

The Emerging Northeast Asian Regional Order

Lowell Dittmer

As Samuel Kim elucidated in his introduction, the Northeast Asian region is one of great and increasing importance in world affairs. A “region” may be defined in various ways; the constituent regimes should have a shared sociocultural heritage, shared political attitudes or external behavior, geographic proximity, economic complementarity, and/or some form of institutional cooperative arrangements.¹ Although Northeast Asia might well be considered the geopolitical cockpit of the East Asian region and the nexus of the world’s three largest nuclear weapons states, three largest economies, and three of the five permanent members of the UN Security Council, many of the factors normally constitutive of a “region” are in scant supply.² Indeed the Northeast Asian polities are exceedingly disparate, ranging from Japan, which has a per capita GDP seventy times that of China but a land surface smaller than that of the American state of Montana and a population only about one fourteenth that of China, to Russia, which has a land surface larger than the second- and third-largest countries in the world combined, but whose Asian populace (in the Russian Far East) is less than a third that of the smallest Northeast Asian polity (the Democratic People’s Republic of Korea, or DPRK, had 22 million people in 2000). All the Northeast Asian states share a character-based linguistic system, “chopstick culture,” and a Confucian–Buddhist symbolic legacy, and all (at least in the past two decades) have placed an overriding priority on export-led economic growth. But where does that leave the two superpowers, culturally exogenous, yet both deeply involved in postwar Northeast Asian

political and economic develop-merits? Both find their national destinies inextricably tied to the region. Thus, based on an eclectic combination of geographic proximity and sustained political and economic involvement, Northeast Asia is defined in the pages of this chapter to include seven established polities—China, Taiwan, Japan, North and South Korea, Russia, and the United States—and one emergent one, Mongolia.

What do we mean by Northeast Asia’s “emerging order”? With regard to “order,” Hedley Bull’s purposive conception, defined in terms of the conformity of human behavior to rules of conduct, seems most apt.³ Although realists are fond of characterizing interstate relations as “anarchic,” and although, empirically considered, interstate relations among these powers have historically been less rule-guided than, say, those in postwar Western Europe or North America (becoming even more open-ended since the end of the Cold War), our rather heroic working hypothesis is that these relationships tend to fall into intelligible patterns. Finally, by “emerging” we refer simply to the time period embracing the present, recent past, and near future, which in this context we take to have been inaugurated by the collapse of the Communist bloc and the end of the Cold War.

One of the tenets of historical institutionalism is that institutional development is “path dependent,” that is, influenced by the historical context from which it derives.⁴ Thus we begin by cursorily outlining the Cold War order and periodizing its disintegration. We then turn to the emergence of the new regional order in the last decade of the twentieth century, in the wake of the collapse of the Soviet bloc. This is a tale of entropy, evolving from tightly regimented order to increasing freedom of movement. And yet the end of the Cold War, as we shall see, whose occurrence came as such a shock to the international system, has had a deeply paradoxical impact. We thus begin by outlining briefly those post—Cold War results that might have been expected, in order to more fully appreciate the full irony of the currently emerging set of relationships. Only by placing current developments in the context of prevailing expectations can we plausibly interpret what sort of “order” they may be said to constitute.

THE COLD WAR ORDER AND ITS DECAY

The Cold War went through two phases, the first roughly coinciding with the decade of the 1950s and the second beginning in the early 1960s.

During the first phase, the international system was rent by an ideologically defined bipolar cleavage between what Zhdanov called “two camps,” with North Korea and China in the Communist camp, led by the Soviet Union, and South Korea, Taiwan, and Japan part of the “free world,” led by the United States. Within both camps, a relationship of hegemonic stability obtained in which the two superpowers assumed leadership of a comprehensive security regime, in exchange for which they offered special economic concessions to their client states. The two security blocs were institutionalized within an overlapping network of alliances and international organizations: in the East, all originally belonged to either or both the Warsaw Pact and the international Communist movement, and there were Soviet “friendship and security alliances” with the PRC and the DPRK; the Western side was cemented not by a regional alliance system like NATO, but by bilateral security alliances between Washington and Seoul, Tokyo, and Taipei (evidently by American preference). Crowning this security regime was a bipolar arsenal of intercontinental nuclear weapons, which over time became sufficiently massive and well-concealed to ensure that one side could still destroy the other even after being hit first. Although only the two superpowers had full disposition over such a comprehensive (“second-strike”) security system, each offered protection (“extended deterrence”) as well as special economic concessions to their respective clients in order to preclude defection to the other camp. These economic concessions included preferred access to American markets in the “free world” and preferential terms in the barter system of the socialist international economy known as the Council for Mutual Economic Assistance. Thus there were two relatively comprehensive and mutually exclusive international consortiums in which security and economic interests coincided almost perfectly, between which economic transactions were interdicted by the Warsaw Pact on the one side and by NATO and Coordinating Council for Multilateral Export Controls on the other. The second phase of the Cold War was characterized by the incipient disintegration of the two blocs, as signified by the semidefection of de

Gaulle's France in the West and Tito's Yugoslavia and Mao's China in the East, and by the rise of a large nonaligned bloc in the third world. These defections were only partial, splintering the two blocs but stopping short of realignment of the defecting states to the other side and a fundamental redistribution of the balance of power; and although both blocs competed for the allegiance of the nonaligned third-world countries, this contest too remained inconclusive.

The end of the Cold War came with a bang in Europe, beginning in the summer of 1989 with the wave of uprisings and refugee flows that swept through Eastern Europe and culminating in the collapse of the Soviet Union in December 1991. In Northeast Asia, the end came more gradually and with less climactic finality. The first phase dawned a decade early, with the defection of China from the Soviet bloc at the end of the 1960s, after about a decade of inconclusive polemics. As the Sino-Soviet split escalated to border warfare amid China's Cultural Revolution, the looming threat of a Soviet preemptive strike on China's still nascent nuclear arsenal prompted the PRC to seek shelter under the American nuclear umbrella. This gave rise to the "great strategic triangle" between the United States, the PRC, and the USSR, in which relations between any two powers became premised on their relations with the third, with periodic reconfigurations among the three to fit shifting national capabilities and interests. Although the consequent realignment of the balance of power was internationally significant, with China contributing for example to American intelligence and counterinsurgency efforts, Chinese integration into Western commercial markets was not fully consummated until the advent of "reform and opening" a decade later. While the end of the Cold War began earlier in Northeast Asia, it also ended less decisively than it did in Europe and Central Asia. This is of course because the Asian socialist regimes, unlike their European confreres, refused to collapse. Despite its introduction of markets and other growth-enhancing capitalist economic innovations, the PRC remained an avowedly Leninist political regime, as underscored by its crushing of the Tiananmen protests in June 1989. In North Korea, "our style socialism" survived with precious little reform under "dear leader" Kim Jong Il, despite an economic nosedive following Gorbachev's severance of preferential trade ties after his recognition of South Korea in 1990. In

Northeast Asia, the primary manifestation of the end of the Cold War was the collapse of the Soviet Union—the Eastern European socialist republics had been of only marginal economic and political importance. The Soviet Union was physically represented in Northeast Asia by the Russian Far East, a vast expanse of resource-rich but virtually empty and undeveloped terrain that remained physically intact. Despite a still disproportionately massive military presence in Vladivostok and the Sea of Japan, the Soviet Union had always been a more peripheral actor in Asia than in the West, and its collapse (which implied no regional territorial revisions, as in Europe and Central Asia) had little impact. Yet the disintegration of the Soviet Union into fifteen sovereign states, none of which maintained allegiance to Marxism–Leninism, does seem to have precipitated the demise of the strategic triangle, despite occasional attempts to revive it.

By the end of the twentieth century, the Cold War's Northeast Asian progression of more or less tight bipolarity followed by strategic triangularity had evolved into a much murkier and more complex set of relationships based on a combination of geographical propinquity, mutual economic complementarity, overlapping ethnonational interests or claims, and perceived security threats (or supports). In some respects, the results of the end of the Cold War were perhaps in retrospect foreseeable. The combination of the deradicalization of ideological affiliations and the waning credibility of nuclear deterrence freed client states on both sides for greater freedom of association, resulting in an increase in international promiscuity. This was particularly evident in the world of commerce, where the old “curtain” between planned and market economies was completely lifted, giving rise to trade between former adversaries such as the United States and China, South and North Korea, even Taiwan and Russia. The regional consensus on the priority of economic growth already incipient during the late Cold War intensified upon its termination, giving rise to a steady and relatively swift regionwide increase in living standards, despite the temporary setback of the 1997–1999 Asian financial crisis (AFC) and with the conspicuous exception of North Korea. And regional prosperity was accompanied by regional peace, despite a tense confrontation with North Korea over its attempt to acquire nuclear weaponry in 1993–1994 and a saber-rattling episode across the Taiwan Strait in 1995–1996. If we

overlook the crises and confrontational episodes, these broad trends conform to the aspirations for a new world order articulated by George H. W Bush in the victorious afterglow of the Gulf War of 1991. But in many other respects, the end of the Cold War has confounded rational expectations.

PUZZLES AND PARADOXES OF THE NEW ORDER

What is most striking about the end of the Cold War so far as Northeast Asia is concerned is not the emergence of a coherent “new order” corresponding to the existence of an undoubted new regional powerhouse in world affairs, but rather the extent to which political and economic developments have contravened what one might have anticipated. This can be demonstrated in at least four clusters of problems: the blossoming of a Sino—Russian partnership, the apparent collapse of any coherent strategic structure among the principal “powers” of the region, the failure of any political or economic community to take shape, and the intractability of the region’s two most explosive “hot spots,” the divided nations of North and South Korea and of China and Taiwan, even after the disappearance of the ideological divide that had supposedly impeded their reunification. In each case, there were good reasons to have expected a quite different outcome, either on theoretical grounds or based simply on “common sense.”

Sino–Russian “Strategic Partnership”

The Sino–Russian post–Cold War “partnership,” as sealed in a new Friendship Treaty signed by Jiang Zemin and Vladimir Putin in the Kremlin on July 16, 2001, represents to all appearances the best relationship between these two territorially imposing neighbors in nearly fifty years. To be sure, among informed observers here is still a wide array of assessments of the solidity and durability of this “friendship.” It is largely an elite-initiated and elite-managed relationship, in which the commercial and popular dimensions have been relatively modest and tightly controlled. There is clear evidence of tension about specific aspects of the relationship, particularly among Russian border populations host to the inadequately controlled influx of Chinese business people and consumer commodities into the Russian Far East, and perhaps also a certain uneasiness concerning the long-term implications of the massive Chinese purchases of Russian weapons since 1990. But the two sides have proved quite capable of resolving the problems that have arisen diplomatically and the relationship has thus far continued to improve rather than deteriorate, to the apparent benefit of both sides.

The suspicions about the authenticity of this new friendship cannot be attributed solely to Western Schadenfreud. After not just decades but centuries of mutually predatory relations, relieved only by the Bolshevik Revolution and the usually wrong-headed Comintern assistance to the outlawed Chinese Communist movement, the early period of Sino–Soviet friendship and solidarity was relatively brief, and upon its unraveling in the late 1950s it was followed by long and bitter ideological acrimony, culminating in sharp border clashes along the Sino–Soviet border in the spring of 1969. These clashes resulted in heavy mutual fortifications, making this not only the longest land border in the world but also the most explosive one. China developed a nuclear deterrent, exploding its first device in October 1964 and its first thermonuclear weapon in 1968 and leading the Soviet Union to consider a preemptive strike. Only after lengthy and initially fruitless semiannual border negotiations (1970–1976), followed by a second semiannual series of talks from 1982 to 1989, was

“normalization” finally achieved. Normalization signified only a return to normal party-to-party relations, not a renewal of the Friendship Treaty (which had been allowed to lapse upon its thirty-year expiry in 1981), a remission of bilateral suspicions, or a resolution of the territorial dispute. It was in the context of the Sino–Soviet summit in Beijing formalizing normalization that the Tiananmen protest occurred, with which the Gorbachev leadership tacitly sympathized, quite contrary to the views of the hard-line Deng leadership. The following two years were roiled by popular upheavals resulting in the collapse of socialism throughout Eastern Europe, for which Chinese leadership clearly blamed Gorbachev’s soft line, preferring a Soviet leadership more resolutely committed to the defense of Communist ideal interests. Yet Gorbachev successfully outmaneuvered that alternative when a hard-line faction attempted to seize power in the summer of 1991, and when the Soviet Union nonetheless collapsed at the end of the year Gorbachev was succeeded by an even more unacceptable leadership (from the Chinese perspective), one that promptly disavowed Marxism–Leninism, revived capitalism and parliamentary democracy, and applied the Sinatra doctrine (“let them do it their way”) to the Russian Federation, although retaining residual security interests in those former Soviet republics that elected to remain members of the Commonwealth of Independent States. The Chinese leadership was appalled by this denouement.

Thus the question is: Why are Sino—Russian relations so good?—which is sometimes answered with the suspicion that they cannot be as good as they seem. Reconciliation seems anomalous in the context of the most widely accepted explanations of why relations soured in the first place, for most of the factors alluded to in these explanations still exist. A geopolitical explanation, based on the natural rivalry of two enormous continental powers astride the same Eurasian landmass, still pertains. China’s territorial claims, based on losses due to the depredations of the czarist empire during the eighteenth and nineteenth centuries, have not been revised in the light of new historical findings or interpretations. So if the old explanations for the enmity were once correct, they would still seem to be valid. In addition, there are new ones. If one credits an ideological explanation of the dispute, that would appear to be far more credible now that the Russian side has

foresworn the ideology they once shared with China and embraced its anathema. If, however, we accept the premise that nationalism has become the new legitimating belief system in the wake of the deradicalization of Communist ideology (for which there is good evidence in both countries), why has that not sharpened antagonism between these old foes? If the Soviet Union felt threatened by the rise of a powerful state on its vulnerable eastern border, that concern would seem to be far more pressing now, after Russia's economic nosedive following the repudiation of Communism. Russia lost up to half its GDP in the 1990s (during an unprecedented Chinese economic boom) in a systemic depression that afflicted the Russian Far East (which is the most directly exposed to Chinese penetration of any Russian region) even more seriously than the western part of the country, prompting as much as an eighth of the resident population (of about seven million) to migrate.⁵

Yet the Sino—Russian reconciliation does seem to be a real and lasting one, comparable in historical significance to the Franco—German reconciliation at the end of World War II. This is demonstrated not only by the oral testimonials on both sides by figures whose credibility cannot easily be swept aside,⁶ but also by the impressive list of diplomatic achievements over the past decade. The vast and complex border dispute has been essentially reconciled: after a well-organized and closely scheduled series of negotiations between the Chinese side and a team of four former republics (Kazakhstan, Kyrgyzstan, Tajikistan, and Russia), a new border has been demarcated and formally accepted for perpetuity. Confidence-building measures have been introduced along both sides of the frontier, and fortifications and troops have been delimited, permitting Russia to withdraw troops to the Leningrad region following the expansion of NATO eastward and permitting China to redeploy border troops to the Fujian coast facing Taiwan and the South China Sea. Bilateral trade boomed in the wake of Western economic sanctions against China after Tiananmen, to the relief of the Russian population in the Russian Far East, which was adversely affected by the precipitous decline of the military-industrial complex (much of which was located on the eastern side of the Urals), the loss of subsidies, and the increase of intercontinental transportation costs to European markets. Total bilateral trade turnover was U.S.\$3.95 billion in 1989

(representing an 18 percent increase over the previous year) and increased to \$5.3 billion in 1990, \$5.8 billion in 1992, and \$7.8 billion in 1993. At this point, popular concern in Russia over illicit Chinese border crossings and economic immigration, shoddy Chinese merchandise, border crime, and corruption led the Duma to enact new border legislation tightening visa requirements in 1994, which had the effect of slashing border trade. But although total trade (particularly Chinese exports) thus stagnated over the next several years, by 2000 it had climbed back up to \$8 billion and in 2001 it reached a record \$10.67 billion. Although even this figure falls well short of Yeltsin's announced goal of \$20 billion by the millennium, this has more to do with the collapse of the Russian economy after the 1998 ruble devaluation than with bad faith. Whereas the American market is far more important to the Chinese economy than the Russian market, to the Russians the Chinese market is second in importance only to the German.

Whereas economic and strategic aspects of a relationship are often distinguished analytically, this is more difficult in the Sino-Russian case because of the importance of military sales in the trade relationship. The PRC made its first purchase of Russian weaponry in 1990 in the wake of the post-Tiananmen Western arms boycott, at a time when Russian worldwide arms sales were in decline following the defeat of former Soviet client Iraq in the 1991 Gulf War. Over the following decade, the Chinese acquired some 90 percent of their foreign arms purchases from the Russians, including Sukhoi SU-27 UBK fighters, SU-30 MKK ground-support aircraft, S-300 and SA-10 anti-aircraft and antimissile missiles (comparable to the American Patriots), *Sovremenny*-class destroyers (with Sunburn ship-to-ship missiles) and Kilo-class diesel submarines. According to the Stockholm International Institute of Peace, between 1991 and 1997 Russia sold China armaments worth more than U.S.\$6 billion, and for 2000–2005 the overall value of sales is expected to run U.S.\$5–6 billion. Although Russia has tried to avoid selling its most advanced weapons, those it sells have the potential to alter the Asian balance of power, specifically vis-à-vis Taiwan, whose naval defense will be complicated by China's large submarine fleet and high-tech destroyers. Bilateral military exchanges have resumed, and Russian engineers and scientists began migrating back to China by private contractual arrangement to aid in military modernization.

In October 2000, to mark the fiftieth anniversary of the PRC, two Russian ships visited Shanghai for the first joint naval exercises. From the Russian perspective, weapons sales made an important contribution to the balance of payments, averaging more than \$1 billion per annum in foreign exchange and helping to maintain scale production in the Russian military-industrial complex. Many of the weapons sold are produced in the Russian Far East (e.g., Su-27s and Sunburn antiship missiles) and the Zvezda shipyard received an order to repair Chinese submarines, all of which helps alleviate local resentment over the influx of Chinese commercial opportunists and shoddy merchandise. In 2000, China was the largest weapons purchaser in the world and certainly Russia's best customer, having surpassed India in the early 1990s. From the Chinese viewpoint, the Russian "strategic partnership" contributed to the rapid modernization of the PLA, particularly its relatively backward air force and navy, reinforcing Chinese aspirations to great power status. By the end of the 1990s, this had given rise to American public concern about the "China threat," which was exaggerated for partisan reasons and quite premature, although over time the acquisition of advanced Russian weaponry could conceivably shift the balance of power within the region, as China's economy, relatively unaffected by the AFC and by the subsequent high-tech recession, has outpaced that of its neighbors. The Russian response to such concern is that arms sales are economically vital but highly competitive, netting far less worldwide than American arms sales, and that if China's neighbors (including Taiwan) feel threatened they are free to purchase their own Russian munitions (at least until the 1998 summit, when Yeltsin's "five nos" included a refusal to sell weapons to Taiwan).

How was it possible to heal this bitter enmity, which Mao foretold would last a century? Unlike the opening to the West, which unleashed such popular enthusiasm among segments of the populace the government could scarcely contain it, the Sino-Russian friendship was contrived from the top down, through the diplomacy of careful, incremental bridge building. The process was initiated by the launching of border talks in 1970 that alternated biannually between the two capitals and involved virtually the same team of negotiators each year, followed in the 1980s by normalization talks along the same format. By the 1990s, talks at various levels and

venues had been more securely institutionalized than in any other international relationship, from biannual summit visits at the top to parliamentary exchanges, friendship associations, film festivals, trade, and even pen pals. In addition to skilled and patient diplomacy, a relatively stable domestic base for cooperation was established through trade and the creation of strong domestic interest groups. Noteworthy from the perspective of linkage politics, the supporting coalitions on both sides seem to have been those interests and strata who typically oppose internationalization—that is, the military, the state trading companies, state-owned heavy industry (including the military-industrial complex), and the established bureaucracy—while true, populist nationalists oppose it, as one might expect.⁷ Russia's abandonment of Marxism–Leninism turns out not to have posed much of a problem, for several possible reasons. The previous shared ideology created only a sense of pooled identity that turned out to be quite misleading, giving rise to disappointment and ideological recriminations when specific priorities were not shared (e.g., Taiwan) or when collective achievements fell short of aspiration. Hence Russia's secession from the shared heritage cleared the air, assuring China of its distinctive identity. Moreover, Russia's leap into the enemy camp was belied by its resounding failure (at least in the short run), seeming to vindicate Deng's crackdown. Yet amid all the changes, the partnership somehow continues to partake of the old organizational culture, its spirit nostalgically anti-Western and xenophobic, even in the context of bilateral and international opening.

Sino–Russian reconciliation, leading to the “strategic partnership” and ultimately to a new friendship treaty, is among the most paradoxical outcomes of the post-Cold War era, one that seemingly has taken the relationship full circle. Yet without at all discounting the depth and sincerity of the reconstituted friendship, it would be misleading to equate it with the “lean to one side” period of Sino–Soviet fraternal alliance. For one thing, the new twenty-year Friendship Treaty, drafted at Jiang Zemin's instigation, is not strictly speaking a military alliance (in Article 9, the two agree that if one party believes there is threat of aggression, both sides will confer about measures to be taken in common defense, although they are not committed to mutual defense). The treaty provides for extended cooperation in

aviation, space, nuclear, and information technology, as well as more extensive cooperation in military modernization. The “partners” will coordinate policy at the UN Security Council, the World Bank, APEC, ARF, and other international or regional organizations to which both belong. There are at least two important differences between the strategic partnership and its predecessor. First, whereas the mutual defense alliance entailed strategic coordination toward an agreed international objective, viz., world revolution, the current Friendship Treaty seems mainly defensive, concerned with defending the national status quo from meddlesome international organizations, human rights activists, and other agents of liberal globalization. Second, the current treaty is not ideologically exclusive or constitutive of a “bloc,” as both countries may simultaneously pursue relations with many other countries. In view of its pointed critique of “hegemony” and call for “multipolarity,” the treaty’s claim that it is not directed against any third party should be taken with a grain of salt, although given the chances that either partner might defect if made a sufficiently attractive offer from the United States, it just may be correct.

But all this is to define the relationship in terms of what it is not: it is not as ambitious as its forerunner, not as revolutionary, not as threatening to the established order. What is likely, however, to be its positive contribution to the emerging order? Both countries are primarily interested in enhancing their own national interests, and on third-party issues there is no assurance of concert. Beijing was useful to Moscow in facilitating the latter’s entry into the ASEAN (Association of Southeast Asian Nations) Regional Forum (ARF) in 1996 and the Asian Pacific Economic Community (APEC) forum in 1998, but has done nothing to facilitate Russo–Japanese reconciliation or Russian inclusion in the Korean talks, and has maintained a discreet silence about periodic Russian attempts to introduce regional security arrangements. China loyally objected to NATO expansion and joined Russia in opposition to the Yugoslav intervention, while Russia has endorsed the one China policy, though none of these expressions of solidarity proved decisive. Coordinated opposition to American missile defense collapsed in the face of a divide-and-conquer strategy by Washington, which focused first on Putin, after which Chinese opposition crumbled. The partnership

has undoubted bilateral utility, having eliminated the prospect of war between these continental behemoths and extended cooperation to the fragile new Asian states created by the dismemberment of the Soviet Union at a time of great vulnerability. In the eyes of its supporters on both sides of the border, the relationship will provide a modest but firm foundation for the pursuit of specific shared regional objectives, while proving useful to each as a steppingstone as well as a sanctuary. To China, though not as lucrative as the American relationship, cooperation with Russia poses none of the risks and provides some unique advantages: the relationship is firmly elite controlled; border claims have been amicably settled (if anything the new risk is excessive permeability); because of Russia's economic woes after it betrayed Marxism–Leninism, the Russian model of bourgeois liberation has lost its appeal; Russian weapons and equipment are relatively inexpensive and more advanced than those of the Chinese; and the Russians faithfully echo Beijing's position on Taiwan and human rights (as the Chinese support Russia on Chechnya). The Russians, somewhat uneasy about their narrow Asian base, have sought to expand their range of useful contacts in the region beyond the PRC, conducting a series of summits with Japanese leaders in the 1990s, seeking to expand investment and trade with South Korea, and trying to repair the badly frayed relationship with Pyongyang. And thanks to Russian sympathy and support for the American countermeasures after September 11, Russian—American relations have improved considerably, without detriment to Sino—American relations, which have improved as well. Yet the Sino—Russian partnership seems likely to remain a privileged relationship for the foreseeable future.

A Landscape without Strategic Architecture

The almost total lack of strategic architecture in Northeast Asia during the Cold War can be understood first of all in terms of the Cold War that bisected the region and second in terms of the failure of the opposing patrons to build any multilateral security vehicle when the opportunity was ripe. In the West, the United States took advantage of its position as sole victor in the Pacific war to build a series of bilateral security alliances, maximizing its asymmetrical power; in the East, the term “region” was not ideologically conceptualized, so China and North Korea belonged only to international communist organizations or to bilateral security and friendship alliances with the Soviet Union—which, again, redounded to the advantage of Moscow as patron. But the international communist movement disintegrated as a casualty of the Sino—Soviet split, which also gave greater flexibility to client states such as North Korea to maneuver between Beijing and Moscow. Thus, as in Europe, where the Warsaw Pact Organization collapsed in 1990 while NATO survived, the ideologically based multilateral security system on the Communist side proved relatively fragile, withering away to leave only a loose patron-client network. After the secession of China from the bloc, Moscow’s lone client in the region was the embattled North Korean regime, which indignantly broke off the relationship in 1990, following Moscow’s recognition of the Seoul regime.

Of the two superpowers, the Soviet Union evinced the greatest interest in constructing some sort of multilateral security framework that would embrace nonmembers of its own bloc. Given its long-standing regional ambitions and limited access to the region, Moscow became an eager sponsor of such schemes, beginning with Brezhnev’s proposed “Asian Collective Security System.” As part of his “new thinking,” Gorbachev during the latter stages of the Cold War tried, in speeches at Vladivostok in 1986 and Krasnoyarsk in 1988, to introduce similarly overarching, inclusive schemes for regional collective security. In 1986, Gorbachev called for a Conference on Security and Cooperation in Asia (CSCA), modeled on the Conference on Security and Cooperation in Europe, and in September 1988 he made a second initiative, proposing that a working committee consisting

of the three Northeast Asian permanent members of the UN Security Council—the Soviet Union, China, and the United States—set the organizational details and the agenda for the CSCA. These proposals, however, were spurned by the Chinese and the West as transparent schemes to increase Soviet influence with no reciprocal benefits and made little progress in the region. Since the Cold War, Russia almost alone has manifest continued interest in collective or cooperative schemes for the region. In September 1990, at Vladivostok, Foreign Minister Eduard Shevardnadze proposed a full-scale meeting of all the foreign ministers of the Asia–Pacific region in Vladivostok in the fall of 1993, to be followed by an all-Asia summit. The UN, with its post–Cold War focus on “preventive diplomacy,” introduced forums such as the UN Regional Center for Peace and Disarmament in the Asia Pacific. The first call for multilateral security arrangements specific to Northeast Asia was made not by a Russian but by South Korean president Roh Tae Woo, who proposed a “Consultative Conference for Northeast Asia” in his October 1988 address to the UN General Assembly, to include North and South Korea, the United States, Japan, China, and the Soviet Union. This was no doubt part of Roh’s Nordpolitik, as he reaffirmed the idea during his December 1990 state visit to Moscow, part of a campaign to undermine support for Pyongyang and court Soviet recognition of Seoul. Pyongyang’s interesting achievement of domestic economic collapse and rapid progress in developing weapons of mass destruction (WMD) in the 1990s (mainly nuclear bombs and guided missile delivery systems) stimulated diplomatic activity considerably, resulting in a series of pathbreaking summits (Putin, Jiang, Madeleine Albright, Kim Dae Jung, and Koizumi to Pyongyang; Kim Jong Il to Moscow, Beijing, and Shanghai), and in the formation of several subregional intergovernmental organizations (mainly the bilateral 1994 Framework Agreement, the Korean Peninsula Energy Development Organization, and the currently stalled Four-Party Peace Talks). These have thus far been task-specific, exclusive arrangements without linkage to the more comprehensive regional forums. Finally, the Shanghai Cooperation Organization (SCO), formed in July 2000, is an institutionalization of the “Group of 5” initiated in 1993 to coordinate border negotiations between the PRC and the team of former Soviet republics that had obtained independence but remained members of the Commonwealth of Independent

States, joined by Uzbekistan at the June 2001 summit. As the region's only security forum in which the United States was not directly involved, the SCO was concerned with Muslim terrorism (chiefly in Xinjiang and Chechnya) even before September 11, but has been largely eclipsed since the American offensive against Afghanistan in October 2001. An interesting economic spin-off is the Eurasian Economic Community introduced in 2001, which includes a system of interbank payments and settlements, common labor and capital markets, and a customs union.⁸

The main reason these proposals for collective or cooperative security have gone nowhere is that none of them received the support of both China and the United States. Whereas in Europe Washington was willing to support integration among trusted allies in which it was not directly involved, in Asia no such spontaneous integration tendencies arose in the wake of the Pacific war and the local hot and cold wars that followed, and the United States had no interest in encouraging such tendencies, anyway. Western security commitments in the region have been strictly bilateral, consisting of alliances with Taiwan (lapsed since 1979), Japan, and South Korea. These gave Washington more power and freedom to maneuver and provided the clients with a greater sense of security (both nuclear and conventional) than they would have received from membership in a multilateral arrangement (which is not to say clients were getting a free ride—both Japan and Korea have paid generously to support the American troops stationed on their soil, over which they exercise no command or control). A Helsinki process might conceivably lead to calls for naval arms control—the Americans boasted the biggest fleet in the Pacific. The Clinton administration brought somewhat greater receptivity to multilateral arrangements, at least at the rhetorical level, and Washington participated in the ASEAN Post-Ministerial Conference and its successor, the ARF (founded in 1994); the Americans also became engaged in Track II dialogues through the Council for Security Cooperation in the Asia Pacific and other such networks.⁹ But these are essentially talk shops with no authority for autonomous action and minimal institutional infrastructure (even ASEAN, the oldest and most institutionalized regional organization, lacks a permanent secretariat). ASEAN, as the ARF's prime driving force and founder, gave that organization a Southeast Asian tilt, even after

Northeast Asian countries were included; and although security issues could be discussed, binding decisions were strictly off limits, largely at the insistence of Beijing.¹⁰ But while China initially viewed the launching of ARF with some reservations, by 1997 Beijing had become an active participant, and when ASEAN launched the Asia–Europe Meeting (ASEM) in March 1996 in Bangkok, Premier Li Peng attended the inaugural meeting (and China has been represented at all subsequent meetings). ASEAN Plus Three (the three being China, Japan, and South Korea), an exclusively Asian group formed in 1997 in Kuala Lumpur in response to the perceived need for an East Asian security forum more capable of responding to regional crises, has heretofore had equally little to say about security issues. Its most ambitious achievement to date has been the 2000 Chiang Mai Initiative, aimed at swapping currencies to forestall possible economic crises.

The absence of any formal strategic architecture was more than offset during the Cold War by a comprehensive web of opposing security alliances. Upon the decay of bipolarity, it was replaced in the 1970s by an informal expedient known as the “strategic triangle,” which consisted of the PRC, the USSR, and the United States. This was an asymmetric, three-player game in which each player was also patron of a retinue of client states and strove to win by outmaneuvering the other players or forcing a shift to a triangular configuration in which it had an improved position. The United States initially had the most advantageous position in the game, allowing it to cultivate better relations with both the PRC and the USSR than they had with each other (in the wake of Soviet preemptive nuclear strike scenarios in the early 1970s), but in the 1980s the Chinese maneuvered into the structurally optimal pivot position, from which it maintained good relations with Reagan’s Washington while conducting normalization talks with Moscow. When Gorbachev then revived detente in the latter half of the 1980s with a surprising series of unilateral concessions that facilitated a breakthrough in various arms control and disarmament talks, while at the same time “normalizing” relations with Beijing, this transformed the triangle into a *ménage à trois*. This transfiguration was confirmed by the collapse of the Soviet Union and the Russian Federation’s subsequent embrace of market democracy, which erased any ideological

pretext for East–West antagonism. This, however, deprived the triangle of any strategic rationale, and it soon faded into irrelevance. It was also beset by long-term structural problems. The nuclear weapons monopoly on which the global primacy of the triangular powers had been based began to suffer a loss of credibility, which may in turn be attributed to the continuing efficacy of low-threshold conventional weapons (as in national liberation wars), to the futility of nuclear confrontations when both sides have assured second-strike capabilities, and finally to the ideological deradicalization of both Marxism—Leninism and market liberalism, divesting postrevolutionary leaderships of a legitimate *casus belli* for nuclear war. The passing of the strategic triangle removed security risks by eliminating third-party threats as a factor in bilateral detente, fostering proliferation of a new set of flexible, nonexclusive relationships.

But it also deprived the region of strategic structure, even if informal. With the region stripped of structural context since the Cold War, its two hot spots, the Taiwan Strait and the Korean peninsula, became even more sensitive. In view of the socioeconomic decline and domestic preoccupations of the former Soviet Union, it has been suggested that for at least the time being Russia (with half the USSR's GDP and a population of 140 million, only some 7 million of whom are in the Russian Far East) should be dealt out of power politics—that the best hope for a regional architecture would be a new triangle consisting of China, Japan, and the United States. Can these three be said to compose a new strategic triangle? Japan, as distinguished from the United States and the PRC, is not a nuclear power, and notwithstanding the presumption that it could very quickly become one, there are reasons to doubt that it will choose to do so unless national security is seriously jeopardized. Despite having a far from negligible military capability and one of the world's largest defense budgets, Japan is constitutionally defined as a new type of pacifist state, by definition not a strategic actor. At the same time, despite its recent difficulties, it is the region's dominant economic power. Though Japan brandishes a small but well-trained and high-tech Self Defense Force (SDF), any attempt to use it, even in peacekeeping operations that appear consonant with its mission, tends to occasion such intense domestic and regional controversy that it is hard to imagine how Japan could play a

strategic role in any conventional sense. Under the circumstances, Japan's only triangular option is to minimize contradictions with and between both sides. Yet although these three countries have different mixes of national power and role conceptions, it seems reasonable to contend that they are now the dominant powers in the region and share the capacity to restructure the region's strategic architecture. It is no accident that both Nixon and Kissinger, during their "private" visits to Beijing in the fall of 1989, suggested restructuring the triangle to include Japan—though it is unclear exactly what they had in mind.

Throughout the period of the Sino–Soviet alliance (1951–1981), Beijing's stance vis-à-vis Tokyo seems to have varied in its relations with the two superpowers, making the Sino—Japanese—American triangle a function of the Sino—Soviet—American triangle. During the 1950s, when China was aligned with the Soviet Union against the United States, China vehemently opposed the Japanese–American Security Alliance (JASA); this opposition continued through the 1960s, despite the rising salience of the Soviet threat, presumably due to continued Chinese preoccupation with the U.S. threat, for example, in Vietnam. In the wake of the Sino-Soviet border clash and the ensuing opening to the United States (followed by diplomatic normalization with Japan in September 1972, well ahead of normalization with the United States), China lapsed into silence on the JASA and by the end of the decade was encouraging Japan to increase its defense spending.¹¹ With Sino–Soviet normalization back on the agenda, China no longer had any perceived need to mobilize Japanese antagonism to Soviet hegemonism, as China again came to view Japanese arms spending as a threat. When in 1987 Nakasone raised the SDF budget above the 1 percent limit, Deng Xiaoping criticized this as a sign of Japanese militarism. The Chinese have repeatedly pointed out that Japan ranks third in the world in defense expenditures, without noting that this is a distant third (the amount was only U.S.\$39.2 billion in 1989, for example, compared with \$290.3 billion for the United States and a reported \$229 billion for the Soviet Union) or that estimates of Japan's expenditures vary with the exchange rate, so that a 20 percent rise in the value of the dollar would drop Japan back behind England and France.¹² China was sharply critical of both the expanded guidelines for Japan's defense responsibilities in the region

announced in 1996–1997 and the planned cooperation with the United States to develop a Theater Missile Defense. Beijing has not yet opposed JASA per se, preferring that to Japan’s development of an independent force projection capability, but it would prefer to minimize Japanese–American strategic cooperation. The PRC’s underlying concern is Japan’s relationship with Taiwan, a colony for some fifty years that has remained closely tied to Japan economically; however, although the first announcement of the expanded interpretation of JASA came within a month of the March 1996 Sino–American Taiwan Strait confrontation, the original impetus derived from friction that developed when Washington was considering how to implement a blockade of North Korea for its refusal to permit International Atomic Energy Agency inspection of a suspected nuclear weapons facility in 1993.¹³ To what extent such complaints reflect serious Chinese concern, in view of the fact that as of now it is China, not Japan, that boasts a nuclear strike force capable of destroying much of Japan, while still maintaining the region’s largest (if not the most modern) conventional army and air force, it is hard to say. In any case, criticism was temporarily muted in the aftermath of Tiananmen, when Japan was China’s only advocate among advanced industrial democracies, and it reappeared only after the succession of Jiang Zemin in 1997. There is no question that China is increasingly wary of what they view as Japan’s growing international assertiveness; they even expressed reservations about Japan’s decision to deploy SDF troops and ships for the first time out of the region to help in the post–September 11 American offensive against the Taliban regime in Afghanistan.

Though it is clear in the wake of the AFC that these are the three dominant powers in the region, that does not necessarily make their relationship “triangular.” Characteristic of a triangle is that all bilateral relations are contingent upon relations with the third power. This gives triangular diplomacy a mixed paranoid—seductive tinge, as each power tends to fear hostile collusion by the other two while at the same time attempting to seduce one of them into collusion against the third. This triangular dynamic seems to have first become manifest in Sino–Japanese–American relations after the end of the Cold War, inasmuch as these relations had in a sense guaranteed both the Japanese–American and the

Sino–American friendships by providing side payments and a strategic target against which both could concert, and the removal of that guarantee has made all three relationships more open ended. This became visible, for example, in the rather reserved Chinese reaction to the possibility of a Russo–Japanese territorial settlement momentarily excited by the Hashimoto–Yeltsin “tieless” summit or even, more clearly, in the deliberate Chinese exclusion of Japan from Sino–American summitry in June 1998. The AFC seems also to have stimulated a certain Sino–Japanese rivalry for financial patronage. The Japanese proposed an Asian Monetary Fund to make funding available to help underwrite the loans of insolvent banks in the crisis-affected countries. Both Beijing and Washington joined with the International Monetary Fund (IMF) in rejecting the proposal, which was promptly dropped. Beijing contributed some U.S.\$4 billion through the IMF and other channels to the afflicted economies and made a point of refusing to devalue its currency (as it had in 1994), thereby sacrificing export competitiveness for regional financial stability. Though arguments could also be made that devaluation was not in China’s interest, Beijing played up its role as a financial angel, in 1998, even (by threatening to reconsider its commitment not to devalue) inducing Washington to persuade Tokyo not to initiate a second wave of devaluations. This was perhaps China’s first participation in international financial policy making, and Beijing clearly appreciated the opportunity to displace Japan as regional savior of the afflicted countries in collaboration with the United States and the IMF.

Thus triangular “jealousy” has become tangible, despite efforts on all three sides to play it down. So far it has consisted of a politics of gesture, without any basic shift in the architecture of the relationship. That architecture is not triangular. Among the three participants, Japan is least likely to entertain the prospect of triangulation, simply because its options are so constrained: it cannot break from the United States because of the highly successful legacy of the Yoshida settlement (i.e., the United States provides for Japan’s security while Japan focuses on economics), yet at the same time it is obliged (by war guilt and historical tribute, not to mention current strategic vulnerability) to harbor good relations with China. Japanese–American ties, as formalized in JASA, remain fundamental in this

mix, despite occasional trade friction, qualifying any American attempt to form an exclusive partnership with Beijing; whereas either Washington or Tokyo may deviate at the margin (as when Nixon visited China without consulting Japan or when Tanaka recognized Beijing), neither would do so if that imperiled their bilateral relationship. There is good reason why the Sino—Japanese— American triangle has thus far been limited to a politics of nuance. Any basic shift of the configuration—for example, Tokyo’s abandonment of JASA to form an Asian partnership with the PRC or a shift in Washington from reliance on Japan to reliance on China—brings more risk than conceivable gains. Among the three, these powers now control one of the largest trade and investment flows in the world and about half the world’s production, and any triangular permutation that risks polarization could thus be very costly. The outlook for at least the foreseeable future is hence that of a delicate quasi-ménage à trois, complete with coquetry and petty frictions, rather than any economically disruptive triangular polarization (two against one).

Cooperation without Institutional Integration

If in the security field we find few formal structures and an incoherent alternation between two different informal triangular logics, in economics we also find very little movement toward formal institution building. The first economic mechanism including the Northeast Asian states was the Pacific Economic Cooperation Conference (1980), which consisted of the business elite. In 1989, the Asia Pacific Economic Cooperation (APEC) forum was organized at the instigation of Australian prime minister Robert Hawke, and it has been mainly preoccupied with phased tariff reduction, even after Clinton introduced APEC summits in November 1993 at Seattle. APEC introduced the concept of “open regionalism,” meaning that whatever tariff reductions or trade agreements were reached internally would also be applicable throughout the World Trade Organization on a most favored nation basis. APEC, of course, transcends Northeast Asia, including not only Southeast and South Asia, but also the United States, Canada, and much of the Pacific coast of Latin America. This was even more the case for ASEM, also sponsored by ASEAN to discuss trade issues. In view of concerns about a loss of regional focus, Malaysian prime minister Mahathir Mohammed introduced the exclusively Asian East Asian Economic Caucus (EAEC) in 1990, but in the face of American objections this idea went nowhere. As noted above, the same held true with the Asian Monetary Fund. ASEAN Plus Three comprises essentially the same membership as the EAEC, and within that China has proposed a free-trade agreement (FTA) with ASEAN (i.e., ASEAN Plus One), later to be extended to South Korea and Japan; the prospects for such proposals are still uncertain. No subregional association (i.e., specifically for Northeast Asia) has yet been formed, aside from the “Plus Three” get-togethers on the margins of the ASEAN Plus Three meetings. Two sub-subregional economic groupings have emerged, or what Sca-lapino calls NETs (natural economic territories): the Yellow Sea Economic Zone, consisting of South Korea, Japan, and China’s Liaoning and Shandong Provinces, and the Tumen River Area Development Programme, initiated by the United Nations Development Program with a very modest \$3 million feasibility study and involving China, North and South Korea, Russia, and Mongolia.

In Northeast Asia NETs have, however, been hindered by security considerations, as a result of which progress has thus far been less than impressive.

In view of the elliptical quality of formal economic organization in North-east Asia, the possibility is worth investigating that, as in the case of security, informal organization may fill the breach. Market-based growth has certainly been vigorous in this region, and all of these countries (with the exception until very recently of North Korea) have endeavored to implement industrial policies, especially to promote high-tech and export industry. But the region is still rife with old ideological suspicions and new (or even older) nationalist rivalries, and markets are not in themselves necessarily internationally coherent organizations. What are the political implications of markets? Do markets impose a hierarchy? Leadership may emerge in a market, in the form, say, of particularly successful firms (“market leaders”), but can a nation-state derive political benefit from market building? There has thus been discussion, for example, of “locomotive regionalism,” in which a leading state becomes the focus of much of the commerce, technology, and finance in the region.¹⁴ But who is the locomotive of Northeast Asia? Katzenstein has suggested that in East Asia the organization of markets has taken not one but two forms: Japanese and Chinese.¹⁵ The Japanese system is systematic and state led, as it downloads more labor-intensive industries to former colonies while retaining capital- and technology-intensive industries at home, along with the managerial and financial service sector, a “flying geese” pattern based on product cycle theory.¹⁶ This pattern expanded vigorously following the 1985 Rockefeller Plaza accord reached with the United States to revalue the yen, which drove the prices of Japanese exports out of the market and forced Japanese industry to invest in less-developed countries with lower wage rates and deflated currencies. Thus Japan invested heavily in the late 1980s and early 1990s in Southeast Asia and in the late 1990s (amid the AFC) in China, where wages were low and the currencies were pegged to the dollar. Because Japan did not have the consumer markets to absorb the finished products, however, this created a production chain culminating in North American markets and creating a persisting imbalance of payments with all of Japan’s trading partners. When many of the smaller client states

faced disaster in 1997–1999 as a result of the dollar rising against the yen and undermining Southeast Asian export competitiveness, Japan was in no realistic position to help because of its own dangerously overextended banking sector. Japan could not be a competent locomotive.

The Chinese pattern is more informal, based on investment flows from the overseas Chinese business sector into China, which is essentially part of the vast expansion of the influx of overseas remittances that began with the inauguration of reform and the opening at the Third Plenum of the Twelfth Party Congress. The overseas economy ranks fourth in the world in financial importance, comprising a majority share of financial and industrial assets of Southeast Asia with a total GDP larger than that of the PRC as of 1990. Since the mid-1980s, some four-fifths of the contracted investment and two-thirds of the realized foreign direct investment (FDI) in the PRC is estimated to have come from the regional business networks that link Hong Kong, Taiwan, and Southeast Asia with the PRC. Though part of a molding of “greater Chinese” national identity analogous to the way the flow of Japanese FDI has led to the growth of a “yen bloc,” the financial dynamics of Chinese economic regionalism are quite different. China is an even less adequate locomotive than Japan, as much of its investment capital, particularly in the most value-added sectors, is imported. Whereas the Japanese pattern allocates capital in the form of developmental loans and grants as well as private FDI from the national center to its client states and hopes to realize some “profit” from its “investment,” the PRC is the passive recipient of incoming investment, which flows from a wide stratum of overseas Chinese investors acting voluntarily for private gain. Certainly, it is true that Chinese growth is more independent of Japanese financing than that of the newly industrializing countries (NICs) or the Southeast Asian economies. But the flow of overseas Chinese capital is not necessarily opposed to Japanese financial strategy and may even coexist peacefully with the flying geese formation—after all, the Japanese are also big investors in China. Japan invests in Taiwan or Hong Kong as well, who in turn invest in China. The greater Chinese international network is also smaller than the Japanese, as Japanese GDP (as of 1990) comprised 73 percent of the combined GDP of all East and Southeast Asian countries, though the growth momentum seems to have shifted in the 1990s to the

Chinese side. Though not necessarily incompatible, what is interesting about these grand designs for economic integration from our current perspective is that both are focused beyond the region, moving south, as if the prospect of integration within the region had been tacitly abandoned and the rivalry projected outward.

From a strictly economic perspective, the available evidence suggests that regional integration is progressing well. Cold War Asian trade was dominated by heavy bilateral trade between Japan and South Korea on one hand and North America and its markets on the other, essentially reflecting the hub-and-spokes security system. The post-Cold War pattern is for this to diminish in favor of intraregional trade. Intraregional exports among East Asian countries accounted for 49.5 percent of total East Asian trade in 1994, up from 30.9 percent in 1986, while the trade dependency of East Asia on the United States fell from 34 percent to 22.8 percent over the same time span; if imports are included, intraregional trade in East Asia exceeded 50 percent by 1995. Throughout the 1985–1994 decade, exports to Northeast Asian markets expanded about twice as fast as exports to the American market. Japan still relies more on the U.S. market than on Northeast Asia (28.1 percent vs. 24.4 percent as of 1997), but China, Hong Kong, South Korea, and Taiwan now rely more heavily on Northeast Asian markets than on the United States (though the trend for Chinese exports is the reverse, exports to the United States having grown from 8.5 to 17.7 percent over that time span). By the year 2000, the United States and Japan were China's first and second trade partners and the United States and China were Japan's first and second trade partners, while the first and second trade partners of the United States were Canada and Mexico, beneficiaries of NAFTA. With regard to investments, by 1993, 72.4 percent of foreign investment in East Asia was from within Asia, while only 9.6 percent was from the United States. Within the region, the flow of FDI is from Japan to the NICs (South Korea, Taiwan, Hong Kong) and from the NICs into China. In the emerging regional division of labor, Japan provides funds, technology, and advanced products as well as a significant market for raw materials and consumer commodities; the NICs provide upstream manufacturing capacity for intermediate equipment and processing technologies and are major consumers of raw materials; and China serves as

a recipient of FDI, a supplier of raw materials, textiles, and light manufactures, and a growing market for consumers goods.

The preoccupations driving integration have changed dramatically in the past decade: whereas integration was once ultimately propelled by the Cold War, since the end of the Cold War integration has been a solution in search of a new problem. Initially it seemed plausible that market demand was self-sustaining, as falling political barriers opened new markets in the 1990s and regional trade and investment boomed. Yet the market proved double-edged: although trade and investment flows helped to integrate the region, it was also one of the factors accounting for the virulent financial contagion that characterized the AFC. The AFC had a profoundly disconcerting impact on the region's foreign and economic policy makers, who resolved never again to permit such a financial collapse followed by abject reliance for financial rescue on the IMF (whose rescue package was considered misconceived). While the war on terrorism became Washington's foreign policy pole star after September 11, its impact in the region could never rival the seismic aftershocks of the AFC. Yet the existing financial infrastructure—APEC, ASEAN, and the Asian Developmental Bank—did not rise to the occasion. The failure of the AMF did not mitigate the need for some sort of regional institutional infrastructure, an infrastructure needed if only to coordinate periodic adjustments of exchange rates to rectify chronic trade imbalances.¹⁷ A first step was agreed upon in the Chiang Mai Initiative, the ASEAN Plus Three's main achievement to date, though each country has committed only a few billion dollars and the commitments are hedged. The patent inadequacy of this package has stirred interest in a Pan-Asian FTA, or in reviving the AMF; more realistic short-term outcomes might include a permanent secretariat for the ASEAN Plus Three, or an Asia-wide FTA (AFTA). Amid the controversy that has hobbled multilateral solutions, so far the main institutional spin-off of the AFC has been a host of bilateral FTAs, bringing the international equivalent of market deregulation; an FTA has been proposed between Japan and Korea, later to include China,¹⁸ but most of the FTAs actually implemented have been with extraregional trade partners (between Singapore and Japan; between Japan and Chile, Japan and Canada, and Japan and New Zealand; and between South Korea and Mexico and South Korea and Chile). That is

partly because the region is not only “soft” (lacking in interstate institutions) but also already “open” (to extraregional trade), and partly because the region’s leaders are economic competitors with limited economic complementarity.

Integration and Its Exceptions

The only two nations in the world riven by the Cold War to remain divided upon its conclusion, China and Korea, are in Northeast Asia. In the West, the destruction of the Berlin Wall was the synecdoche for the reunification of Europe, which in turn became a defining epitaph for the end of the Cold War. This reintegration symbolized the trends that have been widely assumed to characterize the post-Cold War international system: globalization, liberalization, and nationalism. Thus Germany was reunified by nationalism, just as nationalism precipitated the fragmentation of Yugoslavia and Czechoslovakia, then the Soviet Union, along Wilsonian lines of national self-determination. Where are such trends in Northeast Asia? Certainly there is no lack of evidence of nationalism in the region, as expressed in the Chinese outrage over the 1999 NATO bombing of the Chinese embassy in Belgrade, the construction of a lighthouse on the Diaoyu/Senkaku Islands by Japanese patriots, or the brouhaha over Yasukuni shrine visits and history texts for Japanese schoolchildren. At the same time, these countries were among the foremost exploiters and beneficiaries of globalization, having pushed an export-led development model to unprecedented growth rates. Although there is admittedly one key difference remaining between East and West in that Communism has not collapsed in China, North Korea, Vietnam, or Laos, Marxist ideology has been deradicalized and Communist foreign policy derevolutionized to such an extent that by the 1990s the United States had renounced its containment policy against Communism in favor of a policy of “constructive engagement.”

Inasmuch as the same policy currents that waft over Western Europe have appeared in Northeast Asia, to what extent might one expect analogous consequences to materialize? There are two ways in which the Korean and Chinese cases might develop so that they may be said to conform to post-Cold War political globalization. The first and perhaps most obvious scenario would be for the Chinese and Korean nation-states to reunify, bringing the nationalist entelechy to its natural conclusion. The second possibility, rationally justifiable in terms of length of time spent

apart (at least half a century) and current organization along quite disparate political–economic lines (democratic capitalism vs. Leninist dictatorship with marketization), would be for the two divided states to formalize their divisions, adopting what before 1989 was the German solution: one nation, two separate states, each with equal claims to sovereignty in the international arena.

Yet neither of these scenarios has come to pass. Instead, formally speaking, both nations have remained frozen in a status quo in which all four states (China, Taiwan, North Korea, and South Korea) are sufficiently autonomous to claim and largely to practice international sovereignty, but none of them fully accept that status. In the Korean case, the North has long endorsed a united Republic of Koryo, while denouncing and seeking to prevent the South from gaining recognition as a separate state; South Korea has in the past expressed somewhat greater interest in permanent division, but remains officially committed to reunification along democratic lines. Both have meanwhile been accepted into the United Nations and have gained widespread diplomatic recognition in the international arena. In the Chinese case, both sides agreed throughout their first four decades that there was but one China in the world and each claimed to be its exclusive legitimate representative, while trying to persuade all other nations to recognize its claim and not to recognize its rival. When, by the end of the 1980s, the competition for international diplomatic recognition had been essentially won by the PRC, Taiwan unilaterally dropped its claim for exclusive sovereignty and recognized the legitimate jurisdiction of the PRC over the mainland, at the same time continuing to compete for diplomatic recognition of a “one country, two states” model in which it declared itself ready to have relations with all states, without demanding that they renounce their relations with the PRC. Beijing refused to follow suit, with the result that the PRC became widely considered the only China and Taiwan became a de facto separate state that was, however, relegated to a lower, unofficial international status. Yet at the same time, economic ties between Taiwan and the mainland, offered by the Chinese in the early 1980s to encourage economic integration, have met with great success, as both cross-strait trade and cross-strait investment have increased more rapidly than domestic growth on either side of the strait. And although

Taiwan has in the course of its democratization and indigenization (*bentuhua*, often called Taiwanization) in the 1980s expressed increasing interest in independence, its formal status remains the “Republic of China,” and it remains constitutionally committed to reunification with a democratic mainland.

Everything changes, everything remains the same, one is tempted to conclude, and yet there have been major changes in the status of the divided states. The biggest difference is that, during the Cold War, both were more or less locked into a bipolar or triangular structure, and since the end of the Cold War they have both been unshackled. The outcome has been in some ways like unchaining Prometheus, in others more like opening Pandora’s box. No longer locked into an alliance system, both divided nations have had greater room to maneuver, as indicated by North Korea’s attempted development of nuclear weapons or by the rise to power of Taiwan’s DPP, the partisan offspring of the Taiwan independence movement. At the same time, expectations (and pressure) are heightened by the dramatic transformation in Europe. In both cases there is great pressure for change, although the nature of the pressure varies considerably. In the Korean case, the unilateral Soviet and Chinese redefinition of their economic commitments from socialist fraternity to free-market trade relationships at the beginning of the 1990s, coinciding as it did with both former patrons’ diplomatic recognition of the South Korean regime, seriously undermined both the economic and the security bases of the Pyongyang regime. While the economy went into a tailspin, the regime ignored that and focused on the security gap in the form of a crash nuclear-weapons and missile-development program. This was accompanied by a diplomatic campaign to break out of the ostracism of Nordpolitik, courting first Japan then the United States and finally culminating in a summit meeting with South Korean premier Kim Dae Jung. Though seriously imperiled by patron abandonment and an ensuing economic nosedive, the Pyongyang regime was thus able through unprecedented political gyrations to survive for at least the foreseeable future.

The Chinese case, though far more asymmetrical than the Korean in terms of size and raw power, has been perhaps more balanced in terms of relative disposable assets. During the second stage of the Asian Cold War,

after China had broken with the USSR, establishing a triangular counterbalance with the support of the United States, Beijing was able to escalate its strategic value above that of Taipei, with the result that the diplomatic contest for international recognition was essentially decided by the end of the 1970s. At the same time, Beijing introduced a new, far more attractive set of initiatives to resolve the Taiwan Strait impasse—the “three links” (i.e., direct postal, air, and shipping services) and the “one country, two systems” model—guaranteeing Taiwan a high degree of autonomy upon reunification. With the collapse of European Communism in the final act of the Cold War, however, Beijing’s strategic importance sank, while Taiwan’s democratization made it more ideologically palatable internationally, and Taipei launched a countercampaign to regain international legitimacy. Though this did not alter the structural power imbalance to Taiwan’s advantage, it did apparently sufficiently unnerve Beijing that in 1995–1996 it abandoned its concessionary policies and resorted once again to the threat of violence, in the form of military exercises and cross-strait missile shots. Under the circumstances (the U.S. Navy supported Taiwan and Beijing had to back down), this neither curtailed Taiwan’s interest in independence (as later expressed in the 1999 “two states theory”) nor improved China’s public image abroad.

These two divided states are the region’s least stable elements, and the pressure for them to resolve their status is likely to increase as the rest of the region consolidates. A resolution might take any of three forms. The first possibility is a “Vietnamese” solution—the side that is stronger and more aggressive successfully attacks the side that is weaker or more passive, thereby resolving the issue through annexation. Though the 1995–1996 exercises demonstrated that this option has not been forsaken, it seems unlikely for the foreseeable future, if only because of the clear military superiority of U.S. forces (which are committed to “peaceful” resolution) to any putative invasion force. The second possibility is formal division resulting in four separate states, each with full international diplomatic rights. This is patently unacceptable for at least one side of each pair; whether it would be acceptable to the international community under these circumstances seems dubious. The third possibility is reunification under some arrangement that guarantees the rights of the populace of the weaker

side, perhaps by internationalizing the issue in some way. Such a compromise could well be unacceptable to one side or the other of the split nation involved, either as an abuse of human rights or as an infringement of national sovereignty.

CONCLUSION

Northeast Asia has emerged since the Cold War as one of the most economically powerful regions in the world, yet the sense of regional consciousness is still weak and the institutional infrastructure tenuous, while the ideological distinctions, though of diminished credibility, sow seeds of suspicion. The security context is that of a classic balance-of-power, self-help system with reciprocally rising arms budgets and no confidence-building measures or institutionalized multilateral forums for the resolution of volatile issues. In terms of informal economic integration via trade and investment networks, progress has been made, though each of these states upholds a strict distinction between economics and politics (Marx notwithstanding). To put it in stark outlines, the region consists of eight states that may be classified into four great powers (China, Russia, Japan, and the United States) and four small to medium powers (South Korea, North Korea, Taiwan, and Mongolia). Before looking at the relationship between great powers and small powers, let us consider the relationships among great powers.

In many respects, the relationships among the four great powers represent a continuation, in less confrontational form, of the Cold War alignment: two against two. On the one hand we have China and Russia, who have defied all contrary expectations to forge a strategic partnership of considerable mutual utility and apparent strength. The territorial dispute has been successfully resolved and, though the 2001 Friendship Treaty is a limited liability accord rather than an alliance, it does symbolize the strength of the assiduously crafted and well-maintained bilateral ties. The ideological differences have been mitigated by the hitherto unenviable results of the Russian systemic transition, allowing the partnership to thrive in an afterglow of nostalgia. Japan and the United States remain partners to the strongest bilateral alliance in the region, and although trade friction has periodically roiled relations, both are capitalist democracies, and the alliance has grown stronger since the termination of the Cold War and the simultaneous disappearance of the Japanese challenge to U.S. economic hegemony. In terms of both ideological affiliation and security commitment, as well as the distribution of deeply rooted issue disputes (e.g., territorial

differences between Japan and Russia, Sino–American friction over Taiwan, conceptually distinctive notions of human rights), the “two vs. two” momentum is quite well established. To be sure, the polarization between the two dyads has been appreciably reduced since the Cold War. China’s guiding ideology no longer prescribes the export of revolution but of “reform,” and Beijing also draws upon a legacy of quasi-alliance with the United States during the decades of the strategic triangle; Russia defines itself as a geopolitical swing state with a long-term commitment to Western values. The distribution of trade and investment is now based primarily on market rather than security considerations, which over time could bring about the redistribution of vested interests and hence perhaps redefine the line of cleavage.

Whereas relations among the four great powers are hence stable and steadily improving, the relationship of the smaller powers to the big powers has changed significantly since the end of the Cold War. After decades of lockstep cooperation with the Soviet Union, Mongolia has benefited from Sino–Russian reconciliation, which has permitted it to become for the first time truly free and autonomous, its tiny free-market democracy shielded from the economic juggernaut to the south. For Taiwan and the two Koreas, the salient issue since the collapse of the bamboo curtain has become reunification. During the Cold War, the question remained in effect frozen for the duration—nationalists on either side of their respective borders might not agree, but the bipolar international structure in which the division was imbedded was simply too strong for reunification to be considered a feasible option. After the collapse of the Iron Curtain, the divided nations were able to break out of their opposing alliance structures, only to encounter a bewildering array of new opportunities and risks. While the mainland Chinese, enjoying the upsurge of growth that accompanied successful reform, made concessionary reunification proposals to Taiwan, the DPRK’s suddenly catastrophic economic situation led them to take a more suspicious stance toward unification prospects. The two capitalist regimes in the south, Taiwan and South Korea, initially pursued analogous policies of political realism: without foreclosing the eventual prospect of reunification, both moved toward the German model of “one nation, two states” with initial formal recognition of the division of sovereignty. This

succeeded in the case of Korea, as both the North and the South were admitted to the UN General Assembly in September 1991, but the PRC blocked Taiwan's bid for either dual recognition ("flexible diplomacy") or representation in international forums ("UN diplomacy"), using its now much stronger international position to isolate Taipei diplomatically while engaging it economically. Thereafter, the tactics of the two rivals tended to reflect the relative balance of power. In the Pyongyang—Seoul contest, the South, from a vastly superior economic position, adopted a concessionary "sunshine policy" toward the North, while Pyongyang, dangerously near to developing deliverable nuclear weapons despite a collapsing economy, tried to avoid a strictly bilateral deal, rebuilding its contacts with the East (frequent meetings with both Jiang and Putin, a 2001 Friendship Treaty with Moscow) while luring in the West with a combination of blackmail and conciliatory gestures and pursuing dilatory tactics toward the South. In the Taiwan Strait case, the mainland tried to keep the issue strictly bilateral, increasingly fearful, however, that after fifteen years of economic integration plus diplomatic isolation the island was moving toward independence. Beijing reverted in the mid-1990s to military coercion, as a result of which talks collapsed, and Taipei moved back into Washington's embrace. In sum, the divided nations, having become obsessed with the riddle of unfinished national identity, became "free radicals," threatening the delicate equilibrium of a region increasingly awash in economic and public opinion markets, all of which gives an anomalous structure to the emerging Northeast Asian regional order. On the one hand, we have a relatively stable and balanced cleavage between great powers, who are essentially content with the status quo (with some minor adjustments), while on the other we have two isolated trouble spots, where actors are ambivalent about but, in principle, committed to radical change. The two trouble spots tend to be isolated not only because of the difficulty of arriving at mutually compatible and just solutions but for quite practical reasons relating to system equilibrium.

What has been the impact of the events of September 11 on Northeast Asian politics? The major immediate impact of course was on American foreign policy. The United States, as a target of the most lethal foreign assault in its history (more casualties than Pearl Harbor), attempted not only

to lash out at the Taliban regime in Afghanistan that harbored Al Qaeda, but also to define the attack as an “act of war” (rather than a violation of international law) and declare a “war on terrorism,” conceived as the sustained, focal *raison d'état* guiding U.S. foreign policy efforts in much the same way that anticommunism provided a focus for American foreign policy during the Cold War. The historically unusual (and no doubt temporary) preeminence of the United States in world affairs at the dawn of the twenty-first century has obliged other countries to define themselves in relation to this declaration. For as long as terrorism had an empirical locus in the form of a national regime willing to bear responsibility for harboring identified terrorists, as the Taliban regime showed itself to be by refusing to extradite Osama bin Laden and the Al Qaeda network then based on its territory, this conceptualization proved useful in coordinating international efforts. Washington proceeded to secure UN support, put together a broad and eclectic international coalition willing to provide basing rights, troops, and other facilities, and to proceed with air attacks on Afghanistan as early as October 7. But since the surprisingly swift collapse of the Taliban regime in late January 2002, it has been more difficult to sustain that focus. This has particularly been the case in Northeast Asia, which had no demonstrable involvement in the events of September 11 and relatively little experience with the form of militant Islam that motivated the attacks. Concentrated Islamic populations pose only localized threats to two countries in the region, Russia and China, in Chechnya and Xinjiang, respectively. Yet the American reconceptualization of international relations has had its impact. Whereas before September 11, Washington’s initiative under the incoming George W Bush administration had in a number of ways contributed to greater polarization among the powers of the regions, after September 11 the configuration shifted from two against two to four against terrorism. With obvious relief, the leaders of both Russia and China made both public statements of support and personal sympathy calls to Washington, and were in fact quite helpful in moving against the Taliban. But in the absence of a consensually agreed upon national incarnation of terrorism after the collapse of Afghanistan (neither Moscow nor Beijing has supported hostilities against the “axis of evil”—Iran, Iraq, and North Korea—postulated in Bush’s January 2002 state of the union address), this new unanimity may prove superficial and fleeting. Inclusion of a highly sensitive

North Korean regime in the “axis” in an apparent effort to apply pressure against further development of WMD has proved particularly problematic, generating little regional support. Under the encompassing tent of antiterrorism, the old national rivalries endure, while the American commitment to multilateralism has not, and there has been persisting unease that Washington’s policies are animated by national rather than regional interests. For its part, Washington suspects the region has been more preoccupied with recovery from the AFC and regeneration of sustained economic growth than with terrorism.

In sum, although Northeast Asia is a region that finds itself still in the early stages of the long march toward institutionalized regionalization, there is a rough balance among the great powers, while the lesser powers, though more ambitious and unpredictable, have been sufficiently prudent in their options (or constrained by international circumstances) to warrant cautious optimism about the future. The region is emerging as the world’s dynamo, containing both its most advanced economies and its largest and most rapidly developing ones. There is hope that through the extension of informal regional production networks and economic integration the divided nation problem can eventually be resolved and that many of the political rivalries and strategic insecurities will over time become more manageable.

NOTES

I wish to thank Sam Kim for his suggestions on an earlier draft of this paper, and the Center for Chinese Studies at the University of California at Berkeley for research funding.

1 See Bruce M. Russett, *International Regions and the International System: A Study of Political Ecology* (Chicago: Rand McNally, 1967); and Dalchoong Kim, "Prospects for a Multilateral Security Arrangement in Northeast Asia," in *Integration and Disintegration in Europe and Northeast Asia*, ed. Ku-Hyun Jung et al. (Seoul: Institute of East and West Studies, Yonsei University, 1994), 89–101.

2 Samuel Kim, "China, Japan, and Russia in Inter-Korean Relations," in *Korea Briefing, 2000–2001: First Steps Toward Reconciliation and Reunification*, ed. Kongdan Oh and Ralph C. Hassig (Armonk, N.Y.: Sharpe, 2002).

3 See Hedley Bull, *The Anarchical Society: A Study of Order in World Politics*, 2d ed. (New York: Columbia University Press, 1995), chapter 1.

4 See Paul Pierson, "Increasing Returns, Path Dependence, and the Study of Politics," *American Political Science Review* 94, no. 2 (June 2000): 251 ff.; and Akos Rona-Tas, "Path Dependence and Capital Theory: Sociology of the Post-Communist Economic Transition," *Eastern European Politics and Societies* 12, no. 1 (Winter 1998): 107–32.

5 Sergey Sevastyanov, "The Russian Far East: Economic and Political Factors Influencing Regional Stability and Security after Yeltsin" (paper presented to the annual meeting of the International Studies Association, Hong Kong, July 26–29, 2001).

6 Author interviews with Li Jingjie, director of the Institute of East European, Russian, and Central Asian Studies, Chinese Academy of the Social Sciences, Beijing; Jin Canrong, research fellow, Institute of American Studies, Chinese Academy of Social Sciences; Li Zhizhao, Institute of Siberian Studies, Heilongjiang Provincial Academy of Social

Science, Harbin; Feng Shaolei, director, Russian Studies Center, East China Normal University, Shanghai; George Zinoviev, deputy representative, Representative Office in Taipei for the Moscow–Taipei Economic and Cultural Coordination Commission; and others.

7 See Etel Solingen, *Regional Orders at Century's Dawn: Global and Domestic Influences on Grand Strategy* (Princeton, N.J.: Princeton University Press, 1998); and E. Solingen, "Regional Institutions and Cooperation: A Coalitional Approach" (paper presented at the International Studies Association meetings in Hong Kong, July 26–28, 2001).

8 See Gregory Gleason, "Inter-State Cooperation in Central Asia: From the Commonwealth of Independent States to the Shanghai Forum," *Europe–Asian Studies* 53 no. 7 (November 2001): 1078–97.

9 See Tim Huxley, "ASEAN's Role in the Emerging East Asian Regional Security Architecture," in *Fragmented Asia: Regional Integration and National Disintegration in Pacific Asia*, ed. Ian Cook, Marcus Doel, and Rex Li (Brookfield, Vt.: Ashgate, 1996), 29–53. Other Track II groups include the Western Pacific Naval Symposium, the Northeast Asia Cooperation Dialogue, and the Northeast Asia Economic Forum.

10 Lacking a secretariat, ARF finds its institutional center of gravity in ASEAN, which provides the rotating chair for the annual working sessions and for meetings of senior officials, as well as secretarial support and the cochairs for all intersessional activity, thereby in effect setting the agenda. Michael Leifer, "Regional Solutions to Regional Problems?" in *Towards Recovery in Pacific Asia*, ed. Gerald Segal and David Goodman (New York: Routledge, 2000), 108–18.

11 In 1980, China's deputy chief of general staff, Wu Xiuqian, intimated to Nakasone that Japan should increase its defense spending to 2 percent of GNP. Reinhard Drifte, *Japan's Foreign Policy* (London: Routledge, 1990), 52.

12 Whiting and Xin, "Sino–Japanese," 107–35.

13 Frank Langdon, “American Northeast Asian Strategy,” *A Triad of Another Kind: The United States, China and Japan*, ed. Ming Zhang and Ronald Montaperto (New York: St. Martin’s, 1999), 2.

14 See Charles F. Doran, “The United States, Japan, and Korea: The New International Political Economy,” in *The Changing Order in Northeast Asia and the Korean Peninsula*, ed. Manwoo Lee and Richard W. Mansbach (Boulder, Colo.: Westview, 1993), 47–67.

15 See Peter J. Katzenstein et al., *Asian Regionalism*, Cornell East Asian Series, no. 107 (Ithaca, N.Y.: Cornell University Press, 2000).

16 The durable analogy of “flying geese” was introduced in 1932 by Japanese scholar Akamatsu Kaname to characterize the division of labor within Japan’s “Greater East Asian Co-Prosperity Sphere.”

17 Kevin G. Cai, “The Political Economy of Economic Regionalism in Northeast Asia: A Unique and Dynamic Pattern,” *East Asia: An International Quarterly* 17, no. 2 (Summer 1999): 6 ff.; Kevin G. Cai, “Is a Free Trade Zone Emerging in Northeast Asia in the Wake of the Asian Financial Crisis?” *Pacific Affairs* 74, no. 1 (Spring 2001).

18 Proposed by Kazuo Ogura, Japanese ambassador to South Korea, in September 1998 and later echoed by Prime Minister Keizo Obuchi during his March 1999 visit to Seoul.