe was central to this project, something that was facilitated by the creation of an array of new inter-governmental organisations designed to institutionalise a new liberal economic order (Latham 1997).

Significantly, and in striking contrast to the experience of East Asia, however, American attitudes toward Western Europe were generally predicated on equality and respect, and the basis upon which the post-war order was to be created was multilateral (Pollard 1985). In East Asia, not only did the US not have the same high opinion of or respect for the Asian powers (Hemmer and Katzenstein 2002), but they constructed a strategic and economic order that was predicated on a bilaterally-based 'hub and spokes' model that made regional integration a remote prospect throughout the Cold War period (Joffe 1995).

While it is important to acknowledge the role the Europeans themselves played in the process of post-war economic reconstruction and the subsequent course of deeper political integration, it is clear that American actions were crucial and stand in stark, revealing contrast to the East Asian experience. Perhaps European integration would

have happened anyway even without American assistance, but the early success in the immediate aftermath of the war, in which the US was a prominent player, gave vital momentum to collaborative efforts. In short, the supportive efforts of the US were a vital part of the earliest phase of European regional development. American power has also been important in East Asia, too, but East Asian regionalism has moved ahead *despite* rather than because of American efforts. To see why, and to begin the process of attempting to isolate the different forces that have made East Asian attempts at regional cooperation so difficult and belated, we need to place the Asian experience in its specific historical context.

### **East Asia's Belated Regionalism**

The most obvious comparative point about Europe and Asia is that the institutionalisation of political cooperation (or regionalism) in East Asia has been much slower than in Western Europe. True, the Association of Southeast Asian Nations (ASEAN), which was established in 1967, is the most durable forum to emerge in the 'developing world', and has proved to be an important vehicle with which the countries of Southeast Asia can manage and promote specific interests. But the development of a wider East Asian regional grouping which, in addition to the Southeast Asians, included the major economies of Northeast Asia – China, Japan, and South Korea – did not gain any real momentum until the late 1990s. An informal summit meeting between ASEAN and the three regional heavyweights was convened until as late as 1997 as part of the regular ASEAN summit meetings. Meetings of the 'ASEAN + 3' grouping as it became known were regularised from 1998 onwards.

Why was regionalism in East Asia so much slower to begin than in Europe? The reasons are complex, but can be divided into the historical, the contingent and – above all, perhaps – the American. As noted above, American policy toward East Asia was (and is) very different than toward Western Europe. Not only did the US institutionalise a series of bilateral rather than multilateral relations across the region, but the Cold War divisions the US was instrumental in entrenching made any region-wide cooperation impossible as a consequence. This is especially true of American attitudes toward China, where the sort of containment policy that characterised relations with the Soviet Union in Europe was applied to China – a policy position

which still has adherents in America's foreign policy establishment (Papayoanou and Kastner 1999; Shambaugh 1996). Without China a genuine East Asian organisation that included the key countries of the region was meaningless. Indeed, the pivotal historical importance of China to the overall region is revealed by its capacity to shape political and strategic relations even when not directly participating in them: Cold War divisions generally and concerns about the strategic intentions of communist China have actually been critical catalysts for the limited regional integration that occurred within the Southeast Asian countries that has occurred thus far (Acharya 2001). It is testimony to the degree of 'socialization' that China's leadership appears to have undergone since the opening up of the Chinese economy only three decades or so ago (Johnston 2003), combined with the growing importance to East Asia of the Chinese economy that attitudes toward China have changed substantially in the region (Ba 2003).

But China's problematic status has not been the only impediment to regional integration. Japan may have become the second largest economy in the world under the auspices of US hegemony, but it has been achieved at the cost of its own regional leadership ambitions. While Japan's role as a potential regional leader may not have suffered from the crippling ideological constraints that thwarted China for so long, it had other, equally debilitating handicaps that effectively nullified its claims. The concentration on economic development and the desire to maintain a low diplomatic profile that have distinguished Japanese policy-making priorities have had predictable consequences. As Drifte (1996: 143) points out, 'narrow economic interests, domestic political paralysis and concern about negative Asian reactions because of the country's historical legacy prevent the Japanese government from taking an open leadership role even there, where it would look relatively natural and easy'. Certainly the legacy of the war, the notoriously impotent and self-absorbed nature of Japan's political class (Curtis 1999), and bureaucratic rivalries between Japan's powerful ministries help to account for Japan's ineffectiveness, but it is vital to recognise how subordinate Japan remains to the US. Since the Second World War 'the bilateral relationship with the United States [has been] the indispensable core of Japan's position in the world' (Green 2001: 3), with the consequence foreign policy-making always occurs with at least one eye on its possible reception in the US. Only recently have Japanese political elites begun to display a degree of independence about policy

toward the region, something that has been driven both by the impact of recent American foreign policy, and by challenge presented by China's increasingly skilful and effective push for regional leadership (Vatikiotis and Hiebert 2003; Breckon 2002).

In East Asia in the post-war period, therefore, unlike the earlier European experience, American power has primarily had a *constraining* rather than an enabling impact on processes of regionalism. Not only did American policy effectively fracture the putative region along ideological lines for around fifty years, but it directly (in China's case) or indirectly (in Japan's case) undermined the leadership potential and ambitions of the two most important powers in East Asia. What is equally noteworthy about the East Asian experience, which is also sharply at odds with the European precedent, is that East Asian regionalism ultimately moved ahead *in spite*, rather than because of American policy and attitudes. In this context, the East Asian financial crisis and the role played by the US has been the single most catalytic event in accelerating East Asian interest in and moves toward regionalism, although the 'war on terror' is also having the effect of further alienating a number of East Asian governments from the US.

In the economic sphere, it is important to note that as recently as the mid-1990s - and before the region was gripped by economic crisis - Malaysia's attempts to promote its own vision of regionalism under the banner of the East Asian Economic Caucus (EAEC) met with little support (Hook 1999). Crucially, with the US expressing hostility to the initiative, Japan was unwilling to risk incurring American displeasure. However, the financial crisis that erupted toward the end of 1997 profoundly changed views amongst East Asia's political and economic elites about the basis upon which national economies and the region as a whole were to be integrated into the wider international political economy (Terada 2003; Webber 2001).

There is no intention here of adding to the voluminous literature on the crisis (see, for example, Haggard 2000), but it is important to highlight briefly its overall impact as a spur to regional cooperation. In the aftermath of the crisis, it became painfully clear that East Asia was vulnerable to powerful systemic forces like the mobile capital that caused such havoc when it fled the region, and to political pressure from the US and

the IFIs over which it exerts a powerful influence (Author). Such pressure was intended to exploit the crisis and to impose the sort of neoliberal policy reform that had hitherto been studiously resisted by East Asia's famously state-led economies. Not only was there widespread scepticism about the wisdom of financial sector liberalisation across much of the region as a result of the crisis, but there was increasing resentment about the role of the US in continuing to promote such reforms in the face of compelling evidence about their destructive role in the crisis (Wade 2001). As a consequence, partly as a way of responding to American pressure, partly as an attempt to insulate the region from exogenous shocks, and partly as a result of a nascent, but growing sense of regional identity, the institutionalisation and formalisation of intra-regional processes and relationships has gathered pace (Acharya 2003). The possibility that East Asia might have some underlying sources of identity is worth emphasising, as there is a widespread belief that Europe's cultural heritage leaves it uniquely well-placed to promote regional cooperation. And yet, the Second World War a stark reminder of just what a myth the idea of European solidarity actually is. Moreover, it is important to recognise that not only is an interest in promoting 'Asian' identities fairly long-standing (Funabashi 1993), but that there are also a number of common historical experiences, particularly the frequently traumatic impact of 'the west', that provide a basis for cooperation and identification at the regional level (Stubbs 2002).

While the scale of the crisis facing East Asia in the late 1990s was clearly of a different order to that which confronted Europe in the late 1940s, like the Europeans before them, the sorts of initiatives being undertaken in East Asia during the first phase of serious regionalism are superficially unremarkable and technocratic. The coordination of regional monetary policies to manage or ward off future potential crises may not seem like the visionary precursor of thoroughgoing regional cooperation, but neither did the foundation of the original European Coal and Steel Community. The comparative point to make about East Asia's initial forays into region-wide cooperative arrangements is that they are not dependent on the Americans to provide the material resources to make them work, in the way the Europeans were. On the contrary, East Asia is already well positioned to be a powerful and independent economic actor (Dieter and Higgott 2003). Moreover, the relationship between the US on the one hand, and China and Japan on the other, is



fundamentally different form that which prevailed between the US and Europe after the war. While the consumer markets of North America remain vitally important for the export-oriented economies of East Asia, the US is equally reliant on continuing inflows of capital from China and Japan to finance its massive budget deficits, its ballooning levels of private indebtedness, and its low interest rate regime (*Economist* 2004; Brenner 2002). The symbiotic dependency that has emerged between East Asia and the US is not simply different to the earlier US-Europe relationship, it potentially confers economic and political leverage on the East Asians. What is lacking at this stage is the political will to exploit such potential, and the institutional competence to act more independently as a region.

A number of factors may help East Asians overcome their apparent inability to cooperate on a region-wide basis. First, ending of the Cold War (the existence of which was such a pivotal spur to European integration) has removed the single most important obstacle to regional integration in East Asia. The concomitant rehabilitation and growing economic importance of China has removed another critical impediment. Second, and of greatest comparative significance, American foreign policy is creating dilemmas for Asian policymakers that are fuelling a reassessment of the value of the US's strategic presence in the region, the necessity of which was considered indispensable by some of the US's key regional allies. That such a re-assessment might occur in parts of Southeast Asia with large Muslim populations, or troublesome insurrectionary groups is possibly unsurprising (Author), but that it should also be happening in South Korea and Japan is more remarkable and noteworthy (Scanlon 2004; Curtin 2004). The country that stands to gain most from any realignment in the region is, of course, China. It is not necessary to completely accept David Kang's provocative thesis, that intra-East Asian strategic relations may be reassuming a more 'traditional', hierarchical order centred on China (Kang 2003), to recognise that security orders have a strong regional dimension, and that such a realignment is neither unprecedented nor unthinkable (Buzan and Waever 2003). If this hitherto insurmountable obstacle to greater regional security cooperation can be overcome, then the acceleration of economic integration would seem almost inevitable. Indeed, it is noteworthy that China has already assumed a central place as a driver of regional economic activity (Hale and Hale 2003), something that would seem to make greater East Asian regionalization and regionalism more likely than not.

## Concluding remarks

Regionalization may be primarily driven by the private sector and the consequences of the generally uncoordinated actions of firms, investors and markets, but regionalism, by contrast, doesn't just happen. On the contrary, political cooperation requires a degree of purposefulness and coordination that sets it apart from either the sort of trans-border processes associated with globalisation, or from sheer geography. In both Europe and Asia, regionalism has been dependent on the activities of political actors to drive it forward, actions that have been significantly facilitated or inhibited by wider geopolitical circumstances. In Europe, the exigencies of war-time reconstruction and the emerging bi-polar confrontation with the Soviet Union gave a critical spur to regional cooperation. While this process was given extra impetus by the material assistance and – at times – the political leverage of the US, Europeans themselves played a key role in directing the course of regionalism, and ensuring that the Americans remained engaged in it.

Things could hardly have been more different in East Asia. Not only was the Cold War a powerfully centrifugal rather than centripetal force in Asia, but even when the region was eventually freed from its paralysing influence, East Asian regionalism has gathered pace *despite* rather than because of American wishes. American power and pre-eminence in the post-war period inevitably matters, but it does not always have the impact that American policy-makers expect. In Europe, there was a residue of good will toward the Americans and strong desire in Western Europe to keep the US actively engaged in the economic and especially the strategic affairs of the region. American power in such circumstances facilitated and encouraged European regional initiatives. In East Asia, American power has either made regionalism difficult because of the essentially bilateral strategic architecture it has created or - until recently at least - actively opposed regional initiatives that threaten to undercut its influence. Of late this opposition appears to be waning as the US becomes preoccupied with more pressing problems elsewhere, and because American policymakers judge there is little threat posed by the sorts of initiatives undertaken thus far (Hayashi forthcoming). And yet, regional cooperation in Asia continues to

gather pace, and the US presents a convenient 'other' against which a nascent sense of region-hood or greater regioness can be defined.

None of this means that East Asia's future is necessarily Western Europe's past, or that the EU presents either the only, or even the most complete form of regionalism. What a comparison of regions demonstrates is that there are a number of different initial paths to regional integration that will be shaped by specific historical circumstances, and the particular patterns of political, economic and strategic interaction that dominate individual regions. Seen in this light we should not expect East Asia to replicate the European experience even if the formal institutions of regionalism continue to consolidate: the preoccupation with protecting national sovereignty that has distinguished ASEAN, and the absence of a highly developed array of civil society and private sector organisations of a sort that has characterised the EU's distinctive patterns of governance, means that East Asia could not become Western Europe in the short term even if this was widely desired (Author).

What a comparison of the origins of European and Asian regionalism suggests, then, is that regional processes can occur in a variety of circumstances, but that major crises are pivotal catalysts. Even though the idea that crises play a key role in reconfiguring existent patterns of political practices, economic structures and strategic relations is well established (Gourevitch 1986; Ikenberry 2001), it is not generally linked to processes of regionalism. Nor is the role of hegemonic power – in this case, the US – generally appreciated or well understood, but it has clearly been a major direct or indirect influence on the evolution of regional processes in both Asia and Europe (Author). Given that regionalism is plainly here to stay, and a defining feature of, and major response to, globalisation, the challenge for the future is to understand the complex interaction between the regional, the global, and the hegemonic. East Asia's contemporary evolution and Western Europe's historical experience suggests that while such processes are essentially unpredictable and contingent, we can at least identify the principal factors that are likely to shape regional outcomes in the future.

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