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Soft Balancing, Hedging, and Institutional Darwinism: The Economic-Security Nexus and East Asian Regionalism

T. J. Pempel

East Asia has increased its formal institutional linkages in both the economic and security arenas. This article addresses three questions concerning this expansion. First, why has the number of institutions increased? Second, why is there so little overlap in the purposes and memberships of these many new bodies? Third, why have most regional institutions achieved such limited policy successes? The article demonstrates that the bulk of the new *economic* institutions represent collective responses to generalized pressures from globalized finance, whereas the new *security* bodies deal with regionally endogenous problems of a highly particularistic character. Furthermore, most regional bodies in East Asia still reflect the preeminence of individual state strategies rather than any collective predisposition toward multilateralism per se. East Asian regionalism thus represents a complex “ecosystem” of institutions whose future is likely to see the enhancement of some and the diminution of others through a process referred to here as “institutional Darwinism.”

KEYWORDS: regionalism, East Asia, ASEAN+3, Chiang Mai Initiative, Six-Party Talks, Shanghai Cooperation Organization, economics, security, multilateralism

The turn of the century has seen a substantial increase in the formal linkages among East Asian governments. Particularly prominent has been the creation of a number of multilateral regional bodies focused on economic cooperation, among the most prominent of which are the ASEAN+3, together with two of its major initiatives—the Chiang Mai Initiative (CMI) and the Asian Bond Market Initiative (ABMI)—and the Asian Bond Fund, a second bond market measure

advanced by the region's various central banks. An explosion of preferential trade agreements (PTAs) has also added multiple connections among a variety of East Asian governments.

In addition to such economic bodies, new multilateral ties have been created in the security arena, most notably the Six-Party Talks dealing with denuclearization of the Korean peninsula and the Shanghai Cooperation Organization connecting China, Russia, and four central Asian republics on issues of energy cooperation and military security. Moreover, although they are hardly full-fledged "regional institutions" as the term is usually used, a number of regularized trilateral summits have been added to the East Asian mix of multilateralism, the most notable of which are the trilateral meetings among the ASEAN+3's "plus three," namely the Republic of Korea (ROK), China, and Japan.

This flurry of institutional construction across East Asia defies the predictions of realist international relations scholars who confidently asserted that the end of the Cold War would see East Asia revert to Hobbesian anarchy resulting in an outbreak of animosities, if not actual hostilities (e.g., Buzan and Siegel 1994; Friedberg 1993; Waltz 1993). Other realists suggested that these states might systematically balance against the United States as the new global hegemon or against China as the new rising threat to the status quo (Mearscheimer 2001). Asia is hardly short of national rivalries and confrontational rhetoric, but Asia's regionalizing moves have shown no signs of such hard balancing against either the United States or China. Rather they indicate far greater regionwide cooperation.

Yet, if pessimistic projections about rising animosities and hard balancing fail to capture East Asian realities, it would be equally mistaken to blindly embrace neoinstitutionalist arguments that such bodies in themselves automatically reduce national competition in favor of new mechanisms of coordination. Nor are constructivists fully correct in claims that these bodies represent a collective march toward a shared vision of an East Asian community, though a more compelling case has been made that ASEAN represents a minilateral security community (Acharya 2001). To date, these bodies show little concrete evidence of either overwhelming institutional prowess or regional comity. This is not, however, to deny their significance.

East Asia's moves toward increased formalization of relations and the explicit creation of multilateral institutions pose at least three analytic puzzles. First, and most obvious, why has there been this sudden burst of multilateral enthusiasm? Second, though Asian governments have formed a number of new multilateral bodies in both economics

and security, why is there so little overlap in the institutions set up or in their respective memberships? And, third, why despite the effusion of new bodies have most of them achieved such limited policy successes?

The explosion in regional linkages in East Asia defies easy categorization as evidence of the inherent analytic superiority of one theoretical paradigm over the others. Instead, as I argue below, the large number of new institutional ties reflects a sequence of disjointed East Asian efforts to deal with discrete changes in the global and regional balance of power. The institutional responses have typically been ad hoc, often contradictory, but largely pragmatic. Collectively, they have created a set of regional institutions that allow East Asian states to deal with commonly perceived threats. But these threats are many and distinctive, with quite different manifestations in economics as opposed to security. Since key states in the region continue to identify their interests and challenges quite differently from one another as well as quite distinct in the separate spheres of economics and security, most have been reluctant to surrender significant components of their national autonomy to these bodies. As such, most regional bodies in East Asia continue to reflect the pre-eminence and driving force of individual state strategies rather than any collective predisposition toward regionalism or multilateralism *per se*.

East Asia's proliferation of so many distinct institutions with different memberships and limited agendas thus differentiates the East Asian organizational matrix from regional bodies in other geographical regions, such as the European Union, the Organization of African Unity (OAU), or the League of Arab States. However effective or ineffective these other bodies may be in practice, their driving rationale—unlike the various bodies in East Asia—is the presupposition of a community of geographically proximate states sharing a range of overlapping goals with few built-in limits on the issues they can address. East Asia shows no such rationale.

This is not, however, to say that East Asia's new regional bodies do not reflect congruent perceptions on specific problems nor, more important for the future, that some of these institutions will not become more expansive in their agendas, more integrative of economics and security issues, and more powerful in the outcomes they generate. East Asian regionalism is today a complex "ecosystem" of regional institutions, but the future may see the enhancement of some and the diminution of others through a process I would call "institutional Darwinism."

In this article, I develop my argument in three sections. The first analyzes East Asia's recent flurry of institution building in the economic and financial areas. It demonstrates that these have been created mostly

as a reaction to the devastation of the financial crisis of 1997–1998 where East Asian governments have come to see themselves as sharing a common purpose—namely, collective protection from the hazards to their continued prosperity posed by the most sophisticated products of global finance: rapid fire currency transfers, derivatives, sweeping trade liberalization, securitization, and, even in some cases, short-term stock market speculation. If there is a common “enemy” against which East Asian regional economic institutions are directed, it is the exogenous force of global capitalism. And it is against such forces that the member states of East Asia have collaborated in an institutional matrix aimed by some at “hedging” and by others at “soft balancing.”

The second section examines the smaller number of state-to-state activities in hard security. It demonstrates that membership in these shows little overlap with that for bodies formed in the economic arena or with each other. That, I argue, is because, in contrast to East Asian regional bodies aimed at collectively buffering against the outside forces of global finance, East Asia’s security bodies are all directed at regionally endogenous security problems of a much more particularistic character. Extant security institutions are less about balancing and hedging against extraregional forces and more about joining together to find solutions to intraregional problems while hedging against the surrender of “too much” national sovereignty to the institutions created. Certainly none resemble what realists would have predicted institutionally—namely, “hard balancing” against powerful states, whether against the United States as the global military hegemon or a “rising China.” Instead, specific combinations of Asian states, despite their divergent security profiles, have united to deal through different institutions with tangible, intraregional but nonexistential security problems.

Finally, a third section analyzes why most of these bodies have limited their focus to the separate functional areas of either economics or security. As well, it examines why so few have achieved banner successes. It offers the suggestion, derived largely from comparative institutional analysis combined with recent East Asian developments, that three interrelated things may be happening in spite of such apparent institutional weaknesses. First, East Asia may be witnessing an increased spillover between economic and security institutions. Second, these bodies may be engendering a measure of socialization toward common goals so that today’s limited successes may later flourish into greater achievements. And, finally, it suggests that not all of the current institutions are likely to prove equally robust and that any new East Asian architecture that emerges from today’s complex mixture of regional

bodies will be the result of a process of institutional Darwinism in which institutions that prove their worth will survive and thrive while those that do not will languish or vanish.

Economic Interconnection and Regional Institutions

Why have Asian states so suddenly embraced regionalism in finance following decades of pursuing nationally autonomous strategies? During the crisis of 1997–1998, many of the countries of East Asia saw their previously comfortable positions in the global system tumultuously upended, revealing in devastating ways their common vulnerabilities to unmediated interactions with global finance. Neither prior amity among themselves nor a long-term agenda drove this recent regional cooperation. Rather it was the mutual realization of the collective vulnerabilities that each state faced without some form of institutional buffering. Benjamin Franklin’s admonition to the signers of the Declaration of Independence is apt: “We must all hang together or we shall most assuredly all hang separately.” Regional multilateral institutions in finance offer East Asian governments a breakwater against the menacing global currents that might otherwise sweep away their autonomy over national monetary and currency policies (Cohen 1993, 2000) as well as institutional mechanisms to engage in collective soft balancing against the overweening financial power and predispositions of the United States, the International Monetary Fund (IMF), and the so-called Washington Consensus (on such soft balancing, see, for example, Paul 2004, 2005; and He and Feng 2008).

Economic development has become the driving preoccupation of virtually every East Asian government, and “economic security” has been integral to achieving what most call “comprehensive security.” As the Asian growth experience has made clear, military and security affairs are hardly the only power game in global politics. By the late 1970s, with a few notable exceptions such as the Democratic People’s Republic of Korea (DPRK) and Myanmar, the domestically dominant coalitions in governments across the region were according far higher priority to domestic economic development than to external security threats or territorial expansion (e.g., Frost 2008; Mahhubani 2008; Overholt 2008; Pempel 1999; Woo-Cumings 1999). In the apt phrasing of Etel Solingen (2007, 760), East Asia’s rulers “pivoted their political survival on economic performance, export-led growth, and integration into the global political economy.”

Intra-Asian investment and the development of regionwide production networks were integral to economic improvements across the region. A sequence of multinational companies headquartered in East Asia separated functions such as design, manufacture, wholesaling, and retailing, thereby allowing them to fragment their operations across multiple locations and create truly multinational production networks (Arndt and Kierzkowski 2001; Ravenhill 2009; Tachiki 2005). In the process, East Asia as a region took shape as a natural economic zone that brought regionwide economic benefits to mass and elite alike.

Rising currency values were a key engine of this process, starting with the boom in the Japanese yen following the 1971 breakdown of the Bretton Woods system of fixed exchange rates. A subsequent jump in the yen, along with increases in the Korean won and the Taiwanese dollar, followed in 1985 with the Plaza Accord and the United States' second major dollar devaluation. Simultaneously, cross-border ethnic and family ties among diasporic Chinese businesspeople nurtured what Barry Naughton (1997) identified as the expanding "China circles" across "Greater China" (Katzenstein and Shiraiishi 1997; Pempel 2005) and large parts of Southeast Asia. Then as China began its sweeping economic reform program in 1979, investments flowed in from Japan, South Korea, Hong Kong, and Taiwan (Perkins 2007, 47; Ravenhill 2009). Indeed, today China itself has become the source of considerable outgoing foreign direct investment (FDI).

Such investments and regionalized production networks allowed Asian firms and Asian national economies to become integrated into the global economy while at the same time becoming more interdependent. Between 1986 and 1992, for example, the intraregional share of exports from Asian countries expanded from 31 percent to 43 percent (Kato 2000, 6; Pempel 1997, 54, 66). By 2008, intra-Asian trade had risen to 56 percent of total Asian trade, a figure close to that of the European Union (EU). Meanwhile, from 1980 until the crisis of 1997, Asian shares of global exports more than doubled to nearly 20 percent.

Formal regional multilateral institutions remained marginal to this success. Indeed, the quest for *national* economic growth often worked at cross-purposes with *cross-regional* governmental cooperation. Moreover, as John Ravenhill (2008, 43–44) argues, the cooperative East Asian economic climate allowed individual multinational corporations to operate fluidly across national borders thereby reducing, rather than accelerating, business pressures on governments to create new regional institutions. East Asia's expanding and interconnected economic linkages forged a latticework driven not by governments but by the

commercial activities of transnational firms and investors (e.g., Katzenstein and Shiraishi 1997; Pempel 1997). The result was a regionwide “Asia factory,” churning out increasingly larger portions of global manufactured goods through “market-style network integration,” a pattern that contrasted starkly with Europe’s reliance on formal state-to-state integration (Katzenstein and Shiraishi 1997, 3).

This mutually reinforcing combination of market and corporate ties, links to global economic institutions and markets, and minimal regional institutions provided the undergirding for the “Asian miracle,” a decade or more of exceptionally high rates of GNP growth in virtually all the countries of East Asia (World Bank 1993). The undeniable merits of rapid economic growth were, however, shadowed by less obvious regional downsides: Asian economies, with their often neomercantilist approaches to development, became an ongoing challenge to prevailing US and IMF views on the most appropriate roads to economic growth as well as numerous entrenched interests in the developed world. Equally, the stunning economic successes across East Asia as a whole made the region vastly more attractive to potential investors, most of whom were operating with exceptionally short time horizons and minimal interest in the long-term well-being of their investment targets. As Asian growth rates soared, trade and investment disputes with the West mounted, while vast amounts of “hot money” surged into the region as Western fund managers scrambled to ride the crest of Asia’s growth (e.g., Winters 1999; Pempel 1999; Noble and Ravenhill 2000). Many of the Asian financial systems into which this “hot money” surged were, however, not sophisticated enough to absorb this new capital without serious destabilization.

Equally problematic, high levels of short-term Asian borrowing from Western sources was combined with long-term lending in local currencies that were pegged to the US dollar. The result was serious liquidity problems once the dollar strengthened and loans in local currencies became increasingly expensive to pay back in now more expensive dollars. Local currencies collapsed, Western investments fled, and a number of Asian governments were forced to devalue (Pempel 1999). In the process, prevailing patterns of economic development were too often revealed to be highly vulnerable, and internal banking and monetary flaws in many Asian states became nakedly apparent (Hamilton-Hart 2008).

As the financial crisis began to unfold, only Japan endeavored to provide liquidity assistance with a proposed \$100 billion “Asian Monetary Fund.” That proposal was summarily rejected (Amyx 2004, 201–207). China was reluctant to part with its own wealth simply to aid

impoverished neighbors in ways that would enhance the regional influence of Japan. Even more damaging, the US treasury secretary, Robert Rubin, and his deputy, Larry Summers, were strongly opposed, characterizing the Japanese plan as a potential institutional competitor with the IMF and (less vocally) as something that would undercut US monetary preeminence and their own interpretations of the desirability of globalized finance (Higgott 1998; *New York Times*, February 17, 1999, A8). In the interim, the crisis wreaked havoc across the region. Thailand, Indonesia, and South Korea, lacking any viable alternative, were forced to comply with the IMF rescue packages while several other countries across the region opted for de facto IMF solutions. The United States in turn used the crisis to press for widespread investment opportunities for US companies in the affected economies as a precondition for aid. "The IMF," Summers crowed, "has done more to promote America's trade and investment agenda in East Asia than thirty years of bilateral trade negotiations" (quoted in Hale 1998, 25). Eventually Japan became something of a lender of last resort through the New Miyazawa Initiative (October 1998), but by that time the psychological and economic damage had been done.

Widespread resentment swept across Asia at what was perceived as a globalized attack on Asian development patterns, particularly national autonomy in monetary and currency policies. Hot money and seeming political vengeance on the one hand, plus unresponsive global institutions on the other, afforded ample ammunition to Asian critics who argued that Asian economies should unite to buffer themselves through regional institutions. Not untypical were the comments of Deputy Prime Minister Supachai of Thailand: "We cannot rely on the World Bank, Asian Development Bank, or the International Monetary Fund but we must rely on regional cooperation."

Following the crisis, Asian governments proved willing to surrender elements of their sovereignty in creating a series of regional institutions designed to mitigate the prospects for any repeat. These institutions were to offer a hedge, a firewall, or soft balancing against the worst excesses of unmediated globalization even as individual governments took steps to self-insure by accumulating large war chests of currency reserves. ASEAN, with long institutional experience and a measure of self-confidence as a multilateral body, was the most single-minded driver of this new regionalizing endeavor. Following its accession to the World Trade Organization (WTO), China also became an active promoter of regionalism, as much for diplomatic as for financial reasons. Japan, anxious to salvage some version of its Asian Monetary Fund and

to provide mechanisms for internationalizing the yen and regaining elements of economic leadership in the region, was also enthusiastic, though always wary of anything that would compromise its close bilateral ties to the United States.

The most noteworthy institutional push toward financial integration came from the relatively new ASEAN+3 (APT). The APT format began in mid-1995 when ASEAN linked with China, Japan, and South Korea to serve as a counterpart body with the European Union in what became ASEM (Asia-Europe Meeting). In 1997, the ASEAN governments pressed to heighten APT's independent role, expanding it from a series of meetings among senior officials to a meeting of finance and economic ministers and eventually to an annual meeting of heads of state. Once in place, this thirteen nation summit became the go-to regional body driving cooperation in a variety of areas of finance.

ASEAN was able to take the lead in the APT largely by default, given the continued national rivalries and security competition across Northeast Asia. As David Jones and Michael Smith (2007, 152–153) have rightly pointed out, in contrast to the predictions of realism that the strong will make the rules, “a shared sense of weakness rather than strength facilitated ASEAN's capacity to transform the regional order,” leading to a discourse that was “conducted according to the non-legalistic, consensus-oriented ASEAN way that represented a distinctive alternative to European styles of diplomacy.”

One of the first APT moves was the Chiang Mai Initiative of May 6, 2000. CMI expanded existing ASEAN currency swap arrangements (ASAs) and added a network of bilateral swap arrangements (BSAs) among the ASEAN countries, China, Japan, and the ROK. All were structured to provide emergency liquidity in the event of any future crisis (Amyx 2008; Grimes 2006, 2009; Henning 2009; Pempel 2006, 2008a). Initially dismissed as involving only limited amounts of money and requiring that most swaps be congruent with IMF regulations, CMI has since expanded its web of agreements as well as the amounts involved. Today a total of \$120 billion is involved, and in May 2009 the CMI put in place a multinationalization agreement creating a collective centralized reserve fund, with a single contractual agreement, allowing “one stop shopping” for needed funds. CMI has also initiated a regional surveillance mechanism called the Economic Review and Policy Dialogue, and, in conjunction with CMI, China, Japan and Korea have provided technical assistance and training for the monitoring of capital flows among some of East Asia's less advanced financial systems (Hamilton-Hart 2008, 120; Henning 2009, 3). Asian governments also

moved to create bond markets denominated in local currencies. The more advanced economies in Asia have begun to develop an enriched Asian Bond Fund through their regional central banks, while CMI has pushed a separate Asian Bond Market Initiative. Combined, these two efforts offer an additional opportunity for regional financial collaboration that simultaneously reduces Asian dependence on the US dollar for financial reserves, currency baskets, and international transactions. Important components include a local-currency bond market with a regional clearing and settlement system, a bond rating agency, a trading system, and other sophisticated features (Pempel 2008a; Grimes 2006).

These bond market moves are designed to enable Asian governments to mobilize regional savings for intra-Asian investment, thereby reducing the region's dependency on the US dollar. Locally denominated bond markets would also limit Asia's vulnerability to any US abuse of its position as the issuer of the world's most popular currency, a particularly strong fear following the 2008–2009 crisis and the mounting US governmental deficit. Though still thinly traded, the Asian bond markets have begun to generate some buyers. Between 1997 and 2006, there was a doubling in the local currency bonds issued by Japan and a 7.7-fold increase in those issued by the eight other major economies in the region (Asian Development Bank, Asian Bonds online).

The motivation to balance and hedge in East Asian finance is underscored by the fact that individual governments moved independently but along the same road to enhance their treasure chest of foreign reserves. East Asia's collective financial muscle has ballooned since the crisis. In 1998, total East Asian reserves totaled \$742 billion. By the middle of 2009, the four largest economies in Northeast Asia alone held over \$3.7 trillion in reserves, which constituted two-thirds of the world total. The People's Bank of China and the Hong Kong Monetary Authority lead the way with \$1.97 trillion as of August 2008, with Japan a powerful second at just over \$1 trillion; Taiwan (not a member of APT) held an additional \$291 billion, while the ROK had \$248 billion (IMF 2008). Even relatively underdeveloped Vietnam held \$27 billion in reserves. While these accumulations may suggest "wasted" capital that could otherwise be invested domestically, they also constitute a formidable regional breakwater and hedge against speculative currency attacks. Further, they reinforce the export-oriented policies of key reserve holders; such accumulations (particularly by China but also by most others) are congruent with the maintenance of weak currencies that allow national exports to be cheaper (and hence more competitive) globally. Finally, to the extent that they become increasingly effective,

these institutions will provide a powerful collective cudgel for Asian governments in any negotiations with the IMF and the United States.

Three points are worth stressing. First, as Samuel Kim (2004, 35) has argued, APT, the CMI, and the various bond market efforts, although regional, are not antiglobal. They do not represent any clean break with existing global bodies such as the IMF, the World Bank, or the like; they do not move Asia toward an alternative Asian currency nor do they challenge dollar supremacy (Cohen 2008). Instead, they constitute a collective Asian search for new and better ways to manage the forces of globalization to the region's advantage by combining the complementary advantages of Northeast Asia and Southeast Asia. These regional institutions offer defense mechanisms against previously unmediated global economic forces even as Asian governments simultaneously remain members of existing global institutions; and for potential lenders such as Japan, Korea, Singapore, and China, there are sufficient links to the IMF to deny blank checks to potential borrowers, thereby reducing the problems of moral hazard (Pempel 2008a).

Second, these new East Asian regional institutions are no longer pan-Pacific in membership, as was true for earlier bodies such as Asia-Pacific Economic Cooperation (APEC) or the ASEAN Regional Forum (ARF). Instead, since the crisis, East Asian governments have increasingly embraced an enhanced and integrative regional latticework composed almost exclusively of East Asian governments (MacIntyre, Pempel, and Ravenhill 2008). The United States is not a party, thus giving these institutions substantial weight as an institutional balance wheel against US financial hegemony. The new regional bodies, along with enhanced Asian reserves, provide Asian governments with increased capabilities to buffer their economies against unwanted but powerful global financial movements. At the same time, to the extent that Asian governments prove capable of acting collectively in the financial area, they gain enhanced bargaining leverage as a region in any recalibration of IMF voting weights, where Asia now is severely underrepresented. Not irrelevantly, their "exclusively Asian" character provides a demonstrable East Asian willingness to do what the United States did not do in the run-up to the 2008–2009 crisis and what the IMF urged (mistakenly) on East Asia during the 1997–1998 crisis: balance one's budget and live within one's means.

Finally, the new institutions are almost exclusively focused on finance, not on trade, where Asian interactions with one another and with the global economy were less dramatically damaged by the 1997–1998 crisis. Corporate and national interdependence in trade have proven

quite independent of the forces of global finance where East Asia had been demonstrably vulnerable. Furthermore, collective East Asian dependence on exports to the US market demonstrates the limited significance of the new regional financial institutions in drawing any broader geopolitical conclusions about Asia becoming a region at odds with the United States.

East Asian trade proved less vulnerable to globalization, but it has not been ignored in the wake of the crisis. As was noted, the huge buildup in foreign reserves across much of East Asia supported these countries' heavy reliance on weak currencies and export-led economic policies. To date, major importers such as the United States have shown far more predilection to sustain their politically appealing policies of cheap imports and low taxes than to press hard for currency revaluations across East Asia. As further evidence that trade need not be an area that pits Asia against the United States or the West, there has been no major effort toward the creation of some sort of regional customs union or regional trade group. The older APEC forum, which includes the United States, remains the most conspicuous regional trade institution. Yet, since 2001–2002, by which time APEC had hit something of a brick wall in trade liberalization and the WTO's DOHA round failed to reach agreement, most East Asian governments became active promoters of bilateral and multilateral free trade agreements (FTAs) or Economic Partnership Agreements (EPAs) (e.g., Aggarwal and Koo 2008; Amyx 2004, 2008; Dent 2003; Grimes 2009; Pempel 2008a; Suominen 2009). Virtually nonexistent in Asia at the time of the crisis, such pacts have quickly become a favored state instrument designed to enhance intraregional trade ties while retaining national influence over trade policies in ways that are independent of the now-stalled negotiations in the Doha Round and limitations in APEC. Still as Kati Suominen (2009) points out, many of the intra-Asian FTAs involve protectionist components for politically sensitive sectors, most typically agriculture, hence making many of them potential impediments to more comprehensive trade liberalization.

Thus, it is clear that East Asian governments, since the crisis of 1997–1998, have moved aggressively to create hedges for their monetary and currency systems, to a large extent balancing against “global finance,” US financial hegemony, the ideology behind the “Washington Consensus,” and the institutional preeminence of the IMF while at the same time remaining substantially plugged in to the global system. Finally, in trade, FTAs have enhanced intraregional interdependence but in complex and nonexclusive ways. Some FTAs, such as China-

ASEAN or Korean-ASEAN, are quite explicitly intraregional, while others such as Japan-Singapore are simply bilateral, and in a few cases (e.g., Brunei, Singapore, New Zealand, Chile) the pacts are both intra-regionally multilateral and extra-Asian as well. Clearly, Asian approaches to trade suggest that governments across the region remain more comfortable with global processes in that area than they do in finance. In all cases though, individual national governments continue to drive the process, and recently created regional bodies remain their creatures, with very few limits on national autonomy. This pattern is also true in security.

Security: Neither Balance of Power nor Concert of Powers

East Asia is rife with intraregional security challenges, but it has no clearly agreed-upon external “enemy” to match East Asia’s collective trepidations about global finance. Rather, as Michael Yahuda (2004, 229) points out, “The defenses of most East Asian countries are directed against one another.” Still, despite pervasive frictions and contrary to neorealist predictions, East Asia has been free of shooting wars since the pullback of Vietnam from Cambodia in 1979, while the last real shooting war ended in Northeast Asia with the 1953 Korean armistice. Moreover, as Muthiah Alagappa (2003, 1–33) and others (e.g., Cha 2007, 110; Goh 2007–2008, 113; Kang 2003) have shown, serious internal and international security problems in the region have declined, many have been resolved, and most have been stabilized.

Military statistics underscore this improved security climate. As Solingen (2007, 757) points out, “Existing disputes have been restrained as never before in recent history, and major powers have normalized diplomatic relations despite continued tensions. . . . Military modernization has not undermined macroeconomic and regional stability. Military expenditures relative to GNP have declined from 2.6% (1985) to 1.8% (2001), lower than world averages of 5.4% (1985) and 2.5% (2001), with parallel declines—in most states—in military expenditures relative to central government expenditures.”

Despite periodic bursts of nationalist bombast, East Asian governments continue to prioritize economic development over irredentist territorial claims and military freelancing. As Charles Armstrong et al. (2006, 257–258) put it, “Although historical animosities and distrust among China, South Korea, and Japan, not to mention Russia, persist,

in recent years, the conversations among the respective governments have tended to focus more on free trade areas and increasing cooperation at all levels.”

Nevertheless, numerous East Asian governments remain highly suspicious of one another, especially regarding their neighbors' enhanced abilities in areas such as power projection, cyber warfare, missile defense, and space militarization. As such, collectivist regional approaches in military security have been minimal. Until very recently, the main security architecture within the region involved the complex of bilateral military alliances (and other nonalliance arrangements such as that with Taiwan) between the United States and countries such as Japan, the ROK, and the Philippines. Despite the demise of their major target—the USSR—and the economic transformations China has undergone, these alliances continue to give a “hub and spoke” structuring to hard security relations across the region, reaffirming US military predominance. As Steven Walt (2009, 109) has argued, “Desert Storm, the Kosovo War, the ouster of the Taliban, and Operation Iraqi Freedom all demonstrated that the United States had unmatched military power—as if anyone had real doubts—but these actions did not provoke a wave of realignments toward the United States.” Barry Posen (2003) puts it differently. The US military, he argues, retains “command of the commons,” that is, it can operate with impunity in the air, on oceans, and in space and can defeat any single power in a direct battlefield test. Given such awesome US military predominance as well as the belief by many governments in Asia that US military prowess has been a stabilizing force in the region, the countries of East Asia have not sought to counterbalance the United States. Instead they have come together (sometimes with the United States) in a variety of forums aimed at a mixture of confidence building, nontraditional security, and specific problem solving.

ASEAN has long represented something of a minilateral exception to the absence of regional security multilateralism. Originally formed in 1967 in response to collective worries by the individual countries of Southeast Asia about their vulnerability to bullying by the major powers, ASEAN has in its forty-plus years moved toward becoming a genuine security community. It actively helped to resolve the Vietnam-Cambodia conflict (Acharya 2001); it has tentatively agreed with China to a peaceful resolution of territorial disputes in the East China Sea; and it has broadened its comprehensiveness by welcoming Vietnam, Cambodia, Laos, and Myanmar as members, despite the communist or authoritarian nature of the regimes in all four. Particularly significant, all

of the ASEAN ten as well as China, Australia, New Zealand, and India have signed the Treaty of Amity and Cooperation (TAC) committing themselves to the peaceful resolution of any conflicts among members. (On July 22, 2009, the United States also became a signatory to the TAC.) ASEAN has also been active in efforts to resolve nontraditional security problems that confront its members.

Given this history, it was not surprising that ASEAN took the initiative in attempting to weave Northeast Asia into its own style of security cooperation by creating the ASEAN Regional Forum (Buzan 2003, 156; Goh and Acharya 2008). As with the ASEAN+3, the ARF was integral to what Evelyn Goh (2007–2008, 121) has labeled an ASEAN strategy of “omni enmeshment” through a series of formal institutions and governmental processes by which ASEAN patterns could be made regionwide. The “ASEAN way” would expand beyond Southeast Asia to become the “Asian way.”

Under ASEAN’s mantle, the ARF has fostered confidence-building measures (CBMs), including military-to-military exchanges as well as collective efforts to address nontraditional security problems such as small arms smuggling, trafficking in drugs and persons, illegal immigrants, maritime security, and money laundering (ASEAN Regional Forum 2004). Nonetheless, ARF’s successes have been constrained by the reluctance of some members to allow it the expanded scope to address the more taxing problems involved in preventive diplomacy—that is, areas where nation states actually risk direct hard security confrontations with one another.

Southeast Asia, through Singapore’s International Institute for Strategic Studies, has also been the locus of the annual Shangri-La Dialogue process, which since its formation in 2002 has brought together defense ministers and national military heads from a range of twenty-odd Asia-Pacific countries for discussions on outstanding security issues. Though set-piece speeches dominate the plenary sessions, the key to Shangri-La’s appeal lies in the less formal bilateral meetings that occur behind the klieg lights, for which separate meeting rooms are reserved well in advance. These allow for top-level dialogues on bilateral and regional security matters. Shangri-La has limited organizational structure and relies instead on the secretariats of the ARF (International Institute for Strategic Studies 2009). Its significance, however, is demonstrated at a minimum by the fact that top-level officials show up regularly to engage in ad hoc deal making behind the scenes.

Meanwhile, in an expansion of preexisting bilateralism based on the US alliances, Japan, the United States, and the ROK forged the Tri-

lateral Coordination and Oversight Group (TCOG) and have subsequently met as a trio, while the United States, Australia, and Japan are collectively involved in a similar but independent three-party process. Such triangles seek to enhance the collective influence and coordination among the members and might be seen as one possible exception to the argument that Asia has witnessed no balancing against a “rising China.” (But as we shall see, other arrangements that include many of the same states involve explicitly *cooperative* actions with China.)

Two additional regional bodies are focused on dealing with hard security confrontations but in very specific circumstances. The first is the Six-Party Talks dealing with the nuclear activities of North Korea (DPRK), and the second is the Shanghai Cooperation Organization, another body of six countries focused on security in East and Central Asia, particularly security from Islamic terrorism. Neither has a membership comprehensive of all East Asian countries, both are directed against intraregional as opposed to exogenous threats, and each is quite particularistic in the security problems it addresses.

The Six-Party Talks (SPT) grew out of long-standing efforts, driven primarily by the United States, to prevent the DPRK from pursuing a nuclear weapons program and to limit the possibilities for global nuclear proliferation. The problems go back at least to 1993–1994 when the DPRK, claiming the need for security against a putatively hostile United States, threatened to leave the Nuclear Nonproliferation Treaty (NPT) in pursuit of a nuclear program. Eighteen months later, during which time top US officials indicated there was a serious risk of a US military strike (e.g., Perry 2009), bilateral negotiations between the United States and the DPRK led to the 1994 Agreed Framework. Under the agreement, the DPRK program was halted, the country remained within the NPT, and International Atomic Energy Agency (IAEA) inspectors continued inspections of DPRK plutonium facilities. In exchange, the North was given security guarantees and promised energy assistance, most notably two light water reactors. A miniregional body, the Korean Peninsula Energy Development Organization (KEDO) was established by the United States, Japan, and the ROK to deal with the energy components of the agreement (the EU later joined as a member of the KEDO executive board). Until 2002, despite much delay in delivering on promised aid and recurring finger pointing about deliberate foot-dragging and mutual noncompliance, the Agreed Framework held and a measure of tense stability was preserved.

The final months of the Clinton administration saw a conspicuous warming of bilateral ties as the DPRK sent its second-in-command, Vice

Marshal Jo Myong Rok, as a special envoy to Washington in October, and Secretary of State Madeline Albright reciprocated with a visit to Pyongyang and a meeting with Kim Jong Il. A tentative visit by Clinton himself was considered en route to bilateral normalization until it became clear that time was too short and, more critically, that the incoming Bush administration would not endorse such a move. Upon taking office, the Bush government rejected the Clinton approach, undertook a complete review of DPRK policy, and opted for a more confrontational stance, including accusations that the DPRK was secretly in pursuit of a highly enriched uranium (HEU) program, that it was part of an "axis of evil," and that its leader was a "pygmy" whom Bush "loathed." "Regime change" became the overarching Bush goal (Pempel 2008b; Pritchard, 2007).

Meanwhile, Japan was simultaneously endeavoring to normalize its ties with the North, the only country with which it does not enjoy normal diplomatic relations. Following more than a year of secret meetings with the DPRK, Japan received assurances that the regime would acknowledge its role in earlier kidnappings of Japanese citizens, and the path appeared clear for normalization. With those expectations, Japanese prime minister Koizumi went to Pyongyang in September 2002.

The fall of 2002 proved pivotal in what became a rapidly deteriorating diplomatic situation. In Japan, the government faced a firestorm of public opposition fanned by conservative politicians and the Japanese media at Kim's admission that the North had indeed conducted a program of abducting Japanese citizens decades earlier and at the dubious accounting of those declared dead by the North. Almost simultaneously, a US mission to Pyongyang confronted the regime with the claim that US intelligence showed that the DPRK was in violation of the Agreed Framework by undertaking a highly enriched uranium program linked to Pakistan's A.Q. Khan network.

In response (or as critics would contend, as part of a long-standing plan to develop a nuclear capability), the DPRK bolted from the APT, banned IAEA inspections, and began a rushed program of both missile testing and nuclear production (Pritchard 2007). These events unleashed security uncertainties across Northeast Asia. Months of mutual recriminations between the United States and the DPRK eventually led to the initiation of the Six-Party Talks, ushering in a new multilateral process involving the two Koreas, the United States, Japan, China, and Russia. China has chaired the talks from the start, but the negotiations made clear that all six parties had widely differing priorities.

Five rounds of talks, starting in 2003, achieved little progress until July 2006, when the DPRK tested a series of missiles, and then on October 9, when an actual nuclear test took place. Pressures from Japan and China, the DPRK tests, and subsequent congressional victories by the Democratic Party in November 2006 combined to soften the US stance, including bilateral talks *outside* the Beijing framework, specifically in Berlin in January 2007. Talks resumed on February 8, 2007, and a major agreement was issued on February 13 that was largely a re-formulation of an earlier September 2005 agreement.

Four points were critical to the agreements: (1) the verifiable and peaceful denuclearization of the Korean peninsula; (2) a return by the DPRK to the NPT and the IAEA inspection regime; (3) guarantees by the United States not to attack the DPRK, to respect its sovereignty, and to commit to negotiating a permanent peace regime on the peninsula; and (4) promotion by all six parties of economic cooperation on a bilateral and multilateral basis (full statements and details at US Department of State 2008).

By fall 2008, despite clear indications that the DPRK had transferred nuclear material and know-how to Syria, whose facilities were destroyed by Israeli bombers, the process had advanced substantially with the destruction of the DPRK's Yongbyong nuclear facility and the presentation of what it declared to be the full and complete declaration of its nuclear history. The United States responded by removing the DPRK from its list of state sponsors of terrorism. These successes led some to speculate that the SPT could be the basis for a new "concert of powers" in Northeast Asia. Quickly, however, the bargains unraveled. The DPRK holds that the United States changed the terms and advanced the timetable for verification, that Japan refused to supply its required quota of heavy fuel oil, and that the Lee Myung-bak government in the ROK was refusing to abide by agreements made by its predecessors. Critics of the North countered that hard-liners, succession problems, and a desire to enhance their nuclear credibility by further testing unleashed last-minute DPRK resistance. Regardless, by summer 2009, Yongbyon had been restarted and the DPRK had launched a number of missiles, had carried out a second and more successful nuclear test, and was insisting that it would never return to the Six-Party Talks, instead demanding bilateral negotiations with the United States from its now-demonstrated position as a "nuclear power."

As events spin forward, it is not clear if there is a viable future for the SPT. Advocates of multilateral and regional diplomacy press to resume the talks. But even though the UN Security Council has passed a

unanimous resolution condemning the North and instituting a variety of economic sanctions, it is not clear that (a) all parties, particularly China and Russia, will be equally tough in sanctions enforcement, or (b) that sanctions, even if fully implemented, will be sufficient to force the North to return to the talks, to forgo its nuclear program, or—even more problematic—to give up its nuclear stockpile.

One other regional security forum that deserves attention is the Shanghai Cooperation Organization (SCO), even though it spills geographically beyond traditional definitions of “East Asia.” But with Russia and China as two of its six members, it is an important part of the region’s changing security architecture. China and Russia have long been concerned about the possibility of Muslim-driven separatism in Xinjiang and Chechnya, respectively, as well as the broader spread of Islamic fundamentalism in Central Asia. Their concerns are matched by those of their Central Asian partners.

SCO began in 1996 (as the Shanghai Five) and was officially launched on June 15, 2001, with its current six members—China, Russia, Uzbekistan, Kyrgyzstan, Tajikistan, and Kazakhstan. SCO has as its primary focus internal military security and economic cooperation, particularly within the energy field. Extensive security and military cooperation has taken place among the members. Military forces have been reduced on the borders of member states while their six militaries have also held annual joint exercises (Shanghai Cooperation Organization 2008). Beyond such actions, SCO has established a permanent secretariat in Beijing and a regional counterterrorism center in Tashkent, and it has undertaken activities in a broad range of areas, from military and law enforcement to health care and cultural exchange (Cole and Jensen 2009, 264–265). Despite this range of cooperative activities, however, SCO, like ASEAN, is founded on a strong commitment to respect national sovereignty.

Since its formation, SCO has also welcomed a number of countries as observers, including Iran, Turkey, India, Pakistan, Mongolia, and Turkmenistan. SCO’s joint military activities are the only such actions by an Asian regional body. All of this raises the possibility that the SCO might emerge as “anti-NATO,” even though its charter states explicitly that it “is not an alliance directed against other states and regions and it adheres to the principle of openness.” SCO certainly provides a potential challenge to US advances in the deployment of its missile defense systems. It has also made it more difficult for the United States or NATO countries, now engaged militarily in neighboring Afghanistan, to think quite so easily about expanding their actions in Central Asia.

On July 5, 2005, SCO called on the United States to set a timeline for its withdrawal of military forces from the region, while its August 2007 meeting in the Kyrgyz capital, Bishkek, led to a reaffirmation that “stability and security in Central Asia are best ensured primarily through efforts taken by the nations of the region on the basis of existing regional associations” (Kucera 2007).

Both the Six-Party Talks and the SCO represent nontrivial moves toward security multilateralism that bring together highly contentious parties, although with very different targets and quite different implications for global security relations. Yet, both institutions are directed not at creating a security community to withstand or offset some external threat, but at structuring bodies able to respond collectively to specific intraregional security challenges—North Korea in the case of the Six-Party Talks and separatism and terrorism for SCO. In both cases the regional bodies are closer to a “concert of powers” than to a “balance of powers.” In this regard they complement geographically the already long-standing security concert among the ASEAN states. Collectively they represent regional multilateral efforts to deal with narrow but undeniable security challenges within the region.

Fusing Economics and Security?

The governments of East Asia, as previously noted, have consistently given exceptional priority to their economic security and economic development. And Asia’s economies are increasingly interdependent. Given these facts, can the hitherto separate areas of economics and security be fused in some institutional form that might foster more comprehensive approaches to issues in both areas, eventually fostering a deeper sense of regional community? Three institutional developments move partly in that direction: the East Asian Summit (EAS), the “securitization” of APEC (Higgott 2004), and a sequence of trilateral summits.

EAS began in 2005. Its ambitious goal was to create a comprehensive “East Asian Community” capable of cross-border collaboration on a host of issues, including, but not restricted to, economic cooperation and development as well as diplomacy and security. Initially opposed by many in Washington as either irrelevant without the United States or as an explicit threat to US interests, the EAS was pushed most strongly by Japan, Indonesia, and Singapore, all of whom were troubled by the preeminent influence of the People’s Republic of China (PRC) within the APT. Hence, EAS was created independently of APT with a broader

membership that includes the thirteen APT countries plus India, New Zealand, and Australia. In principle, the larger membership should expand both the security and economic interests of the members, but with a consequent dilution of common purpose. The first two EAS meetings were long on rhetoric and short on tangible outcomes despite an ambitious framework for cooperation on energy, environment, economics, education, and a host of nontraditional security challenges such as pandemic diseases. The second meeting also lent support to efforts to deal with a more traditional security issue—namely, denuclearization of the Korean peninsula. This sweeping orientation was continued in the third EAS meeting in Singapore in November 2007. However, the fourth meeting was rescheduled several times and was eventually canceled due to political turmoil in the host country, Thailand.

EAS has yet to prove that it can become a viable and influential regional body. So far its actions have been largely stymied by competing national views on power and influence within the region, leaving its messages largely advisory and admonitory. The meeting cancellation in 2009 combined with Chinese skepticism about the potential for EAS to become more influential than APT leave its future rather uncertain.

Meanwhile, the Bush administration in the wake of September 11 pressed APEC to move beyond its original focus on economic issues and to take positions on regional security challenges. Many members have been reluctant to mix the two types of issues, and APEC's cachet declined as many governments opted to advance their economic aims not through APEC, but through the financial multilateralization and FTAs noted earlier. Still, APEC normally draws its members' leaders to its annual meetings, again offering the possibility for top-level diplomacy on any issues they wish to discuss.

Third, East Asia has witnessed an emerging geometry of overlapping but distinctive trilateral summits that also seek to fuse activities in economics and security. In the section on security, note was taken of those triangular arrangements that extended cooperation among partners in the United States' preexisting hub-and-spoke alliance architecture. But two additional triangles create quite different combinations that defy older Cold War arrangements. One grows out of the APT process. As was previously noted, APT has focused largely on financial matters, showing minimal interest in hard security issues. However, the "plus 3" leaders (Japan, China, and the ROK) long met in minisummits in conjunction with the APT meetings to discuss any and all issues of mutual concern, including security. More recently, in December 2008 and October 2009, the three leaders from China, Japan, and the ROK

came together completely outside the auspices of APT for trilateral summits that ended with agreement to cooperate on all outstanding economic and security issues.

In a similar vein, China has proposed, and Japan and the United States have accepted, that those three countries have senior-level meetings on a regular basis. Thus, East Asia and the Asia-Pacific now have a number of partly overlapping triangles, some of which reflect traditional security ties, but others of which forge new links defying traditional guesses about security pairings. All are dependent on top-level dialogues among key national leaders. And as Yoram Haftel's research (2007) has demonstrated, the combination of economic interdependence and regular meetings among high-level officials has proven to be a powerful combination in mitigating violent conflict among states.

The analysis of these various multilateral regional bodies makes it clear that the nation-states of East Asia continue to be driven far more by their quite distinctive national agendas than by any preexisting regionwide comity. Moreover, the drivers toward regionalizing in finance remain distinct from those bodies driving security multilateralism. Aside from minilateral ASEAN and possibly the East Asia Summit, and the various triangles of leaders, none of these bodies aspires to be functionally comprehensive in the range of issues it addresses.

Similarly, virtually all of the new bodies are severely circumscribed in their administrative structures and their policymaking autonomy; they hardly represent institutions radiating deep levels of mutual trust, a common agenda, and a willingness to sacrifice large measures of state autonomy in pursuit of a common purpose. Instead, they reflect the underlying wariness of their members about one another as well as their collective reluctance to surrender substantial national sovereignty to such regional bodies. East Asian governments have approached the new regionalism as tentatively as the cautious man in the Korean admonition that "one should tap even a stone bridge before crossing." As a consequence, few East Asian institutions have to date achieved major policy breakthroughs or established their centrality as robust providers of regionwide solutions to complex problems.

Thus, CMI was not activated when the interaction of high oil prices and domestic fuel subsidies worsened the budgetary outlook and caused a currency crash in Indonesia in the summer of 2006, nor was it used when the Thai baht tumbled in December 2007. And when Korea faced a liquidity problem in December 2008, it turned not to the CMI but to the US Federal Reserve. CMI retains considerable potential, but its ability to stabilize exchange rates depends on the extent to which govern-

ments use it. So far they have shown a reluctance to do so. Similarly Asian bond markets have yet to establish themselves as powerful and fluid monetary instruments in local capital markets. National competition has also been a stronger driver than multilateral cooperation in the different postures taken by Japan, Korea, and China regarding FTAs. The ARF has achieved limited success in confidence building and non-traditional security cooperation, but it has not effectively dealt with any hard security problems in the region. The Six-Party Talks looked as if they had made substantial progress by mid-2008, but subsequent events make it premature to declare any policy victories. And the EAS has so far proven longer on rhetoric than on substantive outputs.

To date, although East Asian governments have moved toward greater institutional formalization and greater governmental cooperation, their major moves in economics and security have been driven by quite different agendas—financial bodies by collective efforts to insulate East Asia's national development efforts from any repetition of the tsunami driven by the tides of globalized finance; trade bodies by overlapping national desires to foster both intraregional and global trade in the wake of slowdown in progress by APEC and the Doha Round; and security bodies by distinct intra-Asian military or terrorism threats. And most bodies have so far been limited at best in their achievements. Given those experiences, is there much potential that these bodies will gain greater influence or that activities in economic and financial regionalism might become fused with those in security to undergird a broader communitarian approach to all major issues across East Asia?

Much of the answer to this question will depend on process. Each individual institution noted may well have been designed rationally to solve a particular nexus of cooperation problems in discrete issue areas (Koremenos, Lipson, and Sindal 2001; Pierson 2000). Yet, the governments of the region have not shown sufficient overlap in their perceptions and approaches to these discrete policy problems to impel them to create any single body aimed at "regionalizing" a broad range of commonly analyzed problems. Instead, East Asia's institutional pattern has been a helter-skelter bevy of organizational forms, separate institutional targets, and both overlapping and conflicting membership and institutions that are typically highly constrained in their ability to act autonomously and robustly.

Yet comparative analysis has shown that institutions can evolve over time in both purpose and power (Thelen 2004; Streeck and Thelen 2005) in the process acquiring a prevailing role as the structurer of members' interactions (e.g., North 1990; Steinmo, Thelen, and

Longstreth 1992). Thus, East Asia's current state of numerous institutions advancing diverse goals and exercising limited power may well evolve over time toward greater institutional consolidation, enhanced member trust, and greater robustness in institutional power.

Despite the limited successes of many East Asian multilateral bodies, the very fact of meeting regularly, of searching for areas of agreement, and of developing patterns of cooperation and trust are all possible outcomes of "institutionalizing cooperation." To the extent that current problems can be resolved, the opportunities and the mutual trust needed to address different and additional problems, whether regional or bilateral, go up. The early ASEAN and OSCE experiences reinforce this point. Importantly, ASEAN, the ARF, the SPT, and SCO also provide powerful mechanisms for socialization of members into common patterns of conduct and collaborative norms, the end result of which potentially is greater understanding of competing national motivations and, eventually, reduced conflict. Many (e.g., Acharya 2001; Buzan 2003; Johnston 2003) have provided compelling evidence that socialization of originally skeptical members has been a tangible benefit of various multilateral bodies in East Asia.

Furthermore, institutions promise the possibilities of spillovers from one functional area to another as it becomes clear how problems in one area cannot be satisfactorily resolved without addressing problems in cognate areas. Certainly East Asia's now-multiple trilateral bodies are being driven by efforts to solve a bevy of functionally different issues and retain the possibility for various fusions and trade-offs across economic and security issues.

The forum with the greatest potential for linking security and economics may ironically be the Six-Party Talks. All of the region's major players are involved, and despite recent setbacks, all but the DPRK remain committed to the six-party process. If the current problems can be resolved, the mechanisms are in place for the SPT to continue as a process and to address future security problems. Furthermore, despite their differences, the participants all share one central objective to varying degrees: the integration of the DPRK into the regional economy. It is naive to assume that greater economic interactions alone will eliminate security conflicts. But to hold out such a vision of growth and regional economic integration before the DPRK's leaders is likely to be a powerful motivation—at least for some of those leaders—toward changed behavior and closer ties with the immediate neighborhood.

There is no guarantee of such an integrative and expansive institutional course; a host of factors will combine to shape the future of these

bodies. But institutional experiences from elsewhere, including the European Union, ASEAN, and the Commission on Security and Cooperation in Europe (CSCE), suggest that East Asia's now-inchoate institutional ingredients might ultimately be brewed into a regionally acceptable communitarian porridge. East Asian regionalism may be at the early stages of what I would call "institutional Darwinism," a process of institutional competition and selection in which those institutions that prove themselves adaptable to changing environments and capable of generating trust among their members will expand and thrive while those that do not will languish and perhaps die.

East Asia today is an ecosystem with numerous multilateral institutions of various purposes and divergent powers. Yet, just like the survival of the fittest in the animal kingdom, East Asia's now-multiple structures may well be poised to replicate a similar process. Those that prove effective and can generate support from members will survive; those that do not will perish. East Asia's future architecture is almost certain to reflect the results of such a process.

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Notes

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