

Regional Community Building in Northeast Asia in a Global Context*

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In the context of power shift from Europe to Asia, Asia is creating a new history as the most dynamic region in the world. Historically, Asian countries have long maintained cultural and institutional connections within the region through constant contact, exchange, trade, and warfare. These cultural and institutional linkages serve as a cohesive factor for Asian countries to converge on regional commonness despite intraregional disparities. When looking at Northeast Asia, the center of Asian dynamism, the region's future is beset by serious challenges and threats, complicated by historical conflicts and territorial disputes. Building a regional community is crucial to turn tension and conflict to cooperation and coexistence in the region, but it is hampered by hegemonic competition under the rise of nationalism. As a way out, they should take both economic and cultural approaches toward the creation of regional community according to bilateral principles based upon one-to-one negotiations. In this regard, the non-expansionary stance of Korea so far gives her a moral hegemonic precedence over China and Japan in Northeast Asian community building.

Keywords: Regional Community Building, Rise of Asia, Northeast Asia, Regional Bloc

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Introduction

Today the world stands in the midst of enormous turbulence. Long time ago Marshall McLuhan's coinage of the "global village" raised great expectations about the harmonious coexistence of all mankind. We find that, however, in the process of globalization, "global village" has turned out to be an awful reality of "global pillage." Indeed, the world is plagued by war, violence, and terrorism in the form of cultural collision, ethnic disputes, and racial conflict combined with poverty, starvation, and oppression. Against this backdrop, this paper attempts to propose a regional community building as an alternative to the "deep" globalization, which tends to ignore difference among countries and cause many problems by forcing countries to introduce neo-liberal reforms (Rodrik 2011).

The current global order bears testimony to the breakdown of the U. S.-led unipolar system. Some people envision the future of the global disorder, known as "G-0," from the "non-polar" or "anti-polar" perspective, while others point out the multi-polar realignment of power amid the rapid growth of regional blocs taking the place of the global supremacy that has persisted since the Second World War (Pieterse 2011, p. 123). However, China's rise and Europe's downfall provide a vivid portrayal of hegemonic shift. China takes the place of Europe within G2 to stand abreast with the U.S. In such a hegemonic shift from the Netherlands through the UK and the U.S. to China, the global center has also moved from the Atlantic, between Europe and the U.S., to the Pacific, linking the U.S. and China. To put it simply the world is witnessing a power shift from Europe to Asia.

Asia, especially countries in Northeast Asia, can be a locus of coming power shift. Countries in this region have shared many cultural similarities and been interconnected with each other in various ways, especially among Korea, China, and Japan. The cooperation among three countries is vital for the future of Asia and even for the world; however, there are many obstacles to overcome in order to forge a regional community in Northeast Asia. The modern history riddles three countries how to achieve the community in this region. Three countries are in a sense flawed to be a leader to form a community; Korea and Japan are afraid of giant China, Japan has a notorious modern history of atrocity done against Asia, and Korea is not big enough to assume a leadership. This paper, however, argues that Korea can play an important catalyst role in achieving the regional community building. In order to argue this, we review the current state of regional community

building in a global historical context. Then, the necessity and possibility of the Northeast Asian community are discussed.

Asia in the World

The history reveals that Asia has been construed as an alternative for Western modernity. As the second modernity, Asia poses huge challenges to its prototype created by Europe. As Edward Said sharply pointed out, Asia was an imperialist creation to dominate the world by Europe. Asia became “orientalized” in such a way as to have been particularistic, irrational and stagnant, while Europe was described as universal, rational and vibrant (Said 1978). In the 21st century, however, Asia has undoubtedly solidified its global stance in wealth and power, as well as knowledge and culture.

Nevertheless, the important issue is that the rise of Asia does not mean the collapse of the West. We should be cautious about Occidentalism implying a counteraction to “Orientalism.” Exclusive Asianism under the guise of “De-Eurocentrism” merely represents “Reverse Orientalism.” Historically, Asia has largely stayed ahead of Europe. As every civilization has its downfall, Asia took precedence over Europe during the first five centuries of the second millennium A.D. (1,000~1,500 A.D.), but Europe surpassed Asia during the next five centuries (1,500~2,000 A.D.) (McNeill 1963; Abu-Lughod 1989). As historian Geoffrey Barraclough put it, “every age needs its own view of history.” In this regard, the so-called “reversal of civilization” does not indicate the end of one history, but the beginning of another.

Europe was able to gain this ascendancy over Asia only because it benefited from the advanced Eastern heritage to make a revolutionary breakthrough in science and technology. Around 1,000 A.D., China and the Middle East became highly urbanized, while the entire population of Rome declined dramatically from 450,000 to 35,000 persons. The Spanish area of Córdoba, under the Islamic rule, had 500,000 residents. Baghdad was the world’s largest city, with about 1,000,000 inhabitants. For the period from the 9th century to the 13th century, the House of Wisdom in Baghdad undertook the collection, translation, and synthesization of works of “foreign sciences” containing the essence of the Greek, Persian, and Indian political, medical, and scientific treatises (Schäfer and Lim 2011, p. 15). Europe’s precedence over Asia can be witnessed during Europe’s Scientific Revolution combined with the “geographical discovery.”

However, entering into the 21st century, Asia is creating a new history as

the most dynamic region in the world (Frank 1998).¹ Together with Europe and North America, Asia is highly acclaimed as one of three central pillars of the modern industrialized world. Japan became the first non-Western state to achieve modernization, and this was accompanied by the phenomenal economic successes of “The Four Dragons of Asia” (South Korea, Taiwan, Hong Kong, and Singapore). Following that, “The Five Tigers” (Thailand, Indonesia, Malaysia, the Philippines, and Vietnam) began to emerge as industrial nations. CHINDIA, comprising of China and India, is rising as a global political and economic powerhouse. These changes usher in the advent of the Asian Century which was initially mentioned in the mid-1970s during the encounter between Deng Xiaoping and Rajiv Gandhi.

Over the last decades, Asia has demonstrated its unparalleled dynamism throughout the world. Asia’s population and geographical size are larger than those of North America, South America, Europe, and Africa. Despite some later attainment of industrialization, Asia now spearheads the world’s most rapid transformation into the 21st knowledge-based society through prompt responses to informatization. The size of Chinese economy surpassed Japan and Germany already and is closing to the United States (see Table 1). Its economic volume is projected to be 92.4 percent of the United States in 2015. The records of other Asian countries, such as India, South Korea and Indonesia are also remarkable. Asian countries have overtaken other regional economies in computer and internet access, progress of the digital industry, mobile phone penetration, and the use of social networking service (SNS).

Asia bears the hallmark of commonality within diversity, and this is clearly embodied in the following concepts: “Asian Way,” “Asian Values,” “Asian View,” or “Neo-Asianism.” As Asia is nicknamed “the second modernity,” an alternative for Western modernity, it is expected to build a new paradigm of humane, eco-friendly, and sustainable development.

Today, Asia accounts for more than half of the world production, and represents the most promising regional bloc to surpass the U.S. and Europe. In particular, South Korea, China, and Japan play a crucial role in the global economy and international relations. With more than 75 percent of the regional gross output, these nations have become a global hub of production, investment, trade, and consumption. Following the Japanese precedent, China conducts resource diplomacy and foreign aid activities, and South Korea is also expected to join this movement. Likewise, Asia’s aggressive

¹ Frank explains Asia’s global reemergence following the 1400-1800s as “The Re-orientation of the Orient” (Frank 1998).

TABLE 1
ECONOMIC OUTLOOK OF SELECTED EMERGING MARKET ASIAN ECONOMIES
AGAINST THE ADVANCED ECONOMIES

(%, PPP-Based)

	United States		Japan		Germany	
	2010	2015	2010	2015	2010	2015
China	65.6	92.4	227.6	329.5	339.6	496.3
India	26.1	34.2	90.5	122.0	135.0	183.8
Russia	14.9	16.2	51.8	57.7	77.2	86.9
Brazil	14.4	15.7	50.1	55.8	74.8	84.1
South Korea	9.7	10.6	33.6	37.8	50.2	56.9
Indonesia	6.9	8.5	24.1	30.3	35.9	45.7
Turkey	6.3	6.7	21.9	23.9	32.6	36.1

SOURCE.—IMF World Economic Outlook, October, 2010.

dynamism is causing enormous reverberations across five oceans and six continents.

At this critical juncture, a desirable future for Asia would entail South Korea, China, and Japan to build a cooperative framework. Japan's recent nuclear plant disaster has exerted a significant impact not only on South Korea but also China. If any similar event should occur on the Chinese Shandong Peninsular or the western part of Japan, it might cause a major catastrophe in South Korea. Therefore, South Korea, China, and Japan should establish a common cooperative framework for multiple issues ranging from energy, finance, environment, terrorism to development. For the durability of a future regional bloc, they should enhance mutual understanding and trust through expansion of cultural and economic exchanges. They should solidify their mutual consensus about the necessity of the regional bloc through close contacts and exchange of human and material resources.

Interestingly, Asia has not produced ambitious leaders like Jean Monet and Robert Schuman who were at the forefront of the unified Europe. Some Asian leaders have pursued national liberation or developmental dictatorship for protection of national interests, like Mao Zedong, Ho Chi Minh, Sukarno, Park Chung-hee, and Lee Kuan-Yew. Based on a common regional denominator, however, no Asian leader has proceeded to take on the role of a prophet, preaching the prospect of "Tong Zhou Gong Ji" (同舟共濟 Crossing a River in the Same Boat). Against this backdrop, South Korea has the potential to offer a proactive leadership for building a regional community,

beyond nationalistic hegemony like Japan’s “The Greater East Asia Co-Prosperity Sphere” or China’s “Greater China Economic Sphere.”

Power Shift from Europe to Asia

Basically, Asia does not represent a single entity, but is comprised of central, northern, eastern, western, and southern sections. Asia’s recent track record stimulates wide-ranging discussions about the formation of a regional community. The Asia-Pacific Economic Cooperation (APEC) merely serves as a consultative vehicle with a weak binding force, but it is attempting an organizational conversion into a united identity (See Figure 1 and 2).

Table 2 gives a comparative analysis of APEC, the European Union (EU) and the North American Free Trade Agreement (NAFTA). In global terms, APEC has grasped 40 percent of population, 32 percent of surface of the earth, 54 percent of total output, and 43 percent of trade in the world. It has enormous potential for a regional community unrivalled by the EU or NAFTA. If APEC evolves into a regional community, it will take the initiative in the global economy and international relations ahead of the EU or NAFTA. Asia will be expected to play a critical role in a globalized world. Accordingly, the U.S. seeks ways to wield dominance over APEC while Europe endeavors to solidify its position in Asia through the ASEM. Asia is better poised for the future than elsewhere in terms of capital investment,

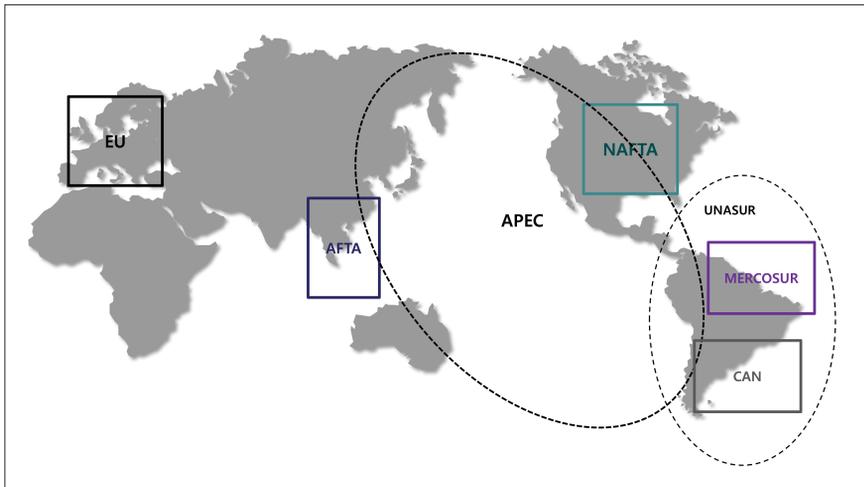


FIG. 1.—Regional Communities

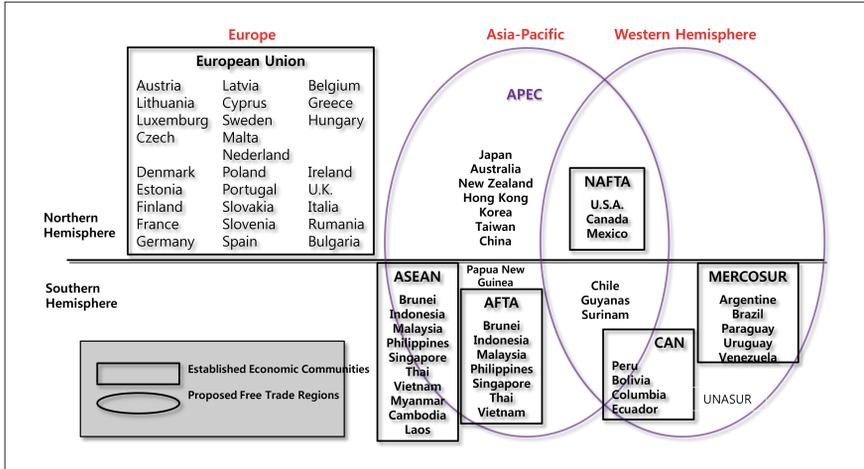


FIG.—2. Countries in Regional Communities

technology transfer, market volume, manpower supplementation, and knowledge production, and thus it can entice numerous nations worldwide in line with the U.S. and Europe.

Asia does not stand for a single zone of civilization, but is a mixture of various languages, races, and religions. Most Asian countries have their own native languages against a backdrop of unique ethnicities. Asia has been the birthplace of the world's major religions, such as Confucianism, Buddhism, Hinduism, Islam, and Catholicism, being marked by the following religious coexistence: Confucianism in South Korea, North Korea, China, Japan, Vietnam, Taiwan, and Singapore, Hinduism in India, Buddhism in Thailand, Islam in Indonesia and Malaysia, and Catholicism in the Philippines. They reveal a considerable disparity in political systems, economic institutions, social structures, and cultural patterns. Most countries follow the capitalist model, but there are few socialist states like North Korea, as well as states in transition from socialism to capitalism such as China and Vietnam. Under the capitalist model, there are various types of economic system ranging from government-interventionist economies (Japan, South Korea, Taiwan, and Malaysia) to laissez-faire economies (Singapore and Hong Kong), and mixed economies (Indonesia, Thailand and the Philippines). Such diversity is also manifested in democracy, civil society, and economic development. Asian countries are largely classified into developed, semi-developed, and developing economies depending on their development status. In other words, they can be categorized into wealthy developed countries, poor

TABLE 2
COMPARATIVE ANALYSIS OF APEC, EU AND NAFTA (As of 2009)
 (1,000 persons, million dollars)

	APEC	EU	NAFTA
Year of Inception	1989	1993	1994
Number of Members	21 countries	27 countries	3 countries
Headquarters	Singapore	Brussels, Luxembourg	-
Total Area	62,647,000 km ²	4,324,782 km ²	21,783,850 km ²
Population (share of global population)	2,716,782 persons (40.10%)	498,643 persons (7.36%)	457,285 persons (6.75%)
GNP (share of global output)	31,740,310 (54.51%)	16,376,781 (28.13%)	16,329,878 (28.04%)
Per Capita GDP (PPP)	14,352	30,388	35,491
Export of Goods (share of global export of goods)	5,335,987 (42.82%)	1,530,288 (16.18%)	1,602,479 (12.86%)
Import of Goods (share of global import of goods)	5,483,280 (43.36%)	1,681,118 (17.41%)	2,176,716 (17.21%)
Export of Services (share of global export of services)	1,232,300 (37.21%)	653,690 (26.06%)	548,875 (16.57%)
Import of Services (share of global import of services)	1,185,000 (38.05%)	565 441 (23.55%)	433,291 (13.91%)

SOURCES.—WTO and APEC Statistics

underdeveloped countries plus developing countries from the latter to the former group. Recently, China, India, and Indonesia have earned the title of emerging market economies.

Notwithstanding the aforementioned diversity, Asian countries have long maintained cultural and institutional connections within the region

through constant contact, exchange, trade, and warfare. These cultural and institutional linkages serve as a cohesive factor for Asian countries to converge on regional commonness despite intraregional disparities. For instance, Buddhism was propagated to Korea and Japan after its origination in India. With its fundamental roots in China, Confucianism became widespread in Korea and Japan as well as Vietnam. Based upon Japan's government-led industrialization model, Asian countries have proceeded with their economic development while transmitting experiences of predecessors.

Asia's development method and route offers a sharp contrast to the case of Europe. Quoting Adam Smith's description, Giovanni Arrighi compared previous progress of China and Holland. Provided that Holland followed Europe's unnatural and backward development style, China stuck to Asia's development pattern, called "natural progress toward abundance." According to Smith's definition, China's natural process means the sequential process of capital investment in agriculture, manufacturing, and foreign trade: "Had human institutions ... never disturbed the natural course of things, the progressive wealth and increase of the towns would, in every political society, be consequential, and in proportion to the improvement and cultivation of the territory or country." On the other hand, modern European states displayed the unnatural process of growth. Smith stated that "Cities involved in foreign trade primarily introduced the manufacturing industry that was more sophisticated or suitable for long-distance sales. Consequently, the manufacturing industry and foreign trade generated some tangible improvements in agriculture" (Smith 1961, pp. 403-05).

According to Smith's depiction, the Chinese domestic market was bigger than the aggregate scale of European markets. If this domestic market had been combined with overseas markets via foreign trade, Chinese manufacturers would have further grown in size and productivity. If the Chinese had navigated wider regions, they would not only have attained technological and industrial improvements comparable to other regions, but would also have learned the method for the use and production of various machines available elsewhere (Smith 1961, p. 59).

Why did China not begin foreign trade via sea routes? It is notable that China recently emerged as a world factory to produce a variety of consumer and producer goods to sell abroad. After the Western penetration into the East, China became a victim of Western imperialist expansion, which offered valuable lessons for today's China.

Over five centuries ago, China had a massive fleet commanded by Zheng

He (Jou 2008, p. 14, pp. 130-40).² Today Columbus is the favorite figure among Westerners, whereas Genghis Khan remains their most hated figure. This reflects their different respects for Columbus' discovery of the New World as well as old scars inflicted by Genghis Khan's invasion of Europe. For 1405~1433, Zheng He's fleet traveled Southeast Asia by way of the Indian Ocean seven times. He would have enjoyed the same recognition and status as Columbus in the East if the Ming Dynasty had not restricted his voyages. One historian stated that "If China had sent out countless exploratory fleets abroad, Zheng He's fleet would have sailed on to San Francisco Bay against the Japan Current several decades before Columbus wavered in the Caribbean Islands" (McNeill 1998, p. 229).

Historically, hegemonic empires bear the hallmark of inland and maritime powers, as evidenced by the Roman Empire, the Persian Empire, and the Mogul Empire. Over three decades, Zheng He's fleet traveled to over 30 countries across Southeast Asia, Arabia, and East Africa. But they returned home merely bearing exotic animals like lions, giraffes, and zebras or rare items like ostrich feathers and turtle shells (Jou 2008, p. 243, pp. 503-10). This stands in marked contrast to Columbus' voyages which were usually accompanied by extravagant commodities such as gold dust and jewelry and valuable plants such as the potato. Furthermore, China did not harbor ambitions of building overseas colonies, as distinct from Europe.

Meanwhile, Arrighi defined Zheng He's expedition to the Indian Ocean as a low cost-effective output. Although China faced the military threat posed by the northern nomads, it took an asymmetrical stance with its key priority being the domestic market rather than wealth accumulation through long-distance trade (Arrighi 2007, p. 321). If China had not adopted the asymmetrical approach, "Zheng He might have gone to Africa to discover Portugal several decades before Henry the Navigator's expedition entered the south of Ceuta" (Kennedy 1987, p. 7). Unlike Europe, Asia followed an inbound development route, and maritime expansion was used for broader state control over foreign trade. Since domestic trade became a priority, private sector maritime trade was restricted in China, and Muslim merchants could not fulfill their ardent aspirations for maritime commerce due to insufficient backing of naval power. Thus, Europe obtained the chance to fill the void between the two. In the mid-15th century, China's embargo on

² As a nine-masted ship, Zheng He's Treasure Ship had a displacement of 3,000 tons, was 150m in length and 60m in width, which was unrivalled by Vasco da Gama's 300-ton flagship. Based upon this mother vessel, Zheng He commanded over 60 large vessels and over 100 small vessels on which 27,000 soldiers sailed.

maritime trade became a crucial turning point in Europe's maritime expansion and a hegemonic shift from Asia to Europe (Abu-Lughod 1989, pp. 321-22).

Historically, Asia took an inbound development route distinct from Europe's outbound development tendency. Every country is basically governed by two different but intertwined logics: the logic of power and the logic of the market.³ In this regard, Europe's development route converged on capitalism in pursuit of the internal and external expansion of territories under the logic of power as well as wealth accumulation under the logic of the market. By contrast, China's development route shows the respective operation of the two logics of power and the market being marked by a separation of territorial expansion and wealth accumulation. In Europe, the formation of capitalism promoted territorial expansion buoyed by military power, and the resultant growth of wealth accumulation fueled the spread of imperialism. China, however, followed the separation of the logic of power and the logic of the market, thereby hampering the creation of capitalism.

This explanation has something in common with Arrighi's argument. He believed that Europe's "self-reinforcing cycle" did not exist in China. In Europe, national competitors built military bodies which gradually grew in size for the seizure of territories outside Europe, and such expansion was helpful for European states. But this "self-reinforcing cycle" was never found in Asia (Arrighi 1983, pp. 315-16, p. 318). Wars also broke out in Asia under the interstate system. These, however, did not reveal a marked manifestation of military competition within the interstate system plus geographical expansion outside the interstate system, as distinct from Europe.

At the time when the West penetrated more into the East, three prominent figures appeared in Northeast Asia: The Prince of Heongsun, Lee Ha-Yeoung (Korea), Li Hongzhang (China), and Ito Hirobumi (Japan). After the Meiji Restoration, Ito Hirobumi visited Europe and the U.S., as a part of the Iwakura Mission, where he was greatly fascinated with the new civilization and institutions. Consequently, he was consumed by an insatiable greed for modernization under the initiative of "Escape from Asia toward the West" and formation of "The Greater East Asia Co-Prosperity Sphere." After the British Army intimidated China with a mighty military force off the Shanghai coast, Li Hongzhang decided to advance China's military power. Under the banner of "The Eastern Way and the Western Vehicle," however, China's modernization could not stand up to Europe's imperialism and

³ For other interpretations, refer to Harvey (2003) and Arrighi (1983).

Japan's sub-imperialism. Lee Ha-Yeoung attempted national reform under the policy of national seclusion because he did not keep pace with changing circumstances surrounding Europe or China and Japan. He tried to draw something new from the old tradition deeply rooted in vested rights, thereby failing to safeguard the sovereignty of the Chosun Dynasty. Ultimately, the Korean Peninsula became colonized by Japan.

After the Second World War, South Korea, China, and Japan underwent their own development processes. Amid the state-led economic and social overhaul, Japan implemented an outward-oriented development strategy in favor of business. South Korea embraced Japan's developmental state model for rapid economic growth. After its adoption of the reform and open-door policies, the Chinese economy was put on the same track of ongoing growth, typical of the developmental state model of Japan and South Korea. Both "The Four Dragons" and "The Five Tigers" drove the state-led industrialization buoyed by export growth.

Developmental state model is characterized by the following features: state intervention and guidance, long-term economic planning, rapid and continuous growth, quality education system, abundant pool of cheap and skilled manpower, strategic industrial and financial policies, and so on. The developmental state model stimulated Japan's economic recovery in the 1950s after the Second World War. It also played a key role in South Korea's rapid economic development from the 1970s to the 1990s, and spurred China's ongoing sustained economic growth driven by the industrialization from the 1990s. Today, the reduction of state role and the expansion of market functions are gathering considerable momentum amid the prevalence of neo-liberalism empowered by globalization. But this situation raises the necessity of appropriate state intervention in the provision of social welfare, the settlement of conflicting interests, and the construction of infrastructure. In sum, a developmental state did not completely fade away, but is being reborn into a new type of "post-developmental state" in some countries.

South Korea, China, and Japan now have a firm and solid economic presence worldwide. As of 2011, China, Japan, and South Korea hold foreign exchange reserves of USD 3 trillion, USD 2 trillion, and USD 300 billion (see Table 3). Asian countries account for eight nations of the world's top 10 holders of foreign exchange reserves, which include China, Japan, Russia, Taiwan, India, South Korea, Hong Kong, and Singapore. Brazil and Switzerland are the remaining two holders.

Historically, industrial success or failure has relied on the usage of iron, called the rice of industries, and late industrial starters have tended to catch

TABLE 3
FOREIGN EXCHANGE RESERVE OF TOP 10 COUNTRIES¹ (AS OF THE END OF
FEBRUARY, 2011)

(100 million dollars)

Rank	Country	Foreign Exchange Reserve		Rank	Country	Foreign Exchange Reserve	
1.	China ²	28,473	(795)	6.	India ³	3,008	(16)
2.	Japan	10,915	(-15)	7.	South Korea	2,977	(17)
3.	Russia	4,938	(97)	8.	Switzerland	2,750	(32)
4.	Taiwan	3,907	(36)	9.	Hong Kong	2,727	(-5)
5.	Brazil	3,075	(98)	10.	Singapore	2,309	(38)

NOTES.—1. Foreign Exchange Reserve means the amount of stock and parenthesis shows preceding month change. 2. As of the end of December, 2010. 3. As of the 25th of February, 2011.

SOURCE.—The Bank of Korea, Press Release, 2011.4.1

TABLE 4
TOP 10 STEEL-PRODUCING COUNTRIES (AS OF 2011)

(Megaton, Mt)

Ranking	Country	Crude Steel Output	Ranking	Country	Crude Steel Output
1	China	695.5	6	South Korea	68.5
2	Japan	107.6	7	Germany	44.3
3	U.S.	86.2	8	Ukraine	35.3
4	India	72.2	9	Brazil	35.2
5	Russia	68.7	10	Turkey	34.1

SOURCE.—World Steel Association, *Crude Steel Statistics Total 2011*. (<http://www.worldsteel.org/media-centre/press-releases/2012/2011-world-crude-steel-production.html>)

up with early starters through upgraded crude steel production. Germany and the U.S. tried to overtake the UK and Europe respectively through strides in the steel industry. Japan endeavored to expand crude steel output with the aim of outdoing Europe and the U.S. In 1968, South Korea embarked on national industrialization with the launch of POSCO. As shown in Table 4, China is the world's largest crude steel producer, followed by Japan, the U.S., India, Russia, and South Korea.

Asian countries show their strength not only in traditional chimney industry but also in the leading edge technology sectors. For example,

TABLE 5
TOP 10 SEMICONDUCTOR SALES LEADERS (2011)

Rank 2011	Rank 2010	Rank 2009	Company	Country	Total Sales (billion dollar)	2010/2009 change rate	Market share
1	1	1	Intel Corporation	USA	40 020	+24.3%	13.2%
2	2	2	Samsung Electronics	South Korea	28 137	+60.8%	9.3%
3	4	4	Texas Instruments	USA	12 966	+34.1%	4.3%
4	3	3	Toshiba Semiconductors	Japan	13 081	+26.8%	4.3%
5	5	9	Renesas Electronics	Japan	11 840	+129.8%	3.9%
6	9	6	Qualcomm	USA	7 200	+12.3%	2.4%
7	7	5	STMicroelectronics	France, Italy	10 290	+20.9%	3.4%
8	6	7	Hynix	South Korea	10 577	+69.3%	3.5%
9	8	13	Micron Technology	USA	8 853	+106.2%	2.9%
10	10	14	Broadcom	USA	7 153	+7.0%	2.3%

SOURCE.—Wikipedia (Total Sales, Market Share as of 2010)

semiconductor production is also remarkable in Asian companies. Five Korean and Japanese firms are among the top ten sales leaders in this industry (see Table 5).

China is no longer a sleeping lion. Since its entry into the WTO and successful launch of the manned spacecraft “Shenzhou” in 2003, China has cemented its global presence through the hosting of the 2008 Beijing Olympics and the 2010 Shanghai EXPO. China has ambitious plans to nurture over 50 Chinese firms for the entry into the world’s top 500 enterprises in the foreseeable future. It recently built an aircraft carrier as a part of efforts to make inroads in the Indian Ocean as well as the Pacific Ocean. Likewise, China is struggling for unchallenged supremacy over not only Asia but also the rest of the world. It has offered a massive amount of development assistance and financial investment to African and Latin American countries. In 2010, China overtook Japan in terms of GDP. Five years ago the Chinese GDP amounted to only half of the Japanese GDP. If

this trend continues, as the IMF predicts, the Chinese GDP might catch up with the U.S. GDP, at the earliest, within five years.

Japan is undoubtedly an economic giant, but it resembles a dwarf in the political sense. In addition to economic strength, Japan seeks ways to consolidate diplomatic and military capabilities with revising the self-defense laws for rearmament. However, Japan is no longer a rising sun. Political leadership has become fragile, as proved by the recent inauguration of five Prime Ministers in less than five years. As interested parties still dominate the National Diet, the Democratic Party has difficulty in executing national reform in the face of the Liberal Democratic Party. The Democratic Party proposed a coalition cabinet for efficient crisis management of the Fukushima nuclear reactors, but it obtained chilly responses from the Liberal Democratic Party and the New Komeito Party. It will take several years for Japan to bounce back from the recent tsunami setbacks. But Japan wants to reemerge as a global economic power out of crisis on the basis of strong technological leadership and abundant capital stocks.

As of 2010, South Korea was the world's 7th exporter as well as the world's 9th trading country, and ranked 11th globally in terms of GDP. South Korea has reinforced its global presence through concurrent execution of industrialization and democratization, but has serious limitations as a divided nation, as distinct from China or Japan. Although South Korea is in the league of middle powers, it stands at a disadvantage position compared to China and Japan due to its inherent limitations as a divided nation, which prevents South Korea from serving as a Northeast Asian balancer for coexistence and harmony. Nevertheless, South Korea reveals a strong presence in international relations and the global economy as evidenced by efforts to build a bridge between advanced and developing worlds through the hosting of the G20 Summit in 2010.

Towards a Community Building in Northeast Asia⁴

Northeast Asia refers to the northeastern sections of Asia centering on mainland China, the Islands of Japan, and the Korean Peninsula, but it can include not only Mongolia, but also Russia and the U.S.⁵ Particularly, Korea,

⁴ This section is a revised version of one of the authors' article (Lim 2010).

⁵ Geographically, the U.S. includes Alaska, which is connected to North Asia, where Russia is also present as a Eurasian state. In geopolitical terms, the U.S. and Russia are also linked with Northeast Asia through numerous treaties and agreements they have signed with Northeast Asian countries.

China, and Japan follow the long-standing and dominant tradition of nationalism. To build a regional community, however, they should pursue a “conjunctive synthesis” (求存同異) and “unity in diversity” (和而不同) through acceptance of intraregional diversity under regional commonness. While fostering a sense of community, they should enhance mutual understanding and trust through expansion of cultural and economic exchanges for cooperation and coexistence.

Previously, Korea, China, and Japan came under the influence of Sino-centrism based upon Confucian culture, but such cultural similarity guaranteed no regional unity. Although Korea, China, and Japan adjoin one another, it would have been unthinkable for them to maintain active contact and exchanges of manpower and resources from ancient times to the modern age, except for the heyday of intercourse and trade: The Tang Dynasty, the Silla Dynasty, and the Nara and Heian Periods. In the 14th century, the Ming Dynasty adopted a national seclusion policy to restrict foreign access to the country. The Chosun Dynasty and the Tokugawa Government followed the Chinese precedent in the early 15th century and the early 17th century respectively. Consequently, this imposed restrictions on mutual visits and trade among them (except for Dongrae Waegwan and Nagasaki). After the late 19th century, they embarked on friendly relationships with one another thanks to the opening of ports to Western countries (Go 1995, pp. 23-9).

In retrospect, Korea has been inseparable from the Chinese influence since the collapse of Goguryeo, while Japan strived for the conquest of China since the reign of Toyotomi Hideyoshi. Just as China defined Northeast Asia as its daily sphere under the banner of Sino-centrism, Japan harbored ongoing ambitions to make inroads into the Asian continent pursuant to Asianism. Korea, however, was free from such chauvinistic expansionism, clearly distinct from China and Japan. Of these three nations, China became the first victim of Western imperialism, which led Japan to build Asian colonies as a late imperial starter. After its colonization of the Korean Peninsula, Japan won the Sino-Japanese War, thereby obtaining the Taiwanese territory. Finally, Japan could accelerate aspirations for the “Greater East Asia Co-Prosperty Sphere” by advancing to the Chinese mainland. Today, Northeast Asia still bears the onerous historical burden resulting from Japan’s misleading experiment with the “Greater East Asia Co-Prosperty Sphere.”

These two nations play significant geopolitical roles in joining together Asia and North America across the Pacific Ocean.

In the early 19th century, the U.S. and Russia had conflicting interests in Northeast Asia. According to the Taft–Katsura Agreement (1905), the U.S. recognized Japan's colonization of the Korean Peninsula in exchange for the U.S.'s acquisition of the Philippines. Meanwhile, Russia also exercised considerable influence over the Korean Peninsula until it lost the Russo-Japanese War for supremacy over Northeast Asia (1904).

Since the Korean War, the U.S. and the former Soviet Union have shown keen but different interests concerning Northeast Asian issues, such as armament, diplomacy, and economy. The U.S. has been interrelated with South Korea, Japan, and Taiwan through the signing of the US-Japan Mutual Security Treaty (1951), the ROK-U.S. Mutual Defense Agreement (1953), the U.S. Pledge on the Defense of Taiwan (1980),⁶ the U.S. participation in APEC, and the ROK-U.S. FTA. By contrast, the former Soviet Union has maintained close ties with North Korea and China through the conclusion of the N. K.-Chinese Treaty on Friendly Cooperation and Mutual Assistance (1961), the N.K.-Soviet Treaty on Friendly Cooperation and Mutual Assistance (1961),⁷ and the N.K.-Russian Treaty on Friendly Cooperation and Mutual Assistance (2000).⁸

In the early 2000s, South Korea tried to pose itself as a Northeast Asian balancer to keep the region's peace and prosperity amid the head-on confrontation between the U.S.-led southern alliance and the Russia-led northern alliance. Apart from South Korea's real capacity as a Northeast Asian balancer, this illustrates South Korea's firm resolve to transform the regional order mechanism from conflict to cooperation. While Japan aspired to be the Asian representative of the U.S. through stronger solidarity with the U.S., South Korea was wrongfully stigmatized as a traitor defecting from the American allies to pro-Chinese leagues due to some misunderstanding about its gesture as a Northeast Asian balancer. By restoring its relationship with the U.S., South Korea now stands up against the great-power chauvinism of China and Japan with the backing of military capabilities.

One of major obstacles to the regional cooperation in Northeast Asia lies

⁶ This is a revised version of the Sino-American Mutual Defense Treaty which was terminated after the U.S. established diplomatic relations with China.

⁷ This treaty was annulled after Russia notified North Korea of its termination in September 1995 and Russia rejected North Korea's request for renewal in September 1996. The N.K.-Russian Treaty on Friendly Cooperation and Mutual Assistance is a substitute for this treaty.

⁸ The U.S. conducts joint military exercises with Japan or South Korea in the same way that Russia does with China. South Korea, China, and Japan tend to seek military build-up rather than arms reduction, and consequently this fuels weaker cooperation among these Northeast Asian countries.

in the fact that Japan fails to deeply repent previous misbehaviors committed against China and Korea during the colonial period. In reparation for comfort women, Japan vehemently denies their existence, as it also denies the Nanking Massacre. Furthermore, Japanese Prime Ministers continue to worship at the Shinto shrine, and Japan even goes so far as to distort history books for beautification of its aggressive colonization of China and the Korean Peninsula. Even though China urges Japan's penance for previous imperial wrongdoings, it shows a hegemonic tendency for the denial of Korea's unique history by publicizing the Northeast Project. Meanwhile, territorial disputes are also detrimental to the regional cooperation in Northeast Asia. The Kuril Islands dispute still remains a pending issue between Russia and Japan. Territorial disputes moved into full swing amid Japan's alleged dominion over South Korea's Dokdo Island and Japan's request for return of the Pinnacle Islands from China. Tensions ran highest between China and Japan over the islands known as the Diaoyu in China and the Senkaku in Japan in 2012.⁹ Simply put, Northeast Asia is currently in the middle of historical conflicts and territorial disputes.

North Korea's nuclear development raises tensions across Northeast Asia. As North Korea harbors ambitions of being a nuclear power following the U.S., Russia, and China, this provokes enormous concerns from neighboring countries like Japan and South Korea. In this process, Japan exploits North Korea's nuclear issue to justify its revision of self-defense laws for rearmament, and China and South Korea are inevitably anxious about Japan's right-wing nationalism. Today China and Japan compete for regional supremacy in an excessive armament race. Northeast Asian militarism, including North Korea's nuclear issue, corroborates that Northeast Asia is still dominated by the cold war mentality.

Overall, Northeast Asia's future is beset by serious challenges and threats. The biggest challenge lies in the complicated series of historical conflicts and territorial disputes among South Korea, China, and Japan. They will have a chance to create a new order for regional peace and prosperity only through a rational and reasonable settlement of these problems. Europe's experience clearly illustrates the numerous hardships surrounding the formation of a regional community. Over the half century since the conclusion of the Treaty of Rome in 1957, the EU has made a significant leap forward from economic integration to political integration. But the EU's economic consolidation is

⁹ <http://topics.nytimes.com/top/news/international/countriesandterritories/china/territorial-disputes/index.html>

placed in jeopardy by the recent crisis in the Eurozone, which hampers the EU's political and social integration. Apart from its economic integration over the half century, the EU should reach a pan-European consensus about laws, norms, and institutions beyond national interests to build a political community in the form of coalition of states. Aside from the cultural commonness of Christianity, Europe required considerable experience and learning to cope with the long history of division and unity for its creation of the regional community. Just like Europe, Northeast Asia has undergone a history of economic exchange and military conflict. However, it stands in striking contrast to Europe in that it did not experience religious or political integration under the dominant influence of nationalism (Lim, Kim, and Chang 2004).

Today Asia has a number of cooperative bodies such as APEC, ASEAN, ASEAN+3 and ASEAN+6 (see Figure 3). With the involvement of 21 members, the APEC is short of being a powerful economic cooperative body. Even though the 1994 Bogor Summit generated regional consensus about the timeline of intraregional trade liberalization (2010 for advanced countries and 2020 for developing countries), enormous obstacles still lie ahead of the APEC in pursuit of a viable economic bloc in Asia. APEC's institutionalization is delayed by the U.S. and China striving for economic supremacy across Asia. With a total of ten members, ASEAN (Association for South East Asian Nations) focuses its primary attention on economic cooperation, but it falls short of yielding tangible outcomes. It tries to go well with the U.S for security concerns, but to take advantage of China for economic stakes. It also stays reserved towards APEC under the U.S. influence for fear that it might weaken its position as an alliance of weak economies. With the involvement of South Korea, China, and Japan in ASEAN, the ASEAN+3 was founded to handle the Asian financial crisis, and it represents only a forum for exchange of views and ideas without decision-making authority.¹⁰ In addition, the ASEAN+6 (including India, Australia and New Zealand) was established to make the biggest free-trade market on the globe.¹¹ Nevertheless, there is a high likelihood for coexistence of ASEAN+3, ASEAN+6 and APEC in the

¹⁰ There are discussions to include India, Australia and New Zealand in the ASEAN +3 to expand it into ASEAN+6 (<http://www.nationmultimedia.com/business/Asean+6-set-to-launch-worlds-biggest-free-trade-ma-30192768.html>).

¹¹ To facilitate the cooperation among the ASEAN+3, the East Asia Forum (EAF) was established for the governmental, academic, and business circles. In the same vein, the East Asia Summit (EAS) is held for the leaders from the ASEAN+6, USA and Russia after the annual ASEAN leaders' meeting.

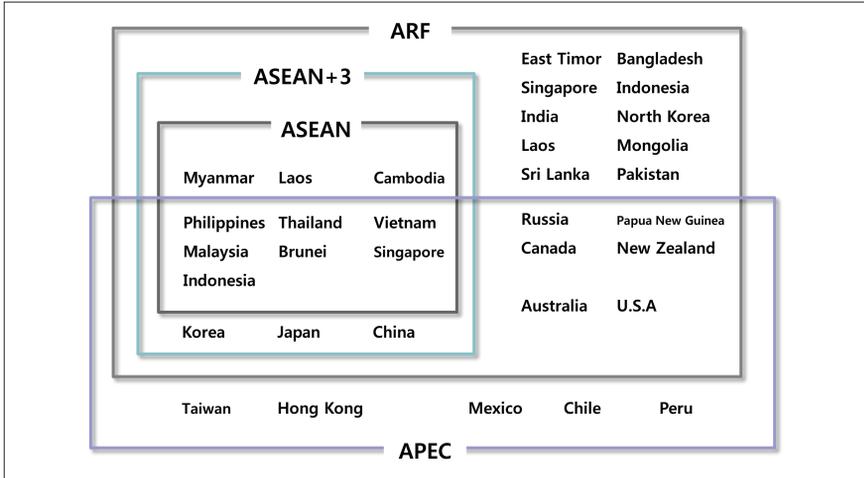


FIG.—3. Varieties of Regional Community in Asia

future.

The formation of a regional community is crucial for Northeast Asia to turn tension and conflict into cooperation and coexistence, but this is hampered by excessive hegemonic competition under the banner of nationalism. Thus, South Korea, China, and Japan should take both economic and cultural approaches toward the creation of a regional community. Instead of being hard-pressed to build an economic community like APEC, they should foster reconciliation and cooperation according to bilateral principles based upon one-to-one negotiations. Moreover, they should work towards multilateral coexistence to ensure broader participation of all three countries. In this regard, the ANEAN (Association for North East Asian Nations) might prove helpful for these three nations. South Korea is expected to play a vital role in building a regional community essentially since it tends to stay aloof from great-power chauvinism, unlike China or Japan. Moreover, South Korea might fall victim to the great-power chauvinism advocated by China and Japan. Keeping this in mind, South Korea's mission is to cope with the resurgence of nationalism sweeping across Northeast Asia. Of course, South Korea stands and starts off at a disadvantageous position, in reference to its national strength, against the nationalism of China and Japan. Paradoxically, however, this non-expansionary stance so far gives South Korea a moral hegemonic precedence over China and Japan in Northeast Asian community building.

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