Northeast Asia's Stunted Regionalism

Bilateral Distrust in the Shadow of Globalization

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First deciding in favor of regionalism in general, each state in NEA faces the further challenge of accepting balanced relations in a region that will not be easy to control. Although Japan was the first to press for regionalism, South Korea has taken the lead in supporting regionalism for the new era. In 1998 Kim Dae-jung moved in this direction, and in 2003 Roh made this his goal. China shows signs of taking this position, but its domestic politics leave doubts. Russia under Putin is looking for regional balance, but that does not equate to trust in regionalism. Japan now holds the fate of regionalism in its hands. It has been slow to make up its mind. The most serious holdout is North Korea, whose actions along with those of the United States have put regionalism on hold. We should be watching the way Japan positions itself in the aftermath of the North Korean nuclear crisis to see if it decides to offer more support for the new regionalism and how China steers between the United States and the North while trying to improve ties with Japan.

Combining China, Japan, and South Korea at the core with eventual inclusion of other areas, from the eastern edge of Russia to North Korea, regionalism is taking shape in NEA after a rough decade of false starts and uncoordinated, if repeatedly refreshed, hopes. The process has been arduous because of the historical legacy in the region, the difficulty in building on truncated forces of globalization and localism, and domestic uncertainties in defining priorities at a time of resurgent nationalism. Examining the record of failure to realize regional goals in the transitional decade after the cold war, we can draw useful lessons on how regionalism in NEA can be fully realized. From the chronology of past efforts we discern that a drive for regionalism is likely to come from: 1) the extraordinary pace of intraregional trade and investment, driven of late by the dynamism of coastal China as well as the spillover from increased openness with entry into the WTO; 2) a backlash from assertive unilateralism by the United States, pressing down on nations anxious to gain foreign-policy leverage; 3) a common interest in stabilizing systemic change in North Korea and Sino-Japanese volatility; and 4) a shared competitive streak that recognizes the limited influence of each of their separate economies, along with the compelling benefits to be achieved from the larger scale and international recognition of a regional voice on economics first of all.

Why does regionalism matter to the nations of NEA? Obviously, it offers a means to stabilize security and establish an environment for peace and development. After the cold war this area of competing powers and divided countries still needs a framework to override its differences. Accelerating commercial linkages put pressure on policy makers to regularize ties that link their economies and enable them to work together smoothly. Yet, there is more to the case for the NEA region. The drive to regionalism is both a realistic response to the rise in U.S. unipolarity in financial markets, military power, information flow, high technology, and pop culture, and a plausible answer to a sudden eclipse of accustomed models of development. At a loss
due to the collapse of socialism, the decline of the old left, or the downfall of the Asian developmental state, many are grasping for another ideal. Nationalism has gained ground, but it does not serve national interests well. Regional integration offers an essential antitoxin to nationalism, creating the potential for transformation of national identity not just to idealistic global citizenry that still comes as a jolt to most communities but also to something closer at hand with roots familiar to nationalist boosters. In a world of overwhelming U.S. power, regionalism increases leverage, by pooling national interests. Moreover, regionalism offers a chance to restart decentralization, helping peripheral areas work together across national borders. Rather than localism becoming a driving force for regionalism, the opposite is likely.

Why had regionalism failed in the 1990s? In order of responsibility, we can find all countries at fault to varying degrees. One, North Korea has scorned any loss of control, playing WMD blackmail with reckless abandon. Two, Russia has feared economic integration, for which it was unprepared, and has treated most foreign investment badly. Grouped together at three through five, the order of which changes over time, China long put objectives linked to multipolarity above regionalism, raising suspicions; South Korea took a long time to appreciate how regionalism can shape the evolution of North Korea, while remaining suspicious of globalization; and Japan narrowly defined its pursuit of regional leadership and, when disappointed, became more cautious without winning Chinese or U.S. trust in its goals. Six, the United States suspected a potential brake on globalization, sending mixed signals. None of the six countries boosted trust in regionalism through its primary foreign-policy priorities. North Korea, Russia, and the United States to varying degrees, feared it, and the core countries, South Korea, China, and Japan, that must coordinate their support, were slow to work together, each suspecting that others would be at an advantage and all doubting globalization. If by 2003 China had become more supportive of regionalism and U.S. unilaterality gave new reason for backlash regionalism, the negative impact of North Korea was at its peak.

Globalization is a continuous process, but we can appreciate its acceptance most clearly by pointing to a series of challenges that faced all of the countries of NEA. Four snapshots of the past two decades reveal the multiple dimensions of the challenge. First, in the 1980s modernization models were widely debated in NEA with an emphasis on reforming the traditional socialist model and the developmental state model. Looming before this discussion was a standard of globalization calling for liberating individuals as consumers and economic organizations as competitors from the heavy hand of the state with the possibility of forging many links to the outside world. Important successes were achieved, starting with Deng Xiaoping's open door and household responsibility systems, Mikhail Gorbachev's glasnost and perestroika, South Korea's democratization, and Japan's embrace of the concept of internationalization if not all of its substance. Yet, each stopped far short of transforming an unbalanced model of modernization into sustained convergence with a global standard. Political reforms often strengthened interest groups defensive of elements of the old model. Ideologically charged backlashs rejected "spiritually polluting" elements of a perceived new model. There was no sustained commitment to carrying the transformation to its logical endpoint. Japan's confidence in the "bubble economy" and South Korea's image as the latest "economic miracle" now boosted by successful democratic transition relieved the pressure for change. Meanwhile, compromises with existing elites in China and the Soviet Union demanded limits on globalization. Old models were deeply embedded, posing lasting barriers to globalization.

Second, the end of the cold war and collapse of the communist bloc at the turn of the 1990s left globalization triumphant, prodding NEA states with some success (except North Korea) to embrace it further. Under U.S. leadership, the standard had shifted to human rights and international responsibilities. For Japan and even South Korea one test was how much of a leadership role would be assumed in integrating China and Russia into the global community. Not only did they fail to make substantial reforms in their developmental states to accelerate globalization, they also downplayed the human-rights objectives of enticing China in its post-June 4, 1989 isolation and Russia in its start-up amidst the wreckage of the Soviet collapse. Despite the fact in the mid-1990s Seoul trumpeted "globalization" to prove its coming of age as a new member of the OECD club and Tokyo announced the "big bang" reforms, neither challenged vested interests to aspire to global standards. Beijing and Moscow took opposite trajectories, as each one-sidedly advanced in one direction of globalization while anxiously building a dam to block other outside forces. The former forswore genuine democratic reform, while suspiciously dismissing global pressures on sovereign states beyond the economic sphere. The latter was even more fearful, protecting its deteriorating economy while denying the goodwill of global human-rights enforcement such as in the former Yugoslavia. Resisting global forces, the countries of NEA were also complicating their quest for regionalism.

Third, the Asian financial crisis brought a new wave of globalization that engulfed NEA but left many resentful and resistant to its full implications. Under duress, South Korea made the biggest leap forward. China also accelerated reforms of large enterprises, trying to divest many from state ownership. Japan's reforms, however, came very slowly, and Russia's default boosted protectionism more than openness. While old models were fully discredited, backing for new models came haltingly. Nonetheless, the burst of globalization that arose in NEA from the crisis of 1997–8 spurred regionalism forward. More conscious of the power of globalization, nations recognized how regional integration could both complement it and provide some balance.
Fourth, the war against terror was brought home to NEA first by the proximity of Central Asian operations and then by the nuclear standoff with North Korea. Russia took a sharp turn in foreign policy to support the United States, although in 2003 differences arose over Iraq and North Korea. Fearful of isolation and sharing a common enemy in Islamic radicals, China gave its assent to the war and then actively facilitated U.S.-North Korean talks, lowering its profile against strategic globalization. Especially, Japan opted to draw closer to the United States in 2003, finding that in the face of a nuclear threat gaining independent leverage could not be a primary concern. The new South Korean president Roh Moo-hyun also edged closer to the United States after riding a wave of anti-Americanism to victory that threatened to leave his country exposed to a sharp drop in foreign investment and grave concerns about security. Yet, all were disturbed by the unilateral way the United States had led the region into the crisis. The rising tide of globalization on security came with strong signs of a backlash as soon as the nuclear standoff is resolved. World integration is not enough for nations steeped in the logic of boosting national influence and limiting dependency.

National Identities Prevail over Economics and Security

By now it is clear that globalization exacerbates feelings of insecurity, especially in countries and among groups that fear substantial losses. All of the countries of NEA face wrenching changes to the model of development with which they succeeded in the postwar and began the 1990s. South Korea kept its model producing high growth rates longer than Japan, and China fared dramatically better than Russia and North Korea, but even these two countries are deeply alarmed about the economic and cultural impact of globalization. Accelerated global integration with more to come has fueled insecurity, driving nations toward regionalism but keeping them from finding a joint path toward it. After all, exclusive nationalism leads only to regionalism hostile toward globalization, which is not a viable option in a region of such cultural distrust, so dependent on export-led growth focused on the United States, and desperate for massive injections of foreign capital to advance the projects that symbolize its integration. In order to proceed regionalism must steer a narrow path between the crossing swords of nationalism and globalization.

History has not been favorable for regional integration in NEA. China did not have an expansionist outlook, remaining content as the “central kingdom” with a system of bilateral relations called tributary, but in fact limited to ritual expressions of respect and exchanges of prize items. Instead of capitalizing, as in Europe, on advances in urbanization and national markets with an impulse for trade and migration across national borders, China, Japan, and Korea attempted to seal their borders against regular contacts. When the Western powers pried open these borders in the mid–nineteenth century, they found three nations steeped in the same Confucian elite culture but separated in their own relatively isolated economies. These same powers forced each country to face them, often at the expense of regional ties. If the era of imperialism erased domestic barriers, it left a stain on images of regionalism. First forces from afar overwhelmed regional ties in trade and borrowing, undercutting what little regional identity existed. Then Japan’s reign as regional hegemon created a residue of anger and distrust. Finally, the cold war era that replaced Japanese rule bifurcated the region into two antagonistic blocs. When China broke with the Soviet bloc it was left with communist rule hostile to regional or global integration. Apart from a cold accommodation between Japan and South Korea, both U.S. allies and close trading partners, borders in NEA remained fortresses obstructing contact.

Despite progress through the 1980s that was achieved in economic cooperation and diplomatic intercourse, levels of trust remained low in NEA. Each nation had its own symbols for why compromise would be an unprincipled abandonment of cherished national dignity and goals. Japanese public opinion grew more incensed about Moscow’s 1945 seizure of four disputed islands. Democratization fueled by mass movements drew the Korean public more openly into parading their loathing of Japan’s occupation. After being long suppressed, the Chinese public also vented its resentment of Japan’s stained history. Unable to exert leadership commensurate with its economic prowess, Japan chose to pursue economic ties without addressing popular grievances. Contrary to expectations, growing economic networks and ritualized friendship toasts did not suppress anxieties about regional ties. The first stage of regionalism bore the burden of Japan’s high expectations for progress mixed with its low preparedness to win trust.

Domestic priorities privileged goals that stood in the way of regionalism. Each nation was anxious to achieve a “normal” national identity after feeling frustrated by foreign relations. The Japanese eyed an escape from the abnormality of being labeled a “defeated power,” remaining a dependency of the United States without a full set of levers to be used in external relations. The Chinese had been constantly reminded of being humiliated by foreign powers, and after June 4, 1989 came to associate the isolation they faced with past abnormality. South Koreans dispensed blame in many directions for their divided country and the resulting dependency on the United States. Russians responded to the collapse of the Soviet Union with alarm about their sudden exposure to nefarious foreign schemes. Whatever the label—defeated, humiliated, divided, or fallen—in each state political forces seized on a psychology of victimization to thwart steps that would have increased trust and smoothed the way to regionalism. Meanwhile, the abrupt economic troubles of Russia and Japan as well as South Korea’s financial crisis buttressed warnings of interest groups fearful of development strategies that favor regionalism as well as globalization.
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on four small islands at the price of progress with Russia. Critics of foreign policy across the region warned that failure to take into account the psychology of the other side has skewed notions of national interest. This record should draw our attention to national identities that obstruct the quest for regionalism.

After the momentum of 2000 had raised hopes, Koreans took the lead in voicing the cultural implications of regionalism. Some foresaw the arrival of a time when competition would ensue between the European-American cultural sphere and the sphere where Chinese characters have been used. They had become optimistic that South Korea would bring China and Japan together, enhancing its own role as a moderating force between two great powers not as an economic bridge but as a cultural balance. While hesitant about criticizing Chinese nationalism, they reacted with alarm when Japanese textbook revisions in 200x suggested that divisive views of the first half of the twentieth century would better define the cultural memories of the region than potentially shared views of the previous two millennia. Japan’s nationalism threatened the cultural requirements for regionalism. The peoples of NEA may have hesitated to accept the idea that a clash of civilizations was unfolding on a global scale when they responded with fascination but also criticism to Samuel Huntington’s thesis. Yet, assessing each other they often resorted to accusations of deep-seated conflict rooted in cultural rather than strategic or economic thinking. Russian views of China, Chinese and Korean views of Japan, and Japanese views of Russia had long been steeped in such assumptions. At the end of the 1990s they were joined by a growing literature in Japan on China and sometimes on Korea too, charging that historical arrogance is too entrenched to be changed. In this view, the real problem is a Chinese sense of superiority (passed on to Koreans). This means that the Japanese can do little to assuage an excessively narrow-minded people and instead must brace themselves for a real clash of civilizations. What follows is not a call for globalization through close ties to the United States, but talk of a regional struggle against the “greater Chinese co-prosperity sphere,” even reviving the goal of bringing Taiwan into Japan’s “co-prosperity sphere.”

As leaders across the region keep calling for trust in relations, we need to look beyond the banality of the message to the reality of the situation. Given the history of vitriolic rhetoric linked to Japan’s occupation, the Sino-Soviet dispute, the division of Korea, and the Japanese-Russian territorial dispute, there really is a special problem of forging trust. The idea that contentious

2 Asahi Shinbun, April 10, 2001, p. 15.

Realists are wrong to assume that security concerns have been decisive limiting regionalism in NEA. North Korea became a security threat in 1993-4, reappeared as one in Japan in 1998, and entered a standoff with the United States in 2002 with paralyzing regional effects. Yet, it was peripheral to the regional economy and could have been bypassed, particularly if others were anxious to solidify ties that could have diminished the threat. The security challenge of the past between the United States and the Soviet Union faded away, and the challenge anticipated for the future between the United States and China or China and Japan remains far on the horizon. The absence of a long-term sense of regional security counts, but it is not the principal carrier to trust.

Idealists who believe in the power of economic integration are also incorrect in their assumptions, predicting that sustained trade and investment ties would directly to regionalism. Despite the extraordinary pace of economic integration, resentment have not diminished nor trust been achieved. Increased economic ties create bonds, but they are not enough. Looking back, we find an odd disjunction between the most upbeat years of bilateral political elations and declining economic ties. Sino-Russian political ties improved hardly in 1994-6 as the economic peak of 1993 was being quickly lost, and even in 1996 when the two sides targeted economics as vital to solidifying their political ties the plans were for naught. Japan decided to pursue better elations with Russia in 1996 just as economic ties plunged from a peak of 3.9 billion in trade in 1995, and after trumpeting new plans to strengthen elations including economic ties in the fall of 1997 trade slid further to 1.8 billion in 1998, according to Russian figures. Of course, regionalism is sought as a means to boost economies; a breakthrough can sometimes bring a real payoff.

Clashing national identities linked to problems in bilateral relations played the primary role in delaying regionalism. The situation keeps changing because the focus of these identities continues to shift in a fast-evolving global environment. Recent changes suggest that the core countries will draw closer in their views of regionalism, learning to avoid a repeat of the failures in the search for regionalism over the past decade. Yet, we cannot be confident that nations will act soon, even if their national interests are at stake. This may be the verdict on North Korea as it allowed millions of its people to suffer from famine while refusing to open its border or transfer resources from a bloated military budget. It is the consensus on Russia, which long disappointed each of its neighbors with policies unfriendly to entrepreneurship, economic cooperation, or mutual trust. Some would level the same accusations against China for its impatience over Taiwan or strident tone toward Japan and against Japan for its insistence

about the atmosphere for various bilateral talks left little room to consider what is needed for true regionalism. This has been the record of the 1990s, but as the case for regionalism builds it is gradually fading. Since the early 1990s each stage has witnessed further buildup on the path that leads to regionalism.

**The Dynamics of a “Decade” of Transition**

From 1989 to 2003 all nations of NEA had difficulty calibrating the relative influence of globalization, localism, and nationalism in pursuit of regionalism. The first of these forces in its economic, strategic, and cultural dimensions proved far more powerful than any state in the region understood through most of this period. Too often regionalism was seen as a counterweight to a rather limited international community, rather than as a complementary force feeding off the enormous momentum of a single world becoming increasingly integrated. In contrast, localism in most of NEA was much weaker than anticipated in the early push toward regionalism. Even when they demanded to be at the forefront of regional advocacy, border areas, burdened by criminalization, lacked the market forces and global networks needed to bring credibility to modern economic integration. The nexus of nationalism and regionalism also confounded optimists. The former was growing in significance nearly everywhere in NEA and would not easily yield to the latter. Instead of a transitional time of roughly one decade for a breakthrough to full-fledged regionalism, advocates should have prepared for roughly a quarter century of ups and downs as a modest degree of regional integration and consciousness was achieved riding the wave of globalization. Only the force of globalization could gradually overcome nationalism, calibrating with regionalism and bolstering localism. Neither regionalism nor localism stood a chance against entrenched nationalism until they could utilize the power of surging globalization, while also gaining ground by taking advantage of the deepening resentments against unilateralism that accompany it.

Over fifteen years, each stage had a different dynamic. In 1989 to 1990 the cold war continued to cast its shadow, as states sought leverage between the United States and Soviet Union, relying on “national aspirations” that had been percolating throughout the 1980s that defied “cold war logic.” The end of an era divided the United States, which equated its “exceptionalism” with globalization, and the nations of a fractured region, which pursued deep-seated strains of nationalism under the guise of achieving normalcy. All except North Korea had good words to say about regionalism. However, it represented a means to old nationalist ends that only gradually would be tempered by new, global realities.

The period 1991–3 constituted the high water mark of localism, as Japan as well as China and South Korea linked decentralization to regionalism.
At the end of the decade hope of progress intensified without reconciling the rise of regionalism with the ever-accelerating pace of globalization. China had increased its backing of regionalism after the Asian financial crisis gave evidence of an opportunity for leadership while U.S. victory in Yugoslavia revealed the futility of multipolarity on a global scale. The summer of 2000 saw the apogee of the “sunshine policy,” led by South Korea’s outreach to the North. Seoul championed regionalism through ASEAN +3 meetings as well as through its energetic diplomacy. At year-end, however, cloudy days had returned as what looked good for the Nobel Prize failed to pass muster before those obsessed with “security dilemmas.” Pyongyang refused to commit to rapprochement, because its real target was a U.S. guarantee of its security. China’s “smile diplomacy” to Japan was not making much of an impression. Although Japanese leaders were wooing Russia’s new president, they miscalculated that their compromise ideas could win approval at home. The Japanese were too insecure about the rise of China and their isolation from talks about North Korea to have confidence in regionalism. China was nervous about the mood in the United States as well as about Putin’s failure to sustain Yeltsin’s special ties. Critics of the Clinton administration insisted on reasserting U.S. leadership through more containment of China, support of Japan, tough conditions for Russia, and resistance to North Korea, simplistically believing that such clarity could resolve the complexities of the region. At the center remained South Korea intent on using ad hoc arrangements with the North and growing economic ties to achieve regional goals, and succeeding in the waning Clinton years in keeping U.S. backing for its newly active role.

Finally, the war against terror offered a chance for a new administration in the United States to redefine globalization in a manner that sharply changed the context for regional integration. A tide of “unilateralism” suppressed regionalism, first through a strong posture to tighten alliances with friends and raise the threat of containment for North Korea and even China, and after 9/11 through an appeal for all to join the coalition against terror. The North scrambled to escape the tightening vise, playing on Japan’s desire for the return of its abducted citizens, South Korea’s fear of a dark fate once the sunshine policy was blocked, and Chinese and Russian efforts to prevent a hard landing that could reduce their security. A backlash burst into the open in September 2002, proving that “irrepressible regionalism” will not wait for the U.S. security strategy for the region to unfold. Japan started talks with the North as Prime Minister Koizumi traveled to Pyongyang, but progress quickly halted as the United States and North Korea faced off. Smarting at Bush’s tough line that branded it part of the “axis of evil,” North Korea raised the security stakes by admitting to a nuclear program and announcing the reopening of its nuclear reactor. The United States had reclaimed center stage after a decade, altering the environment in which regionalism would be decided but not necessarily dimming its prospects. By electing Roh Moo-hyun...
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redefined to lend support to globalization and in pursuit of regionalism. When during the second half of the decade countries turned to balance-of-power maneuvering, they again were denying globalization and accentuating divisions within NEA. At the turn of the century, various nations with South Korea at the center explored a new path to regionalism, but their reasoning proved porous in dealing with fundamental divisions and the fact that the United States was on the sidelines.

Over the course of fifteen years the driving forces for regionalism changed often, and none had staying power. Japanese leadership through gaining equality with the United States in the cold war and economic clout faltered as the cold war ended abruptly and the bubble economy came crashing to the ground soon afterward. Even without these developments Japanese failure to build trust in NEA dimmed its prospects. Decentralization could not draw the nations of NEA together when areas on the frontlines of cross-border contacts lacked the market forces and anticorruption mechanisms to forge modern networks that could last. When national administrations proved incapable of reforms, and when security problems rose to the fore, more central leadership was needed.

After 9/11 the nation-state acquired added significance. The Asian financial crisis revealed another reality that had been obscured in China's nationalist binge of the mid-1990s, the lingering confidence of South Korea as its "economic miracle" continued, and the pride of Japan even after it had finished. In an age of globalization protected national economies are anachronism. Not only do borderless trade and investment activities matter, but so do large-scale economic arenas to balance the influence of the United States through NAFTA and the EU. Both China and Japan awakened from 1997 to the limits of their economic voices and the potential of regionalism as a means to amplify their economic influence. The notion that pursuit of great-power leverage would somehow enhance one's standing in the jockeying for regionalism also fell victim to glaring realities. In 1999 the overwhelming power of the United States became clear in the war in Yugoslavia and Russia's acquiescence to its endgame, and first the assertive policies of the Bush administration and then its aggressive conduct of the war against terrorism left behind all prospect of traditional balancing. All powers recognized that regionalism could only be based on a unified field of global security. Even the United States recognized in the WMD danger from North Korea that it wanted help, preferably in concert, from the other countries of NEA.

As the decade ended, levels of public distrust were much higher than early in the 1990s. Americans trusted China and Russia much less than in 1992–4. The Chinese and Russians had turned more negative toward the United States

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in 1999–2000. Sino-Japanese mutual images had deteriorated sharply into 1999. Although Japanese-Russian images had ameliorated some since 1997, they were built on a fragile foundation that could collapse at any time after the negotiating deadline of the end of 2000. Even South Korean trust of Russia was narrowly linked to progress in relations with North Korea, which could be reversed at any moment. The pattern of the decade was one of illusions. When positive images spiked, it was usually due to false expectations. No shared dream of regionalism offered reasonable prospects for success to skeptics. No careful weighing of actual difficulties tempered the misplaced hopes of idealists and political opportunists. Some wildly exaggerated dreams of regionalism. Fears of regional cooperation caused others to lose sight of what might be achieved. Buffeted by such extremes, few developed a balanced picture of how hard regionalism would be and how valuable it could be.

In 1991–3 the United States was under the illusion that Russia had changed much more than it in fact had, allowing the two ideals of democracy and free market capitalism to blind people to realities far removed from them. In 1997–8 the Clinton administration, albeit to a lesser extent, encouraged a favorable view of China's role in international relations that was belied by great-power maneuverings and rogue-state contacts. In 1991–3 Japan was overly optimistic about China's interest in cooperation toward regionalism, expecting to use this to become a bridge between China and the United States as well. And in 1997–8 Japan raised hopes unduly for a breakthrough in relations with Russia, reasoning that not only would this solve the territorial problem, it would also give Japan leverage with China and boost regionalism. China's illusions were no less extreme. Among them, probably the most serious was the belief in 1994–9 that it could recast something akin to the strategic triangle of cold war days by developing a special partnership with Russia. Throughout the post-Soviet years, the wildest illusions existed in Russia. Blaming everyone but themselves and expecting benefits from new negotiations with one or another of the countries in the region, Russians imagined without any basis that they could make progress on their problems and on one or another conception of regionalism. The harm in illusions is not only that countries pursue the wrong strategy of regionalism, delaying the process. It also is that public opinion becomes confused, making necessary compromises difficult.

Reviewing the fifteen years of clashing strategies and perceptions, I suggest that the order of determinants for successful regionalism be redrawn as follows: national identity, national security, economic interests, and cultural exchange. National identity is the foundation of state power and foreign policy. To accept regionalism means to redefine one's country's identity in contrast to nationalist attempts to buttress old notions of identity by twisting regionalism to favor one's own leadership and narrow interests. In all countries except North Korea signs of such a redefinition can be found, but none has crossed a threshold of acceptance. National security also trumps economic interests in building a basis for regionalism. Alarm about threats to territorial integrity, sea-lanes, continued autonomy, and balance of power sets off warning bells that push economic ties to the side. Successive perceptions of threat set back regionalism from 1989 to 2003 and remain engraved in people's minds. Yet, some progress has been made, and the war against terrorism raises hope that a common enemy will alter the security environment. Of course, economic gains are essential to aspirations for regionalism, even if they are not sufficient to remove barriers in national identity and national security. As integration has deepened in NEA and plans have accelerated for showcase projects that bind nations together, the economic dimension promises to play a much more positive role.

Around the globe states on the front row of development have decided that our new era demands both entry into WTO and achievement of FTA's through regionalism. One Chinese source noted that among such states only China, Japan, and South Korea have failed to enter an FTA or join others in regionalism. This not only puts them at a disadvantage in the economic competition, but also leaves them less protected in the global political competition, where for a very long time to come the United States will reign alone as the only superpower. The Chinese consider their country to be the center of Asia and its natural leader, and they realize now that reassuring dexterity is the only way to achieve the multilateralism needed to gain some leverage on surrounding areas. NEA, of course, was the overwhelming priority in China's search in 2000-2 for a regional base to extend its economic and political influence. If Japan's wariness of China's rising power leaves it not quite as enthusiastic for regionalism, frustration with its economic and political options drives it to overcome such reticence.

From his inaugural address to his trips to Tokyo in June and Beijing in July Roh became the voice of the forthcoming "NEA era." He spoke of regionalism as the path to peace and prosperity, converting NEA into one of three world economic axes. His travel around the region brought attention to the "Korea fads" in Japan and China, including rapid acceleration in visits for business, study, and tourism. Roh was careful to assert that the region must keep pace with a rapidly globalizing world. Although
nuclear crisis overshadowed promotion of regionalism, the enthusiasm the Japanese and Chinese receptions for Roh testify to the vitality of his message in 2003. Even if Roh is seen as a failure at home, his message is to be sustained.

Lessons for Successful Regionalism

Thirty-five years of flawed regionalism, we identify eleven steps with omise to put development on a stable track. Progress has been made on each of them, but none is yet firmly resolved in a manner that should give us confidence that the course of regional integration in NEA is yet secure. These are 1) embracing globalization as a force for trade, investment, access foreign firms, and sound and transparent financial operations, but also as a foundation for shared security and common cultural concerns; 2) joint resolve for steering North Korea toward a transition that gives its leaders a way move forward without succumbing to its WMD blackmail; 3) finding an cord between China and Japan over security concerns inclusive of Taiwan; d handling of the “history card”; 4) building U.S. support for regionalism a positive force for stability, offering assistance in the battle with terrorists in the proliferation of WMD; 5) recognizing South Korea’s critical position bringing China and Japan together in the triangular core of regionalism d in promoting multilateral approaches to Korea with four great powers; 6) encouraging Russia’s active involvement in regional security as a whole and energy security in particular; 7) fostering a regional identity, coning a shared vision for the region’s role in the world and invocation of the gion’s Confucian traditions in ways compatible with the needs of the new s; 8) compromising on territorial disputes, one by one or through trade-offs, that allows improved bilateral relations across the region; 9) nurturing regimes of regionalism, including energy pipelines, transportation corridors, urban networks; 10) accepting a gradual timetable for achieving long-range goals; and 11) establishing organizations that allow regionalism to be nurtured from above, however cautiously.

1) Embracing globalization is essential for a region whose economic wth has been driven by exports and where uncertain geographical limits are likely to continue to leave doubts about the scope of regionalism. Instead of boosting narrow interests, states must approach regionalism by setting limits on nationalism and accepting the overall force of globalization. Northeast Asia requires regionalism with a high level of openness to obal economic, security, and cultural integration. Moreover, unlike early proposals to start with a small cross-border region or later suggestions to concentrate on the three strongest economies of Japan, South Korea, and China, a geographical range needs to be broad, allowing for different levels of involvement within a single country. Russia with its energy cache and Pacific ports is an important player, which may consider facing both EU integration in the West and NEA integration in the East. As a unit, ASEAN is too diverse and holds too many non-market economics to become integrated with NEA in the near future, but parts of ASEAN can play a valuable role as partners, especially in early stages of regionalism when China and Japan look to it to prevent the other from having the advantage. The geography must avoid countries hesitant to globalize, while reaching to countries on the borders of the core triangle that would draw China and Japan together.

Regionalism is unlikely to advance far without a heavy dose of globalization. The internal dynamic of NEA has been found to be too weak to lead far without a powerful external accelerant. Through identification with the global community or international society regional consciousness can also be fostered. Only the broadest shared identity appears capable of diminishing nationalism and fostering an identity open to regionalism too. Similarly, only a global security framework dominated by the United States appears likely to provide adequate confidence in national security. The pillar of regional security remains the U.S. forward deployment, marked by bases and alliances in Japan and South Korea, control of the sea by the Seventh Fleet, and the might of U.S. forces worldwide in reserve. This freezes North Korean forces behind the thirty-eighth parallel, warns China against using force to reunite with Taiwan, and enlists as many countries as possible in the war against terrorism. Even in economics as trade and investment within the region grow rapidly, the global impact of WTO forms the background for regionalism. Each country looks ahead to more openness and better institutions for economic transactions as other countries in NEA fulfill commitments to WTO. In cultural exchanges too, as the World Cup soccer matches in Japan and South Korea demonstrated, global standards lead to regional trust.

Few people investigated the inner workings of criminal regionalism closely. It could be dangerous. Foreign diplomats reported on the general picture, but they either found it too dangerous to delve deeply or confined their remarks to the secret pouches. A South Korean council who took seriously the challenge of learning what North Koreans were doing in Primorski krai, including links to counterfeiting and drugs, was murdered, and little could be done when local authorities made no progress in determining whether it was the North Koreans or Russian organized crime that did it. Yakuza in Japan are closely linked with far-right politicians and causes, including the recovery of four islands from Russia, slogans for which are often splashed across their trucks and blared on their loudspeakers. Chinese criminal groups sometimes linked to military smugglers who long were exempt from customs control have shaped relations with Russia more than with most other states. Part of globalization is to attack the criminality and corruption plaguing cross-border connections and often distorting the operations of government.

In each of the core countries of NEA a consensus exists in favor of globalization, but the debate on how to proceed underestimates the barriers and the costs of their presence. Japan’s embrace of internationalization in the
90s proved insufficient and its reforms of the 1990s were slow to address the problem. Although it has recently made major strides toward the security posture of a responsible U.S. partner, new consciousness on economic openness and cultural integration still falls far short of global standards. Right-wing nationalism casts doubt on international as well as regional trust. Of late, China's academic debate on globalization has become increasingly favorable, expanding from economic to security themes. The Chinese accommodation with the United States in 2003 bodes well for its standing as responsible great power, even if the challenge remains of embracing universal values in a way that is reassuring to regional partners. South Korea is bifurcated between left and right that centrist support for globalization is as under a shadow. New FTA talks are a test for global as well as regional integration. Across the region a legacy of communism or the developmental state alone with a holdover political elite takes time to resolve. United States management of globalization can shape the transition.

Another lesson of the past decade is the need to find the right geographical angle, avoiding both narrow and broad notions of region. Targeting areas too narrow such as the Sea of Japan rim ignores the weak basis for decentralization, while expecting much from the wide-ranging Asia-Pacific expanse and APEC defies the logic of basing regionalism on a core group of neighboring countries. If the question of ties with ASEAN remains unsettled as both China and Japan have begun a quest for FTAs, the former agreeing within a decade to form an FTA of ASEAN +x and the latter joining with Singapore as an FTA, the reality is that nonmarket states such as Laos, Cambodia, and Myanmar or even chaotic Indonesia are not promising partners. It is a region where countries that, in essential respects, embrace globalization will determine the destiny of regionalism.

(2) Steering North Korea toward regionalism without further crises over its WMD stockpile and development has become a shared concern in NEA. In 2003 it looms as the most urgent challenge as the standoff grows between the United States, vigorously ridding the world of potential dangers from the spread of WMD, and North Korea, determined to retain its totalitarian regime through the threat of developing and spreading WMD. The United States has yielded to China and Russia, seeking their support in dealing with North Korea while redoubling efforts to cooperate with South Korea and Japan. Newly engaged in its own diplomacy with Pyongyang and target its missiles, Tokyo has reason to seek Russian and Chinese assistance too. To all of the nations on the frontline nervous about the Bush administration's "axis of evil" label and its long delay in engaging the North, the case for closer regional cooperation on security is becoming stronger. A common threat appears to be bringing the region together, even if its existence stalls regionalism.

At issue is more than an immediate crisis between the world's policeman and its most dangerous outlaw. The weapons of North Korea endanger its neighbors' security most of all. In case of a meltdown refugees could overwhelm these nations. The costs of reviving the North's economy as well as of making it a central link in transportation and energy networks would pose a heavy burden on any one country. Seen broadly, the security of NEA depends on a regional approach to the crisis over North Korea, and the aftermath of the crisis is likely to foster mutual awareness of the need to work together.

(3) Finding an accord between China and Japan over security. A balance must be struck between the security aspirations of China and Japan, which neither sees as giving the other a one-sided advantage. If the Chinese calculate that time is on their side, they should have the confidence to be patient as the balance is shifting. The Japanese, in turn, may have to accept the rise of China with an understanding that they have leverage over how it occurs.

This must be a region without a leader. The Japanese in the early 1990s, Chinese in the late 1990s, and the Bush administration from 2001 all aimed to put themselves at the center of NEA. In fact, the highest hopes for regionalism came when a country not feared for its desire for dominance became the most fervent advocate: the Soviet Union as it faded in 1988-9 and South Korea in 2000. Unless the triangle of the U.S.-China-Japan can be stabilized, there will be no easy path to regionalism. Balancing the triangle depends not only on the United States, but also on what Beijing and Tokyo decide, weighing cooperation against competition. If they can resolve questions of leadership for now, they may jointly regain the initiative in the region. The presence of the United States, South Korea, and Russia helps to achieve balance.

There are no status quo powers in NEA. All have unfinished agendas and fear that they will lose vital steps toward normalcy if regionalism is not done right. China fears loss of Taiwan and a region under joint U.S.-Japanese stewardship. It seeks the fluidity of a region that can accommodate a rising power. Japan fears China's rise and the prospect of a U.S.-Chinese condominium. Caught between the security anxiety of regionalism and the suspended agenda of the right wing, Japan has been relatively immobilized despite desperate attempts to cooperate with each potential regional partner. Each tries to use Russia's failure to be peripheralized and South Korea's desperation to find a path toward reunification. If the United States tips the balance in its relations with China and Japan, the two find it harder to find common ground for regionalism. The North Korean threat is leading toward more balance by the United States, while also heightening awareness in China and Japan of their security as well as economic interdependence.

(4) Building U.S. support for regionalism. After the United States turned to APEC as a means to press for globalization to overturn protectionist practices, countries in NEA and SEA confirmed their doubts about its value for their regional needs. It may serve a useful purpose as a forum for summity, raising the stature of leaders who meet with the U.S. president; yet, it cannot
bridge the diversity of views in Asia as well as the U.S. position. Growing interest in a narrower approach to regionalism appears to conflict with the new unilateralism in the United States in molding a single global community. Only by accepting the main contours of globalization can U.S. resistance be lowered.

We can discern three contrasting, but also overlapping, views of globalization in the United States. The dominant paradigm shared by most Democrats and Republicans is economic liberalism. It was the consensus in the 1980s to China in the early stages of its economic reforms and openness and to first the Soviet Union and then Russia in its initial years. It also was the leading perspective on Japan. The more these countries became free market economies, the more they would change in their domestic and international behavior. Entry into WTO, idealists assumed, would drive other changes. On the Right, approval for free market policies was qualified by a very high priority on settling security questions early, not trusting economic forces to work at least for a long time. George W. Bush took power pressing for stronger global cooperation on security issues, preparing to isolate countries that resisted. This notion of globalization focused on a new security order to accompany a new economic order, including more unilateral U.S. actions with the assumption that allies and eventually other countries would fall in line. On the Left, qualifications centered instead on the need to temper economic freedom with social and environmental programs to create a just and sustainable world. This led to support for a less vertical world order and more multilateralism. Since 9/11 the Bush position prevails, not that of the Left.

George Bush and his advisors warned in 2000 that the Clinton administration was mismanaging the region. At the outset, they created an impression that they would treat North Korea as a threat, China and Russia as more competitors than partners, and Japan and South Korea as allies to be drawn together into a regional unity. This was a strategy to cut off rising regionalism as a danger to U.S. interests. Implicitly, it disapproved of the reduced role of the United States as South Korea pressed ahead in talks with the North and China boosted its regional standing. The new posture constituted an abrupt switch from the desire at the beginning of the 1990s to use Japan as a bridge to China and to Russia. Now Republicans were determined to make Japan a stronghold resistant to those countries. They rejected the Perry process in support of the South Korean sunshine policy in favor of pressure tactics and delay. Such abrupt swings in U.S. policy compounded by struggles between unilateralists and multilateralists leave the United States with an image of obstruction.

Nations look to regionalism as an escape from dependence. Once having viewed globalization as a path to equality with the United States, the Japanese too are increasingly worried that it also carries the threat of dependence. Even if they are inclined to nationalism, the new twist on globalization makes them receptive to a dose of regionalism. Koreans are especially anxious to lower their dependency on the United States for security and on Japan for economics. Regionalism means strengthening ties with China and Russia and developing economic and geostrategic frameworks with them to achieve balance. As the Chinese lose confidence in other ways to balance U.S. power, they too turn to regionalism. These forces show no signs of receding after the Bush administration converted globalization into a unilateral mission dismissive of regional dynamics. The United States is bound to fail if it does not accommodate these yearnings. Yet, the United States retains great leverage as these countries increasingly recognize that for both security and economic reasons regionalism must not stray far from global economic integration and cooperation against terrorism.

The United States should accept that China is not on the verge of becoming an economic and military power capable of dominating NEA. Its internal problems are mounting as entry into WTO proceeds, including rural unrest over corruption and excess taxes and urban dislocation from troubled reforms of state-owned enterprises. As long as the pursuit of Taiwan's independence is kept in abeyance, the United States can work with China to define regionalism in NEA with the goal of exerting a positive influence. This has been the trend since 9/11, and it did not abate with the North Korean crisis. There is reason to expect that the new generation of leaders under Hu Jintao will be inclined to sustain it.

On the one hand, for regionalism to be realized on the back of globalization U.S. involvement needs to be greater than it was through the 1990s. On the other, U.S. power must not become so overwhelming that it stifles regionalism in pursuit of a unilateral type of globalization. The United States has done little to lead the nations of NEA toward regionalism, by giving its blessing to relative autonomy within a global framework. It has not steered a steady course combining economic integration and security confidence building, instead flitting from excess confidence in global economic integration to excess alarm over security threats. Both approaches and the way they are supported by the foreign-policy establishment and the political elite appear crudely U.S.-centric. Local observers find the United States prone to oversimplification and disregard for the dynamics in the region. While inside the region one hears mostly about aspirations for national autonomy, and a balance of powers, the message from the United States is overwhelmingly centered on the goals of increased security for the United States and openness for U.S. and other global financial interests. Sensitivities are aroused, and the United States will find it hard to strike a balance. Yet, the United States has not been as much to blame for stunted regionalism as each of the countries within the region, and only a new surge in unilateralism might make it the prime inhibiting force.

At the end of 2003 the United States faced the dual danger of North Korean WMD beyond control and China pressed by Taiwan independence
moves to use the threat of force. It also stared at trade deficits from NEA, led by China, on a scale never seen before. Yet, the leaders of Japan and South Korea had agreed to send troops to Iraq in support of the United States, reliance had risen on China as the critical intermediary with North Korea, and the prospects were high for compromises to cool passions over Taiwan and to accelerate trade openings. United States need for NEA cooperation had never been higher, raising the chances for acceptance of some forms of regionalism, however contentious the process.

(5) Recognizing South Korea’s critical position. Regionalism must start with a core group of countries. The old superpowers are both too far from the region’s center and too enamored of one type of international logic or another to be part of this core. North Korea may be close geographically, but it is at an even greater distance ideologically due to its obsession with self-reliance and neglect of reforms. That leaves China, Japan, and South Korea. Only from late 1999 did the forces coalesce drawing them together in the search for regionalism: 1) a South Korean leadership intent on reunification to the extent that it would take major strides to improve ties with both Japan and China and be eager not to divide them but to bridge their differences; 2) a Chinese leadership nervous about U.S. relations and eager for South Korea to take the initiative as it worked to undo the damage that had occurred to its image in Japan; and 3) Japanese leadership still intent in “reentering Asia” and dissatisfied with its excessive dependence on the United States and inadequate leverage in great-power relations, while looking to South Korea for an FTA and other help in regionalism.

South Korea, despite its smaller population and economy, has a disproportionate say in the region, and should Korea unite that will be even more the case despite the burdens of transition. A situation of two great rivals – the United States and China or Japan and China – uneasy eyeing each other invites a third party to be a balance. A third party closely tied to each of them can calm a region with wary economic powerhouses.

The successive failure of unbalanced strategies should be instructive for future attempts at regionalism. Japan’s interest in leading East Asia to regionalism without sufficient safeguards on its vertical control over coordination with globalization hit an impasse in 1996–7. China’s ambition to combine regionalism with great-power balances came undone in 2000–2 when Russia recognized that it is not a pole after all and other attempts to limit U.S. power also failed. South and North Korea played their own game of looking for combinations of great powers to support their reunification strategies, the former coming closest to backing balanced regionalism. Russia showed little interest in regionalism in its preoccupation with the threat of globalization, while the United States also dismissed regionalism in its determination to boost globalization. Although in 2002–3 China was more committed to regionalism, it realized that a new strategy is required.

Conclusion: Lessons for Constructing Regionalism

This is a region where leadership is problematic. If China or Japan takes the lead, the other will be suspicious. The United States’ motives are inevitably suspect as all others seek some balance against unilateral globalization. Powerful business sectors in each country fear FTAs that reach beyond WTO timetables. Japanese and South Korean agricultural lobbies and Chinese manufacturing have a large say in domestic politics. Given these complexities, indirect leadership and roundabout paths are likely. Ties to ASEAN give China and Japan additional options. Pressures from WTO negotiations and the United States can reverberate in regional progress. For some years facilitation of economic ties within the core triangle may be easier than FTA agreements as states standardize their regulations, ease customs procedures, and reduce bureaucratic red tape. Coordinated research teams are already in place to lead the way. South Korea holds the key as the leg of the NEA core triangle with superior relations with China and Japan.

(6) Encouraging Russia’s active involvement. Russia’s motives have often been suspect, given its history as a divisive force in NEA. At first China’s leaders feared that Yeltsin was too close to the West. Soon Japanese leaders observed Russia tilting to China. In his first years Putin somewhat distanced Russia from China and responded hopefully to Japan’s initiatives. He has moved Russia closer to the United States in both economic policy and strategic cooperation. With its surplus of oil and gas resources, Russia attracts interest in the countries of NEA, where energy security is a growing concern. By making energy projects and management of North Korea the central themes in the start-up phases of regionalism, the other countries are likely to offer Russia a large role in their plans. As long as Russia meets tough conditions for WTO compliance and is obliged to clean up the lawlessness in its Far East, Russia should not be excluded from a NEA community.

(7) Fostering a regional identity. Unlike many recommendations to solve little problems first, NEA must satisfy deep reservations at the outset. This means it needs a grand vision to override narrow national identities constructed in the twentieth century that mainly take notice of divisions. It will require a beacon for a bright future without sacrificing sound judgment about how hard nations must keep working to achieve it.

The period from 1989 is filled with an extraordinary degree of inconsistency in foreign policy and in strategizing about national interests. Changes in national leaders account for some variation, but China’s relative leadership continuity did not prevent many of the most glaring examples of reversing course. For example, at first Beijing urged Putin to stand against U.S. power as the way to boost Russian power, but after 9/11 it argued that his decision to draw close to the United States was the only strategy to create an environment for economic growth, even equating this choice to Deng Xiaoping’s strategy in the 1980s to open China to investment. The states of NEA must take a more consistent long-term view of their national interests if they are to reassure each other that regionalism is lasting.
From time to time in the 1990s the idea was floated that regionalism could be based on shared traditions. Japanese idealists championed this cause early with calls for a cultural sphere based on the use of Chinese characters. Koreans picked it up, ignoring the written language because they rarely use characters, but highlighting lifestyle traditions, in which they are most prominent. The Chinese may become the main standard-bearers now that they have embraced regionalism. The search for a shared history is bound to be revived, especially when U.S. pressures draw attention to some discrepancy in values.

The region faces what one Japanese journal calls the "dangerous atmosphere" of media differences. Telling splits in coverage occurred in 1) 1994 between China and Russia over contrasting views of recently opened cross-border trade and transit; 2) 1995 between China and Japan at the fiftieth anniversary of the end of the Pacific War; and 3) 1997 between Japan and Russia at the moment of a negotiating breakthrough at Krasnoyarsk. None of these issues came without prior misperceptions that contributed to a new level of distrust, and none led to a rapid reversal in the downward tide of images. The precipitating events were varied, but the outcomes were similarly bleak in damaging the basis for mutual understanding. A vision of regionalism can temper repetition of such outbursts.

Despite past preference for labels such as "socialism with Chinese characteristics" and Japan's "nibonjinron," there is much agreement on the sources of pride that are special in NEA and can be traced to the past. All parties recognize their own people's educational orientation, diligence, thrift, and entrepreneurship or industrial management. The three countries also emerged from the Asian financial crisis with new and shared appreciation for their interdependence and distance from the West. Each, in one form or another, favors an ANM. They have long agreed that they live in a region with complementary resources. As they recognize common challenges, they are reaching the point of agreement on a need for broader and more institutionalized cooperation.

By 2002, the words East Asian community were being taken seriously. While APEC and ASEAN had lost significance since 1997, ASEAN+3 was suddenly drawing more attention with some suggesting it is the growing ties of the "3" with only a weak presence of ASEAN that really matter. The process looks different from various angles, but one way of drawing the chronology is to start in early 1999 with Japan's interest in developing an FTA with Korea, Korea's desire to bring China into the plan, and China's enthusiasm from 2000. Roh Moo-hyun in 2003 became the champion of regionalism, but he was being eclipsed by China's efforts.

At Beijing's initiative an East Asian think-tank network was established in 2003 with Zhang Yunling the general coordinator. Its first gathering in October followed a signed declaration of the leaders of China, Japan, and South Korea to expand the areas of cooperation through ASEAN+3 and to support an East Asian process, which all expected to lead to a formal East Asian summit. Because it is harder to establish a NEA community, the looser framework of East Asia must do. While Seoul, with reunification in mind, may seek to rush ahead to NEA, Beijing has its eye set mainly on Tokyo and its cautious, but growing, interest in promoting a wider framework for regionalism. So far, Tokyo is too wary of Moscow and too uncertain about Pyongyang to forego an emphasis on SEA, and Beijing has made use of that context to draw Tokyo further into plans for regionalism. Zhang has moved from involvement in a vision group to work further with academics of Japan, South Korea, Singapore, and other states to achieve a common NEA worldview.

(8) Compromising on territorial disputes. Territorial disputes cannot simply be set aside as if they will magically be addressed after economic integration has been reached. Interim solutions linked to regionalism can calm disputes over the division of Korea, Taiwan separatism, the islands that keep Japan from signing a peace treaty with Russia, and other unresolved issues less threatening to regionalism, but capable of arousing passions. For instance, compromises over the rocks known as Tokdo/Takeshima and Senkaku/Diaoyu would be a small price for all to pay in order to set China, Japan, and South Korea on a track of shared confidence in the prospects of cooperation.

Instead of soft regionalism bypassing tough questions, our era calls for hard choices involving those usually identified as staunch defenders of national interests. The foreign ministries became targets: in Russia during Yeltsin's first term for being too soft on the United States and briefly also on Japan; in China and the United States for being too soft on each other, especially as policies hardened in 1999-2001; in South Korea in 2002 for being too soft on the United States; and in Japan for having nearly everything wrong as criticisms mounted over softness to China, South Korea, and the United States. For regionalism to work it has to enlist the big corporations and the security establishment. They played a secondary role in the 1990s although at times promoting steps toward improved ties. If the most symbolic challenges to the soft voices of the foreign ministries are handled at an early point, calls for compromise will have to be taken more seriously in the years ahead.

Negotiators must strike a balance capable of persuading public opinion and reassuring those most concerned about security. Many accused Kim Dae-jung of stepping over the line toward North Korea in the first half of 2000, when he won agreements that were not fulfilled. Likewise, Mori may have raced too far ahead of public opinion in his appeals to Putin in the second

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13 Hanzyuk Chong-uk. Ilun kuku nin uisnik eboa paekko (Seoul: Yonsei University, 1996).
half of the year. All sides must make the case on behalf of the advantages for strategic stability and a future-oriented economy, while seeking reciprocity on concessions over key matters. There is no shortcut to relations based on trust drawing long-term public support and sustained by continued gains for all parties. The public must look ahead to goals that bind nations together for a long time ahead. This means that symbols of victimization cannot be left to fester.

(9) Nurturing engines of regionalism. Even if regionalism must rest on a solid foundation of globalization, it also requires some engines within NEA to pull it forward. Still useful is Japanese ODA, perceived in China as a substitute for war reparations even as Japanese nationalists and budget constraints are challenging it as never before. Another engine is Seoul’s desire to draw all of the region’s great powers into its strategy to persuade Pyongyang to turn from threat to reconciliation. A third is the growing importance of Russian energy to fuel regional economic dynamism and to provide a measure of security should supplies from the Middle East be interrupted. Finally, we should not forget the significance of the new calculation by China that over the next decade or two in what will remain a unipolar world regionalism displaces multipolarity as the best foreign-policy tool available. Gradually in recent years more forces have been added to the regional drive for increased integration, and they will need to be nurtured in what remains an uncertain environment of nationalist identities and security uncertainties. Regionalism will gain visibility through big, joint projects, all the better if they are packaged as answers to serious security questions. Cooperation over North Korea satisfies that criterion, posing extraordinary financial burdens and problems of trust, but also constituting a shared project to calm fears by cooperating on confidence-building measures and integrating the North into the regional economy. Also high on the list of attractions would be an institutionalized mechanism for turning a growing rivalry between China and Japan into a full-scale partnership even if quarrels will remain.

Five economic programs may showcase cross-border integration over the next decade. An energy grid may be divided into oil pipelines, gas pipelines, and tanker routes as well as power lines to hydroelectric stations. Russia plays the key role; regionalism will entail overcoming the competition for its oil between Japan and China with a joint strategy that produces a compromise. Transport routes will also shape regionalism. In this case, Russia may maneuver to make its Trans-Siberian railway the principal artery, but China has the edge with short, direct routes to Western Siberia from the Korean Peninsula.

and even Vladivostok. Urban hubs are likely to be reshaped too. Whereas for China as a whole Shanghai is the obvious winner, for the areas of Japan, the Northeast and even parts of North China, the Koreas, and the Russian Far East, a corridor passing through Seoul may give South Korea the edge. It has the advantage of centrality and a neutral site for China and Japan. Recent monetary cooperation is likely to be extended, playing to Japan’s financial supremacy in the region. A multiplicity of programs for region building can promote many centers. Working out FTAs first between Japan and South Korea and then including China with hopes for further expansion would spread the economic gains.

(10) Accepting a gradual timetable. Past timetables expressed by boosters of regionalism have erred on the side of excessive optimism. A breakthrough usually seemed to be just around the corner. Nationalism still makes caution essential. It will take time to overcome flare-ups of nationalism as well as the doubts raised by a “decade” of flawed regionalism. In 2002–3 the North Korean nuclear crisis stalled the search for regional stability. Quick agreements without demonstrating the advantages to the public would not provide an answer. Even if there is agreement on the mutual benefits, the first pronouncements should temper expectations with warnings of a transition ahead.

If politics and economics converge, as seems possible once the endgame for North Korea’s crisis helps to restart regionalism on a more solid foundation, we may expect an emerging agenda to favor security, new steps to build trust, and consensus on an alluring vision tempered by caution to allow for gradual accommodations. By 2015 a threshold proving the merits of regional integration can realistically be crossed.

(11) Establishing a new organization. The right institutional framework for considering regional problems in NEA has been slow to evolve. At the start of the 1990s the G-7 remained the primary venue for the industrial powers to discuss major global issues, including those of NEA. Japan took problems to this forum and expected to serve as spokesman for its neighborhood, while China and South Korea stayed on the sidelines. After Bill Clinton upgraded the APEC meeting into an annual summit at the end of 1993, this venue vied with what was soon to become the G-8 (adding Russia) as the showcase for high-level exchanges of views related to NEA. Side meetings such as the October 2002 talks on North Korea’s nuclear weapons program occur; yet, the size of the APEC gathering is large, and many countries soon soured on its ability to get things done. From 1997 ASEAN +3 offered a new venue, minus the United States, to bring the leaders of China, Japan, and South Korea together. By 2001 the “3” had upgraded an informal breakfast chat into their own annual summit. This evolution has brought the region closer to a core organization small enough to address the needs of regionalism. The basis of a formal organization exists, even if its evolution remains far from complete.

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North Korean danger to continue to seek a new level of integration. Further progress depends mostly on these leaders, who, as they struggle to lift Japan’s economy from stagnation and convey to all the country’s future will, must navigate between U.S. appeals to draw closer in a global partnership and the calls of neighbors to join together for regional strength. Indecisiveness over how to proceed may make Japan the laggard that delays regionalism the most over the next decade. If China and South Korea at last recognize its value, they will have to make a compelling case to Japan to go forward. The United States will find it difficult to accept NEA regionalism, but it has many levers available through its own multilateralism and its threat to steer globalism onto a less confrontational track. Adjustments will be easier if all recognize that the issue is not whether there will be NEA regionalism, but how quickly and with what accommodation to forces of globalization it will go forward. Although the United States cannot expect to be part of the new regional organization, it must be reassured that it can position itself as a partner with no less standing in the EU and must agree to temper recent unilateralism.

The NEA community or East Asian community, as it may be called, is likely to be based on openness to globalization, a shared program for North Korean integration with South Korea, in a pivotal role, a path-breaking accord between China and Japan, and special arrangements for Russia so that it has some membership standing and the United States so that it does not grow nervous over exclusion. There is a need for gradual integration, fostering a regional identity that can deepen as a select number of engines of cooperation draw nations together and foreign territorial and historic disputes can be addressed in a spirit of compromise. It is a substantial agenda for the coming decade just to cross the threshold of regionalism. What is needed is another wave of optimism that pays little heed to the stark lessons of 1989–2003.

Is there a shared will to move forward? Bold thinking is needed for an approach that will draw China, Japan, and South Korea together. China may now be ready to find such an approach, as may South Korea. If Japan seems doubtful, its leaders are driven by economic concerns as well as the...