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Integration processes in Northeast Asia

The article is aimed to give the complex information about processes in Northeast Asia and their influence on regional integration. Northeast Asia is one of the most complex, fragile regions in the global security landscape. Reaching the stability in the region through the interaction between main actors is one of the important goals on the way of becoming more essential in international stage. Many problems and difficulties in interstate relations exist and most of them are linked with historical past. There are few regional structures in developing stage, with different basis and background, that can also be evaluated as a reflection of peculiar situation in the region. However, these constructions are expected to be a good instrument in achieving integrity. Their current state therefore should necessarily be considered.

Key words: integration processes, Northeast Asia, APEC, EAC, ASEAN+3.

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Интеграционные процессы в Северо-Восточной Азии

Статья нацелена на выдачу комплексной информации о процессах в Северо-Восточной Азии и их влиянии на региональную интеграцию. Северо-Восточная Азия – один из самых сложных, хрупких регионов в глобальном ландшафте безопасности. Достижение стабильности в регионе через взаимодействие основных акторов является одной из главных целей на пути становления, более существенным на международном уровне. Существует много проблем и затруднений в межгосударственных отношениях, и большинство из них связано с историческим прошлым. Имеется несколько региональных структур на развивающемся этапе, с различной основой и предпосылками, что также может расцениваться как отражение своеобразной ситуации в регионе. Однако эти конструкции, как ожидается, могут стать хорошим инструментом в достижении единства. Поэтому их текущее состояние обязательно должно быть рассмотрено.

Ключевые слова: интеграционные процессы, Северо-Восточная Азия, АТЭС, ВАС, АСЕАН+3.

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Солтүстік-Шығыс Азиядағы интеграциялық үрдістер

Мақала Солтүстік-Шығыс Азиядағы үрдістер мен олардың аймақтық интеграцияға ықпалы туралы кешенді мәлімет беруге бағытталған. Солтүстік-Шығыс Азия қауіпсіздіктің жаһандық ландшафтындағы ең күрделі және әлсіз аймақтардың бірі болып табылады. Негізгі акторлардың өзара әрекеттестігі арқылы аймақтағы тұрақтылыққа қол жеткізу халықаралық деңгейде елеулі болу жолындағы басты мақсаттардың бірі. Мемлекетаралық қатынастарда мәселелер мен қиындықтар көп және олардың көбісі тарихи өткенімен байланысты. Негізі мен алғышарттары әртүрлі болып келетін даму сатысындағы бірқатар аймақтық ұйымдар бар, ол да аймақтағы өзгеше жағдайдың бір көрінісі ретінде бағалануы мүмкін. Сонда да бұл құрылымдар бірлікке жетуде жақсы құралға айналады деп күтілуде. Сондықтан олардың қазіргі жағдайы міндетті түрде қарастырылуы қажет.

Түйін сөздер: интеграциялық үрдістер, Солтүстік-Шығыс Азия, АТЭС, ШАҚ, АСЕАН+3.

The twenty first century is defined by many interrelated processes, that are shaping new reality through the interaction.

Global and regional integration is an organic component of the dominant trends of our time called globalization. By integration processes the sustainable growth of links, relations and interactions of countries and regions in the economical, social, technical, scientific, and ecological spheres are understood.

Regional integration is the process by which two or more nation-states agree to cooperate and work closely together to achieve peace, stability and wealth. Usually integration involves one or more written agreements that describe the areas of cooperation in detail, as well as some coordinating bodies representing the involved countries. This cooperation usually begins with economic integration and as it continues, comes to include political integration.

It will respond to the interests of countries and people, contributes to a more complete and efficient use of resources. This also applies to the countries of Northeast Asia.

In the Northeastern Asia (NEA) integration processes have considerably strengthened since the 80th of the 20th century that was resulted from the fact that large economic reforms began in China and Russia, then Japan and Republic of Korea entered a new phase of the economic development. The economies of Northeast Asia are already closely linked. Most trade among them faces no or negligible, formal border barriers. Nevertheless, there are many ways to promote even deeper economic integration. Northeast Asia contains China and Japan, two of the three largest economies in the world. South Korea and Taiwan are in the top twenty. With dense populations and limited natural resources, they need global links and their economic interests can not be accommodated in anything less than a single global economy.

There are many opportunities to integrate Northeast Asian economies consistent with their overriding interest in an open international economic regime. They could undertake more unilateral reform, especially of their agriculture and service sectors. They could show more leadership in the WTO. And they could accelerate the work to address behind-the-border and across-the-border obstacles to trade or investment within the APEC (Asia-Pacific Cooperation) process.

However, on the way of integration processes the region faces many obstacles, which are inherited

from the history, among them a split in the center of Northeast Asia – the Korean peninsula, the confrontation between the two Koreas and the associated interlocking interests of the four major powers – the U.S., Russia, China and Japan – are more significant.

For that reason, the issue needs a comprehensive review. In addition to determining the geographical, geopolitical and geostrategic designation of the region, the article emphasizes on complicated relationships of the leading countries in the region. For the deeper understanding of the integration processes in the region the features and the functioning of the existing organizations are to be viewed on the basis of past and current data.

Characteristic of subregion

Northeast Asia is the Asia-Pacific subregion, which predict a great future in the development of mankind. It incorporates South and North Korea, Northeast China, Japan, Far Eastern part Russia and Mongolia. This countries have very unequal ancient, modern and contemporary history. They differ from each other by the way of life of the population, ethno-psychological characteristics, socio-economic potential, the nature of political regimes. The dynamics of development of countries in Northeast Asia over the past decades is characterized by a large diversity and the growth of differentiation between them [1]. However, Northeast Asia can not be viewed only as a geographical concept, but also as a major subregion with its geopolitical, geoeconomic and other characteristics that will take place in the international community in general. All states of Northeast Asia (except Mongolia) are adjacent to the aquatory of the Pacific Ocean. Most of their population, except Russia, belongs to the same race and profess one or two close religion. Past history has changed many things in the lives of the peoples of Northeast Asia with its wars, invasions, conquests, domination and subordination of some by others and displacing large numbers of people across ethnic boundaries. This could not totally change but affect the current status and the way of life of the population of Northeast Asia.

Many countries gravitate to the NEA regionally: South-East Asia (SEA) – Indonesia, the Philippines, Malaysia, Singapore, Vietnam, Thailand, Cambodia, Myanmar, Laos, Brunei, East Timor; Central Asia (CA) – Kazakhstan, Uzbekistan, Tajikistan, Turkmenistan and Kyrgyzstan; South Asia (SA) – India, Nepal, Bhutan, Sri Lanka, etc. Obviously,

the Siberian and Far Eastern parts of Russia geographically are also included in this subregion. The NEA is the part of a global Asia-Pacific Region (APR). So, often we come across the term «Greater East Asia» or «Asia», which is perfectly valid and correct extension of the traditional concept of «Northeast Asia» [2].

The World War II and its aftermath had great influence on all these countries. It changed the socio-political structure of the region forming states, their place in this part of the world and their role in new world order. China, as a result of prolonged revolutionary struggle, finished its semi-colonial status, and in fact, by going through the tremendous social and political upheaval in 50 – 60s, was rapidly advancing in a number of leading world powers. Then China has gained the opportunity to have a significant impact on the situation in Northeast Asia. Japan was defeated in World War II, being occupied and deeply dependent to the U.S. Retaining their national and an unique historical and cultural identity, it has shown a remarkable ability to use external pressure for the assimilation of modern democratic norms and values, and for becoming one of the most advanced, powerful and dynamic state of the world in technical and economic terms. However, its international political influence (including in Northeast Asia) lags well behind its economic potential primarily due to the negative consequences of militarist imperial past and the special relationship with the United States. Korea as a result of the defeat of the Soviet Army Kwantung group was freed from a long colonial rule of Japan, but was split into two opposing states. The gap between two of its units received a strong and long-lasting momentum due to a deadly inter-Korean military conflict in which the United States and China were directly involved, and the Soviet Union participated indirectly. Korea has become the main victim of the Cold War in the East, between two of its main rivals – the USSR and the USA. The development of the North and South of the peninsula had gone on so divergent directions, which called into question the existence of a unified Korean nation. As a result of the Second World War, the United States is «firmly settled» in the NEA in the military-political and economic terms, having the opportunity to play a dominant role in the development of events in Northeast Asia.

The End of the Cold War and the confrontation between two blocs on the world stage once again had changed the situation in Northeast Asia: normal political and economic relations between Russia and

China and the Republic of Korea were in the way of stabilization, the two Korean states were adopted at the UN, the sharpness of the military confrontation subsided, the contacts between North and South Korea were attempted to be more acceptable.

International conditions for the unification of the Korean peninsula have become much more favorable. However, it's too loud to say that the situation around Korea today has a strong tendency to stability.

According to P. Ya. Baklanov, here are objective preconditions that integration processes in NEA will also grow in future.

1. The peculiarities of geographical location of the NEA countries and regions: their exit to the seacoasts and the Pacific, the neighborhood of the countries to each other, the presence of common geographical structures (basins of rivers, lakes, and seas, and populations of plants and animals).

2. Interchangeability of combinations of natural resources in certain countries and their cross-border regions.

3. Forming common links of transport infrastructure: rail and road transitions between countries, ferryboats, oil and gas pipes (in perspective), power lines (in perspective), the line links etc.

4. Strengthening crossing of the markets of certain raw materials and commodities of NEA

5. Growing eagerness of all countries of NEA to study and investigate natural resources of the North Pacific including the zone of the World Ocean.

6. Similar tendencies of NEA countries to form and develop the models of the open market economy.

7. Uniqueness, originality, and differences of NEA cultures [3].

Pattern of relations between main actors

The ruptures have left Northeast Asia with lingering issues such as territorial disputes between China and Japan, South Korea and Japan, division on Korean Peninsula. Japanese attitudes towards history are among the core variables that influence its relations with China and South Korea. Clearly, historical factors have important and obvious influence on the current political landscape in Northeast Asia.

As do ideological factors. The Cold War was in part the struggle of competing ideologies between the United States and the Soviet Union. But this struggle has outlived the Cold War. The current security tensions in Northeast Asia are still exacerbated by a Cold War mentality and its manifestation in the U.S. alliance system in Asia. To some degree, the

strong U.S. presence in the region contributes to the increased security dilemma. Take the North Korean nuclear crisis, which Pyongyang claims is driven by the absence of a guarantee of its national security. For North Korea, a reliable nuclear deterrent is an effective means of safeguarding its own national security. Essentially, the key to the North Korean nuclear issue is still the lack of safety and security.

Third, there are many disputes involving real interests among major Northeast Asia countries. Most of them are entailed by core interests of territorial sovereignty, which narrows the scope for coordination among the involved nations. Nationalist sentiment in these countries runs high, especially on issues of sovereignty. As modern nations, these states see serving the interests and aspirations of their people as an important source of legitimacy. For this reason, decision makers tend to be heavily influenced by public emotions, which may lead to irrational policies. Meanwhile, a number of countries in Northeast Asia have faced economic difficulties in the wake of the global financial crisis. In some cases, political parties have resorted to inciting nationalist sentiment against neighboring countries, to the detriment of relations within the region [4].

In understanding how the dynamic of balance of power continues to persist in the region, three factors need to be considered. The first is the role of the US in the region as an «offshore balancer». Until the US became involved in Northeast Asia, China was historically the uncontested regional power. In this unipolar system, actors tended to bandwagon with the hegemonic power rather than balance against it. Accordingly, the very existence then of an «offshore balancer» provides structural explanation for why the balance of power game continues to be played in Northeast Asia and why a return to the old order is unlikely.

The next factor concerns the so-called «memory wars» among the countries of Northeast Asia. In particular, Japan's coercive colonial rule over the region is often regarded as major obstacle for regional cooperation. Indeed, although its colonial exploits came to a halt with the end of the Second World War, the most contentious war crimes committed by Japan still remain the most sensitive issues today. Controversies such as the Nanjing massacre, human experimentation and biological warfare, forced labor have still not been properly discussed or resolved. And visits by Japanese political figures to the Yasukuni Shrine and the publication of textbooks that minimize past atrocities,

raises concerns that Japan is actually paying tribute to its past actions. Accordingly, the historical legacies of the past continue to shape international relations of the present. What makes this a more complicated factor to overcome is that it is mainly driven by popular sentiment in each country which implicitly views such issues as connected to national identity.

As a result, nationalist politics and ideologies continue to shape the Northeast Asian region. Although the countries of the region have a long and rich history, it has only been since the end of World War II that these countries have been able to embrace the concept of the nation-state. In that sense, the persistence of nationalism is a reflection of the fact that most countries in the region still have not completed the full task of building the nation-state. This can be seen in the way China's «core interests» focus on sovereignty and territorial integrity, the fact that Korean Peninsula remains ideologically divided, and that Japan seeks to be a «normal country»[5].

Features of the functioning of existing structures in the region

There are 3 main structures, that can be estimated as the most successful: Asia-Pacific Economic Cooperation (APEC), ASEAN+3 initiative and the project of the East Asian Community.

APEC is the premier Asia-Pacific economic forum. The primary goal of organization is to support sustainable economic growth and prosperity in the Asia-Pacific region.

The idea of APEC was firstly publicly broached by former Prime Minister of Australia, Mr. Bob Hawke, during a speech in Seoul, Korea in January 1989. Later that year, 12 Asia-Pacific economies met in Canberra, Australia to establish APEC. The founding members were: Australia, Brunei Darussalam, Canada, Indonesia, Japan, Korea, Malaysia, New Zealand, the Philippines, Singapore, Thailand and the United States.

China, Hong Kong, China and Chinese Taipei joined in 1991. Mexico and Papua New Guinea followed in 1993. Chile acceded in 1994. And in 1998, Peru, Russia and Viet Nam joined, taking the full membership to 21.

Between 1989 and 1992, APEC met as an informal senior official and Ministerial level dialogue. In 1993, former United States President, Mr Bill Clinton, established the practice of an annual APEC Economic Leaders' Meeting [6].

There are many opportunities to integrate Northeast Asian economies consistent with their overriding interest in an open international economic regime. They could undertake more unilateral reform, especially of their agriculture and services sectors. They could show more leadership in the WTO. And they could accelerate work to address behind-the-border and across-the-border obstacles to trade or investment within the APEC process.

Unfortunately, the current discussion of regional economic integration in Northeast Asia remains trapped within the paradigm of preferential FTAs.

As it was said before, the Northeast Asia closely connected with other regions. This fact is clearly reflected by ASEAN-plus-3 initiative.

ASEAN+3 cooperation began in December 1997 and institutionalized in 1999 when the Leaders issued a Joint Statement on East Asia Cooperation at their Third ASEAN+3 Summit in Manila. The ASEAN+3 leaders expressed greater resolve and confidence in further strengthening and deepening East Asia cooperation at various levels and in various areas, including energy, transport, and information and communications technology (ICT). ASEAN agreed to strengthen partnership with the People's Republic of China (PRC), the Republic of Korea (Korea) and Japan to address mutual issues and concerns in energy security, natural gas development, oil market studies, oil stockpiling, and renewable energy [7].

ASEAN-plus-3 founded the Chiang Mai Initiative (CMI), a currency swap arrangement to cope with emergencies and then increased its size substantially in the course of 10 years. To strengthen the cooperation framework, finance ministers' meetings, acting finance ministers' meetings and task force meetings have been prolonged. The ASEAN-plus-3 Macroeconomic Research Office (AMRO) was created in 2011.

The third organization, that could be evaluated as a great anticipation is the East Asian Community. The leaders of the Association of Southeast Asian Nations and Japan, China and South Korea announced in December 2005 their determination to realize this structure.

EAC has remained a dream so far because of the complexities of East Asia, particularly the mutual distrust and difficult emotional state between Japan and China. However, a fairly promising path has surfaced for realizing EAC through financial cooperation by ASEAN-plus-3.

This process has already achieved the midway point. A December 2011 joint financial agreement

by the prime ministers of Japan and China is expected to accelerate the process. They agreed on two points:

- To develop financial markets in Japan and China so that Japan-China trade can be settled by the Japanese yen or the Chinese yuan instead of by the dollar;

On June 1 interbank markets for direct trading between the yen and the Chinese yuan opened in Tokyo and Shanghai.

- To accelerate financial cooperation among ASEAN-plus-3 members.

In the face of the European sovereign debt crisis, the two countries are strengthening financial cooperation to help maintain economic stability in East Asia [8].

China's regional outlook and its policies are still conditioned, at the deepest level, by its preoccupation with the modern elements of diplomacy and international politics, including strong nationalism, a sense of rivalry with the United States, an unprecedented pace and scale of military modernization, and preoccupation with territorial integrity.

Japan's perspective on East Asian regionalism and its interests therein, in contrast, are essentially post-industrial, including commitment to non-traditional security issues such as human security, problems common to rapidly evolving civil societies, and issues associated with aging societies [9].

In East Asia, de facto economic integration as a result of private economic activities came into being first. The prospect of an institutionalized community has not emerged due to different levels of economic development, differing political philosophies and a difficult security environment.

A realistic approach to EAC would be a so-called functional approach as proposed by Japan's Ministry of Foreign Affairs. It calls for first deepening functional cooperation in various areas as preliminary steps in the framework of ASEAN-plus-3.

Conclusion

Northeast Asia is increasingly strengthening its position every day. Historical and geographical relevance of such giants as Japan and Korea, the gradual build-up of military power on the part of North Korea and South Korea's economic prosperity lead to high expectations. Mongolia, which is not so actively participates in the integration process, but certainly trying to join, gives the hope too.

In any case, the basic processes in the region are considered primarily through the prism of Sino – Japanese relations and, of course, maintaining

security on the Korean Peninsula and in the region as a whole, plays a key role in the analysis of any process in Northeast Asia.

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